



IOWA ADMINISTRATIVE BULLETIN

Published Biweekly

VOLUME XLVI
February 21, 2024

NUMBER 17
Pages 7145 to 7281

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PREFACE

The Iowa Administrative Bulletin is published biweekly pursuant to Iowa Code chapters 2B and 17A and contains Notices of Intended Action and rules adopted by state agencies.

It also contains Proclamations and Executive Orders of the Governor which are general and permanent in nature; Regulatory Analyses; effective date delays and objections filed by the Administrative Rules Review Committee; Agenda for monthly Administrative Rules Review Committee meetings; and other materials deemed fitting and proper by the Administrative Rules Review Committee.

The Bulletin may also contain public funds interest rates [12C.6]; usury rates [535.2(3)“a”]; agricultural credit corporation maximum loan rates [535.12]; and other items required by statute to be published in the Bulletin.

PLEASE NOTE: Underscore indicates new material added to existing rules; ~~strike-through~~ indicates deleted material.

JACK EWING, Administrative Code Editor
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CITATION of Administrative Rules

The Iowa Administrative Code shall be cited as (agency identification number) IAC (chapter, rule, subrule, paragraph, subparagraph, or numbered paragraph).

This citation format applies only to external citations to the Iowa Administrative Code or Iowa Administrative Bulletin and does not apply to citations within the Iowa Administrative Code or Iowa Administrative Bulletin.

441 IAC 79	(Chapter)
441 IAC 79.1	(Rule)
441 IAC 79.1(1)	(Subrule)
441 IAC 79.1(1)“a”	(Paragraph)
441 IAC 79.1(1)“a”(1)	(Subparagraph)
441 IAC 79.1(1)“a”(1)“1”	(Numbered paragraph)

The Iowa Administrative Bulletin shall be cited as IAB (volume), (number), (publication date), (page number), (ARC number).

IAB Vol. XII, No. 23 (5/16/90) p. 2050, ARC 872A

NOTE: In accordance with Iowa Code section 2B.5A, a rule number within the Iowa Administrative Code includes a reference to the statute which the rule is intended to implement: 441—79.1(249A).

Schedule for Rulemaking 2024

NOTICE† SUBMISSION DEADLINE	NOTICE PUB. DATE	HEARING OR COMMENTS 20 DAYS	FIRST POSSIBLE ADOPTION DATE 35 DAYS	ADOPTED FILING DEADLINE	ADOPTED PUB. DATE	FIRST POSSIBLE EFFECTIVE DATE	POSSIBLE EXPIRATION OF NOTICE 180 DAYS
Dec. 20 '23	Jan. 10 '24	Jan. 30 '24	Feb. 14 '24	Feb. 16 '24	Mar. 6 '24	Apr. 10 '24	July 8 '24
Jan. 3	Jan. 24	Feb. 13	Feb. 28	Mar. 1	Mar. 20	Apr. 24	July 22
Jan. 19	Feb. 7	Feb. 27	Mar. 13	Mar. 15	Apr. 3	May 8	Aug. 5
Feb. 2	Feb. 21	Mar. 12	Mar. 27	Mar. 29	Apr. 17	May 22	Aug. 19
Feb. 16	Mar. 6	Mar. 26	Apr. 10	Apr. 12	May 1	June 5	Sep. 2
Mar. 1	Mar. 20	Apr. 9	Apr. 24	Apr. 26	May 15	June 19	Sep. 16
Mar. 15	Apr. 3	Apr. 23	May 8	**May 8**	May 29	July 3	Sep. 30
Mar. 29	Apr. 17	May 7	May 22	May 24	June 12	July 17	Oct. 14
Apr. 12	May 1	May 21	June 5	June 7	June 26	July 31	Oct. 28
Apr. 26	May 15	June 4	June 19	**June 19**	July 10	Aug. 14	Nov. 11
May 8	May 29	June 18	July 3	July 5	July 24	Aug. 28	Nov. 25
May 24	June 12	July 2	July 17	July 19	Aug. 7	Sep. 11	Dec. 9
June 7	June 26	July 16	July 31	Aug. 2	Aug. 21	Sep. 25	Dec. 23
June 19	July 10	July 30	Aug. 14	**Aug. 14**	Sep. 4	Oct. 9	Jan. 6 '25
July 5	July 24	Aug. 13	Aug. 28	Aug. 30	Sep. 18	Oct. 23	Jan. 20 '25
July 19	Aug. 7	Aug. 27	Sep. 11	Sep. 13	Oct. 2	Nov. 6	Feb. 3 '25
Aug. 2	Aug. 21	Sep. 10	Sep. 25	Sep. 27	Oct. 16	Nov. 20	Feb. 17 '25
Aug. 14	Sep. 4	Sep. 24	Oct. 9	Oct. 11	Oct. 30	Dec. 4	Mar. 3 '25
Aug. 30	Sep. 18	Oct. 8	Oct. 23	**Oct. 23**	Nov. 13	Dec. 18	Mar. 17 '25
Sep. 13	Oct. 2	Oct. 22	Nov. 6	**Nov. 6**	Nov. 27	Jan. 1 '25	Mar. 31 '25
Sep. 27	Oct. 16	Nov. 5	Nov. 20	**Nov. 20**	Dec. 11	Jan. 15 '25	Apr. 14 '25
Oct. 11	Oct. 30	Nov. 19	Dec. 4	**Dec. 4**	Dec. 25	Jan. 29 '25	Apr. 28 '25
Oct. 23	Nov. 13	Dec. 3	Dec. 18	**Dec. 18**	Jan. 8 '25	Feb. 12 '25	May 12 '25
Nov. 6	Nov. 27	Dec. 17	Jan. 1 '25	**Jan. 2 '25**	Jan. 22 '25	Feb. 26 '25	May 26 '25
Nov. 20	Dec. 11	Dec. 31	Jan. 15 '25	Jan. 17 '25	Feb. 5 '25	Mar. 12 '25	June 9 '25
Dec. 4	Dec. 25	Jan. 14 '25	Jan. 29 '25	Jan. 31 '25	Feb. 19 '25	Mar. 26 '25	June 23 '25
Dec. 18	Jan. 8 '25	Jan. 28 '25	Feb. 12 '25	Feb. 14 '25	Mar. 5 '25	Apr. 9 '25	July 7 '25

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
19	Friday, March 1, 2024	March 20, 2024
20	Friday, March 15, 2024	April 3, 2024
21	Friday, March 29, 2024	April 17, 2024

PLEASE NOTE:

Rules will not be accepted by the Publications Editing Office after **12 o'clock noon** on the filing deadline unless prior approval has been received from the Administrative Rules Coordinator and the Administrative Code Editor.

If the filing deadline falls on a legal holiday, submissions made on the following Monday will be accepted.

†To allow time for review by the Administrative Rules Coordinator prior to the Notice submission deadline, Notices should generally be submitted in RMS four or more working days in advance of the deadline.

****Note change of filing deadline****

The Administrative Rules Review Committee will hold its regular, statutory meeting on March 4, 2024, in Room 116, State Capitol, Des Moines, Iowa, at the conclusion of other committee meetings in the afternoon. For more information, contact Jack Ewing at jack.ewing@legis.iowa.gov. The following rules will be reviewed:

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Women, infants, and children/farmers’ market nutrition program and senior farmers’ market nutrition program, ch 50 Notice **ARC 7643C** 2/21/24

BANKING DIVISION[187]

COMMERCE DEPARTMENT[181]“umbrella”
Required fees, 2.19 Notice **ARC 7576C** 2/7/24

CAPITAL INVESTMENT BOARD, IOWA[123]

Agency realignment, rescind chs 1 to 4 Filed **ARC 7633C** 2/21/24

ECONOMIC DEVELOPMENT AUTHORITY[261]

EDUCATION DEPARTMENT[281]

Public records and fair information practices, ch 5 Notice **ARC 7582C**..... 2/7/24
Unsafe school choice option; open enrollment and other enrollment options, rescind ch 11;
adopt ch 17 Notice **ARC 7602C**..... 2/7/24
General accreditation standards, ch 12 Notice **ARC 7583C** 2/7/24
School health services, ch 14 Notice **ARC 7584C**..... 2/7/24
Online and virtual learning, ch 15 Notice **ARC 7585C**..... 2/7/24
Community colleges; community college accreditation, adopt ch 21; rescind ch 24 Notice **ARC 7603C**..... 2/7/24
Senior year plus program, ch 22 Notice **ARC 7586C**..... 2/7/24
Private instruction and dual enrollment, ch 31 Notice **ARC 7587C**..... 2/7/24
Funding for children residing in state institutions or mental health institutes, ch 34 Notice **ARC 7588C**..... 2/7/24
Special education, ch 41 Notice **ARC 7589C**..... 2/7/24
Pupil transportation, ch 43 Notice **ARC 7590C**..... 2/7/24
School buses, ch 44 Notice **ARC 7591C**..... 2/7/24
Career and technical education, ch 46 Notice **ARC 7592C**..... 2/7/24
State standards for progression in reading, ch 62 Notice **ARC 7593C** 2/7/24
Educational programs and services for pupils in juvenile homes, ch 63 Notice **ARC 7594C**..... 2/7/24
Child development coordinating council; educational support programs for parents of children aged birth through five years who are at risk, adopt ch 64; rescind ch 67
Notice **ARC 7604C** 2/7/24
Standards for school business official preparation programs, ch 81 Notice **ARC 7595C** 2/7/24
Statewide sales and services tax for school infrastructure, ch 96 Notice **ARC 7596C**..... 2/7/24
Supplementary weighting, ch 97 Notice **ARC 7597C**..... 2/7/24
Financial management of categorical funding, ch 98 Notice **ARC 7598C**..... 2/7/24
Procedures for charging and investigating incidents of abuse of students by school employees, ch 102 Notice **ARC 7599C**..... 2/7/24
Corporal punishment, physical restraint, seclusion, and other physical contact with students, ch 103 Notice **ARC 7600C** 2/7/24
Early access integrated system of early intervention services, ch 120 Notice **ARC 7601C** 2/7/24

HUMAN SERVICES DEPARTMENT[441]

Child care assistance program, 170.2, 170.4 Notice **ARC 7651C** 2/21/24

INSPECTIONS AND APPEALS DEPARTMENT[481]

Petitions for rulemaking, ch 2 Notice **ARC 7645C**..... 2/21/24
Declaratory orders, ch 3 Notice **ARC 7646C** 2/21/24
Agency procedure for rulemaking, ch 4 Notice **ARC 7647C** 2/21/24
Licensing and child support noncompliance, student loan repayment noncompliance, and nonpayment of state debt, ch 8 Notice **ARC 7649C**..... 2/21/24
Ambulatory surgical centers, adopt ch 49 Notice **ARC 7650C**..... 2/21/24
Hospitals, ch 51 Notice **ARC 7572C**, also Filed Emergency **ARC 7573C** 2/7/24

INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]“umbrella”
Captive companies, adopt ch 113 Notice **ARC 7644C** 2/21/24

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates; SECURE 2.0 Act of 2022; paper warrant processing fee; alignment, 4.6,
5.2(6)“g,” 11.2(4)“a,” 11.6(1), 11.7(6) Notice **ARC 7648C**..... 2/21/24

LABOR SERVICES DIVISION[875]

WORKFORCE DEVELOPMENT DEPARTMENT[871]“umbrella”

Child labor, amendments to ch 32 Filed **ARC 7615C**..... 2/7/24
Boiler and pressure vessels—request for extended inspection interval, 90.6(10) Filed **ARC 7616C** 2/7/24

PHARMACY BOARD[657]

PUBLIC HEALTH DEPARTMENT[641]“umbrella”

Temporary designation of controlled substances, 10.39 Notice **ARC 7632C**..... 2/21/24
Temporary designation of controlled substances, 10.39(2) Filed **ARC 7617C** 2/7/24

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]“umbrella”

Licensure of social workers, ch 280 Notice **ARC 7639C**..... 2/21/24
Continuing education for social workers, ch 281 Notice **ARC 7640C** 2/21/24
Practice of social workers, ch 282 Notice **ARC 7641C** 2/21/24
Discipline for social workers, ch 283 Notice **ARC 7642C**..... 2/21/24
Licensure of physician assistants, ch 326 Notice **ARC 7638C** 2/21/24

RACING AND GAMING COMMISSION[491]

INSPECTIONS AND APPEALS DEPARTMENT[481]“umbrella”

Proceedings; sports wagering; fantasy sports contests, 4.1, 4.4, 4.5, 13.2, 13.5, 13.6(3),
14.7(2), 14.8 Filed **ARC 7634C** 2/21/24

REVENUE DEPARTMENT[701]

Definitions, ch 200 Filed **ARC 7618C** 2/7/24
Rules necessary to implement the streamlined sales and use tax agreement, ch 204 Filed **ARC 7619C** 2/7/24
Sourcing of taxable services, tangible personal property, and specified digital products, ch
205 Filed **ARC 7620C** 2/7/24
Remote sales and marketplace sales, ch 207 Filed **ARC 7621C**..... 2/7/24
Telecommunication services, ch 217 Filed **ARC 7622C** 2/7/24
Local option sales and services tax, ch 270 Filed **ARC 7623C**..... 2/7/24
New school infrastructure local option sales and services tax—effective on or after April 1,
2003, through fiscal years ending December 31, 2022, rescind ch 271 Filed **ARC 7624C** 2/7/24
Rebate of Iowa sales tax paid, ch 275 Filed **ARC 7625C**..... 2/7/24
Facilitating business rapid response to state-declared disasters, ch 276 Filed **ARC 7626C** 2/7/24
Sales and use tax refund for biodiesel production, ch 277 Filed **ARC 7627C** 2/7/24
Refunds for eligible businesses under economic development authority programs, ch 278
Filed **ARC 7628C**..... 2/7/24

UTILITIES DIVISION[199]

COMMERCE DEPARTMENT[181]“umbrella”

Rulemaking, ch 3 Notice **ARC 7577C** 2/7/24
Declaratory orders, ch 4 Notice **ARC 7578C** 2/7/24
Procedure for determining the competitiveness of a communications service or facility,
rescind ch 5 Filed **ARC 7629C**..... 2/7/24
Complaint procedures, ch 6 Filed **ARC 7635C** 2/21/24
Interstate natural gas pipelines and underground storage, rescind ch 12 Filed **ARC 7636C**..... 2/21/24
Utility records, ch 18 Filed **ARC 7637C** 2/21/24
Annual report, ch 23 Notice **ARC 7579C** 2/7/24
Regulation of electric cooperatives and municipal electric utilities under Iowa Code chapter
476, ch 27 Notice **ARC 7580C** 2/7/24
Access to affiliate records, requirements for annual filings, and service and asset transfer
costing standards, ch 31 Notice **ARC 7581C**..... 2/7/24

WORKFORCE DEVELOPMENT BOARD AND WORKFORCE DEVELOPMENT CENTER**ADMINISTRATION DIVISION[877]**

WORKFORCE DEVELOPMENT DEPARTMENT[871]“umbrella”

Regional industry sector partnerships, 7.25 Filed **ARC 7630C**..... 2/7/24
Statewide work-based learning intermediary network, rescind ch 31 Filed **ARC 7631C** 2/7/24
Adult education and literacy programs, ch 32 Notice **ARC 7574C** 2/7/24
Iowa vocational rehabilitation services, ch 33 Notice **ARC 7575C** 2/7/24

ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS

Regular, statutory meetings are held the second Tuesday of each month at the seat of government as provided in Iowa Code section 17A.8. A special meeting may be called by the Chair at any place in the state and at any time.

Senator Mike Klimesh
Chair
Senate District 32

Senator Nate Boulton
Senate District 20

Senator Mike Bousset
Senate District 21

Senator Waylon Brown
Senate District 30

Senator Cindy Winckler
Senate District 49

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Vice Chair
House District 6

Representative Amy Nielsen
House District 85

Representative Rick Olson
House District 39

Representative Mike Sexton
House District 7

Representative David Young
House District 28

Nate Ristow
Administrative Rules Coordinator
Governor's Ex Officio Representative
Capitol, Room 18
Des Moines, Iowa 50319
Telephone: 515.281.5211

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Women, infants, and children/farmers' market nutrition program and senior farmers' market nutrition program, ch 50 IAB 2/21/24 ARC 7643C	Second Floor Conference Room Wallace State Office Bldg. Des Moines, Iowa	March 12, 2024 9 a.m.
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ECONOMIC DEVELOPMENT AUTHORITY[261]

Programs—enterprise zone, entrepreneurial ventures assistance, high quality jobs; environmental law compliance; violations of law; definitions; wage, benefit, and investment requirements; contracting; contract compliance and job counting; annual reporting, rescind chs 59, 60, 172 to 175, 187 to 189; adopt ch 68 IAB 2/7/24 Regulatory Analysis	1963 Bell Ave. Des Moines, Iowa	February 27, 2024 1 to 1:15 p.m.
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Rulemaking procedure, ch 196 IAB 2/21/24 Regulatory Analysis	1963 Bell Ave. Des Moines, Iowa	March 19, 2024 2:15 to 2:30 p.m.
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Iowa energy center grant program, ch 404 IAB 2/7/24 Regulatory Analysis	1963 Bell Ave. Des Moines, Iowa	February 27, 2024 1:15 to 1:30 p.m.
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EDUCATION DEPARTMENT[281]

Community colleges, adopt ch 21, rescind ch 24; senior year plus program, ch 22; funding for children residing in state institutions or mental health institutes, ch 34; career and technical education, ch 46; programs and services for pupils in juvenile homes, ch 63 IAB 2/7/24 ARCs 7586C, 7588C, 7592C, 7594C, 7603C	Room B100 Grimes State Office Bldg. Des Moines, Iowa Room B50 Grimes State Office Bldg. Des Moines, Iowa	February 27, 2024 9:30 to 10 a.m. February 27, 2024 1:30 to 2 p.m.
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Special education, ch 41; progression in reading, ch 62; supplementary weighting, ch 97; incidents of abuse of students by school employees, ch 102; corporal punishment, physical restraint, seclusion, and other physical contact with students, ch 103; early access integrated system of early intervention services, ch 120 IAB 2/7/24 ARCs 7593C, 7589C, 7597C, 7599C to 7601C	Room B100 Grimes State Office Bldg. Des Moines, Iowa Room B50 Grimes State Office Bldg. Des Moines, Iowa	February 27, 2024 10 to 11 a.m. February 27, 2024 2 to 3 p.m.
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EDUCATION DEPARTMENT[281](cont'd)

Standards for school business official preparation programs, ch 81; statewide sales and services tax for school infrastructure, ch 96; financial management of categorical funding, ch 98 IAB 2/7/24 ARCs 7595C, 7596C, 7598C	Room B100 Grimes State Office Bldg. Des Moines, Iowa Room B50 Grimes State Office Bldg. Des Moines, Iowa	February 27, 2024 11 to 11:30 a.m. February 27, 2024 3 to 3:30 p.m.
Public records and fair information practices, ch 5; unsafe school choice option; open enrollment, rescind ch 11; adopt ch 17; general accreditation standards, ch 12; school health services, ch 14; online and virtual learning, ch 15 IAB 2/7/24 ARCs 7582C, 7602C, 7583C	Room B100 Grimes State Office Bldg. Des Moines, Iowa Room B50 Grimes State Office Bldg. Des Moines, Iowa	February 27, 2024 9 to 9:30 a.m. February 27, 2024 1 to 1:30 p.m.
Private instruction and dual enrollment, ch 31; pupil transportation, ch 43; school buses, ch 44; child development coordinating council, educational support programs for parents of children aged birth through five years who are at risk, adopt ch 64, rescind ch 67 IAB 2/7/24 ARCs 7587C, 7590C, 7591C, 7604C	Room B100 Grimes State Office Bldg. Des Moines, Iowa Room B50 Grimes State Office Bldg. Des Moines, Iowa	February 27, 2024 11:30 a.m. to 12 noon February 27, 2024 3:30 to 4 p.m.

HUMAN SERVICES DEPARTMENT[441]

Organization, general definitions, procedure and petitions for rulemaking, declaratory orders, appeals and hearings, public records and fair info. practices, notices, chs 1, 3 to 5, 7, 9, 16; payment of small claims, ch 8; collection of debt, chs 10, 11; program evaluation, ch 13; fiscal oversight of the early childhood Iowa initiative, ch 122; adoption services, ch 200; subsidized adoptions, ch 201; Iowa adoption exchange, ch 203; subsidized guardianship program, ch 204 IAB 1/24/24 ARCs 7358C, 7359C, 7362C to 7365C, 7389C, 7369C, 7378C	Microsoft Teams ID: 249 196 980 071 Passcode: 9dQkSC	February 26, 2024 1 to 2 p.m.
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HUMAN SERVICES DEPARTMENT[441](cont'd)

Child care assistance program,
170.2, 170.4
IAB 2/21/24 **ARC 7651C**

Microsoft Teams ID: 249 612 543 333
Passcode: JB3qMP

March 13, 2024
11:30 a.m.

Microsoft Teams ID: 291 465 633 702
Passcode: KGsoMf

March 21, 2024
11:30 a.m.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Petitions for rulemaking, ch
2; declaratory orders, ch 3;
procedure for rulemaking, ch
4; Contribution rates; licensing,
noncompliance—child support,
student loan repayment, state
debt, ch 8; Ambulatory surgical
centers, adopt ch 49
IAB 2/21/24 **ARCs 7645C to
7647C, 7649C, 7650C**

6200 Park Ave., Suite 100
Des Moines, Iowa

March 18, 2024
11:20 to 11:40 a.m.

March 20, 2024
11:20 to 11:40 a.m.

Hospitals, ch 51
IAB 2/7/24 **ARC 7572C**
(See also **ARC 7573C**)

6200 Park Ave., Suite 100
Des Moines, Iowa
meet.google.com/omy-errx-ppx
Or dial: 1.570.915.0075
PIN: 255 876 356#

February 27, 2024
10:30 a.m.

February 28, 2024
10:30 a.m.

More phone numbers:
[tel.meet/omy-errx-ppx?pin=1328955137110](tel:meet/omy-errx-ppx?pin=1328955137110)

Health care employment agencies,
amendments to ch 55
IAB 2/21/24
Regulatory Analysis

6200 Park Ave.
Des Moines, Iowa

March 18, 2024
11:40 a.m.

INSURANCE DIVISION[191]

Captive companies, adopt ch 113
IAB 2/21/24 **ARC 7644C**

1963 Bell Ave., Suite 100
Des Moines, Iowa

March 20, 2024
10 to 11 a.m.

March 20, 2024
3 to 4 p.m.

IOWA FINANCE AUTHORITY[265]

Agency procedure for rulemaking,
ch 17
IAB 2/21/24
Regulatory Analysis

1963 Bell Ave.
Des Moines, Iowa

March 19, 2024
2 to 2:15 p.m.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates; SECURE 2.0
Act of 2022; paper warrant
processing fee; alignment, 4.6,
5.2(6)“g,” 11.2(4)“a,” 11.6(1),
11.7(6)
IAB 2/21/24 **ARC 7648C**

IPERS Boardroom
7401 Register Dr.
Des Moines, Iowa
Microsoft Teams ID: 227 084 262 326
Passcode: Rqm7hh

March 12, 2024
10 to 11 a.m.

PROFESSIONAL LICENSURE DIVISION[645]

<p>Licensure of social workers, ch 280 IAB 2/21/24 ARC 7639C to 7642C</p>	<p>6200 Park Ave. Des Moines, Iowa Via video/conference call: meet.google.com/upm-vmcy-kyc Or dial: 424.269.9398 PIN: 166 396 680#</p>	<p>March 12, 2024 9 to 9:30 a.m.</p> <p>March 13, 2024 9 to 9:30 a.m.</p>
<p>Licensure of physician assistants, ch 326 IAB 2/21/24 ARC 7638C</p>	<p>6200 Park Ave. Des Moines, Iowa Video call link: meet.google.com/upm-vmcy-kyc Or dial: (US) +1 424.269.9398 PIN: 166 396 680# More phone numbers: tel.meet/upmvmcykyc?pin=8845872653931</p>	<p>March 12, 2024 9:20 to 9:40 a.m.</p> <p>March 13, 2024 9:20 to 9:40 a.m.</p>

PUBLIC HEALTH DEPARTMENT[641]

<p>Reportable diseases, poisonings and conditions, and quarantine and isolation, ch 1; hepatitis programs, ch 2; Immunization and immunization education: persons attending elementary or secondary schools, licensed child care centers or institutions of higher education, ch 7; human immunodeficiency virus (HIV) infection and acquired immune deficiency syndrome (AIDS), ch 11; private well testing, reconstruction, and plugging—grants to counties, ch 24; establishment of new certificate of live birth following adoption, 95.6(1)“b,” 99.14; state-funded family medicine obstetrics fellowship program, ch 106; smokefree air, ch 153; medical cannabidiol program, ch 154; health data, ch 177; nonpayment of state debt, ch 194; emergency medical services—military service, veteran reciprocity, and spouses of active duty service members, ch 196 IAB 1/24/24 ARCs 7374C, 7360C, 7361C, 7366C, 7367C, 7370C to 7374C, 7507C, 7508C</p>	<p>Microsoft Teams ID: 249 196 980 071 Passcode: 9dQkSC</p>	<p>February 26, 2024 1 to 2 p.m.</p>
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TRANSPORTATION DEPARTMENT[761]

<p>Interstate motor carriers, commercial driver’s licenses—adoption by reference of federal regulations, 529.1, 607.10(1), 800.4(1), 800.15(4), 800.20(1), 810.1(1), 911.5(1) IAB 2/7/24 Regulatory Analysis</p>	<p>Via video/conference call: Microsoft Teams link Or dial: 1.515.817.6093 Conference ID: 529 274 993</p>	<p>March 1, 2024 10 a.m.</p>
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UTILITIES DIVISION[199]

Forms, rescind ch 2 IAB 1/24/24 ARC 7535C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 29, 2024 9 to 11 a.m.
Rulemaking, ch 3 IAB 2/7/24 ARC 7577C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 27, 2024 10 to 11 a.m. March 5, 2024 10 to 11 a.m.
Declaratory orders, ch 4 IAB 2/7/24 ARC 7578C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 27, 2024 9 to 10 a.m. March 5, 2024 9 to 10 a.m.
Civil penalties, rescind ch 8 IAB 1/24/24 ARC 7536C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 29, 2024 9 to 11 a.m.
Accounting, ch 16 IAB 2/21/24 Regulatory Analysis	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	March 19, 2024 9 a.m.
Annual report, ch 23 IAB 2/7/24 ARC 7579C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 27, 2024 11 a.m. to 12 noon March 5, 2024 11 a.m. to 12 noon
Regulation of electric cooperatives and municipal electric utilities under Iowa Code chapter 476, ch 27 IAB 2/7/24 ARC 7580C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 27, 2024 2 to 3 p.m. March 5, 2024 2 to 3 p.m.
Management efficiency evaluation, ch 29 IAB 2/21/24 Regulatory Analysis	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 28, 2024 9 a.m. March 19, 2024 9 a.m. (If requested)
Access to affiliate records, requirements for annual filings, and service and asset transfer costing standards, ch 31 IAB 2/7/24 ARC 7581C	Board Hearing Room 1375 E. Court Ave. Des Moines, Iowa	February 27, 2024 1 to 2 p.m. March 5, 2024 1 to 2 p.m.

VETERINARY MEDICINE BOARD[811]

Description of organization and definitions, ch 1; petitions for rulemaking, ch 2; declaratory orders, ch 3; agency procedure for rulemaking, ch 4; public records and fair information practices, ch 5; application for veterinary licensure, ch 6; veterinary examinations, ch 7; auxiliary personnel, ch 8; Temporary veterinary permits, ch 9; discipline, ch 10; continuing education, ch 11; standards of practice, ch 12; collection procedures, ch 13; waiver of rules, ch 14; contested cases, adopt ch 16 IAB 1/24/24 ARCs 7556C to 7570C	Second Floor Boardroom Wallace State Office Bldg. Des Moines, Iowa	February 29, 2024 10 a.m. March 8, 2024 10 a.m.
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**WORKFORCE DEVELOPMENT BOARD AND
WORKFORCE DEVELOPMENT CENTER ADMINISTRATION DIVISION[877]**

Adult education and literacy programs, ch 32 IAB 2/7/24 ARC 7574C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	February 27, 2024 9 to 10 a.m. February 27, 2024 1 p.m.
Iowa vocational rehabilitation services, ch 33 IAB 2/7/24 ARC 7575C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	February 27, 2024 10 to 11 a.m. February 27, 2024 1 p.m.

The following list will be updated as changes occur.

“Umbrella” agencies and elected officials are set out below at the left-hand margin in CAPITAL letters.

Divisions (boards, commissions, etc.) are indented and set out in lowercase type under their statutory “umbrellas.”

Other autonomous agencies are included alphabetically in SMALL CAPITALS at the left-hand margin.

ADMINISTRATIVE SERVICES DEPARTMENT[11]
AGING, DEPARTMENT ON[17]
AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]
 Soil Conservation and Water Quality Division[27]
ATTORNEY GENERAL[61]
AUDITOR OF STATE[81]
BEEF CATTLE PRODUCERS ASSOCIATION, IOWA[101]
BLIND, DEPARTMENT FOR THE[111]
CAPITAL INVESTMENT BOARD, IOWA[123]
CHIEF INFORMATION OFFICER, OFFICE OF THE[129]
OMBUDSMAN[141]
CIVIL RIGHTS COMMISSION[161]
COMMERCE DEPARTMENT[181]
 Alcoholic Beverages Division[185]
 Banking Division[187]
 Credit Union Division[189]
 Insurance Division[191]
 Professional Licensing and Regulation Bureau[193]
 Accountancy Examining Board[193A]
 Architectural Examining Board[193B]
 Engineering and Land Surveying Examining Board[193C]
 Landscape Architectural Examining Board[193D]
 Real Estate Commission[193E]
 Real Estate Appraiser Examining Board[193F]
 Interior Design Examining Board[193G]
 Utilities Division[199]
CORRECTIONS DEPARTMENT[201]
 Parole Board[205]
CULTURAL AFFAIRS DEPARTMENT[221]
 Arts Division[222]
 Historical Division[223]
ECONOMIC DEVELOPMENT AUTHORITY[261]
 City Development Board[263]
IOWA FINANCE AUTHORITY[265]
EDUCATION DEPARTMENT[281]
 Educational Examiners Board[282]
 College Student Aid Commission[283]
 Higher Education Loan Authority[284]
 Libraries and Information Services Division[286]
 Public Broadcasting Division[288]
 School Budget Review Committee[289]
EGG COUNCIL, IOWA[301]
ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]
EXECUTIVE COUNCIL[361]
FAIR BOARD[371]
HUMAN RIGHTS DEPARTMENT[421]
HUMAN SERVICES DEPARTMENT[441]
INSPECTIONS AND APPEALS DEPARTMENT[481]
 Employment Appeal Board[486]
 Child Advocacy Board[489]
 Racing and Gaming Commission[491]
 State Public Defender[493]
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]
IOWA PUBLIC INFORMATION BOARD[497]
LAW ENFORCEMENT ACADEMY[501]

LIVESTOCK HEALTH ADVISORY COUNCIL[521]
LOTTERY AUTHORITY, IOWA[531]
MANAGEMENT DEPARTMENT[541]
 Appeal Board, State[543]
 City Finance Committee[545]
 County Finance Committee[547]
NATURAL RESOURCES DEPARTMENT[561]
 Environmental Protection Commission[567]
 Natural Resource Commission[571]
 Preserves, State Advisory Board for[575]
PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591]
PROPANE EDUCATION AND RESEARCH COUNCIL, IOWA[599]
PUBLIC DEFENSE DEPARTMENT[601]
HOMELAND SECURITY AND EMERGENCY MANAGEMENT DEPARTMENT[605]
PUBLIC EMPLOYMENT RELATIONS BOARD[621]
PUBLIC HEALTH DEPARTMENT[641]
 Professional Licensure Division[645]
 Dental Board[650]
 Medicine Board[653]
 Nursing Board[655]
 Pharmacy Board[657]
PUBLIC SAFETY DEPARTMENT[661]
RECORDS COMMISSION[671]
REGENTS BOARD[681]
 Archaeologist[685]
REVENUE DEPARTMENT[701]
SECRETARY OF STATE[721]
SHEEP AND WOOL PROMOTION BOARD, IOWA[741]
TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION, IOWA[751]
TRANSPORTATION DEPARTMENT[761]
TREASURER OF STATE[781]
TURKEY MARKETING COUNCIL, IOWA[787]
VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]
VETERINARY MEDICINE BOARD[811]
VOLUNTEER SERVICE, IOWA COMMISSION ON[817]
VOTER REGISTRATION COMMISSION[821]
WORKFORCE DEVELOPMENT DEPARTMENT[871]
 Labor Services Division[875]
 Workers' Compensation Division[876]
 Workforce Development Board and Workforce Development Center Administration Division[877]

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 21—Chapter 50
“Women, Infants, and Children/Farmers’ Market Nutrition Program and Senior Farmers’ Market
Nutrition Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 175B
State or federal law(s) implemented by the rulemaking: 7 CFR Parts 249 and 250

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
9 a.m.

Second Floor Conference Room
Wallace State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the Department of Agriculture and Land Stewardship (IDALS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Purpose and Summary

The proposed rulemaking will update the language around voucher redemption to allow IDALS to transition from bank-deposited checks to app-deposited vouchers.

Furthermore, the rulemaking provides farmers with more flexibility on when and where they can accept Farmers’ Market Nutrition Program (FMNP) vouchers as payment.

Furthermore, the rulemaking clarifies noncompliance sanction procedures for farmers and for FMNP participants.

The proposed rules can be found in Notice **ARC 7643C**, IAB 2/21/24.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
None.
 - Classes of persons that will benefit from the proposed rulemaking:
Farmers, seniors, and WIC families participating in Iowa FMNP will benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:
There is no economic cost to participate; the rulemaking will have no quantitative impact.
 - Qualitative description of impact:

The rulemaking will make voucher redemption more convenient for some farmers, but generally, the proposed rulemaking will not have a qualitative impact.

3. Costs to the State:

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

The State contributes around \$35,000 annually in required matching funds for the program, with most funding (e.g., a \$1,187,761 grant for FFY 2023) coming from the U.S. Department of Agriculture (USDA). The proposed rulemaking will not affect state agency costs. Matching funds do contribute to personnel costs of 1.0 full-time equivalent (FTE) position.

- Anticipated effect on state revenues:

The program does not contribute to state revenues, and the proposed rulemaking will have no effect on state revenues.

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

The current rules only address voucher redemption via bank deposit. Inaction would complicate IDALS' effort to modernize the voucher redemption system.

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

None—no additional costs will be incurred.

6. Alternative methods considered by the agency:

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

No alternative methods were considered.

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

No alternative methods were considered.

Small Business Impact

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

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

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

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

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

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

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

The proposed rulemaking will reduce the substantial impact on small businesses (participating farmers) by providing greater flexibility on when and where they can accept FMNP vouchers as payment.

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 261—Chapter 196
“Agency Procedure for Rulemaking”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 19, 2024
2:15 to 2:30 p.m.

1963 Bell Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the Economic Development Authority (Authority) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10 (January 10, 2023), the Authority proposes to rescind Chapter 196 and adopt a new chapter in lieu thereof. The new chapter will incorporate Iowa Code chapter 17A by reference and provide contact information for the Authority.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

Persons who want to participate in the Authority’s rulemaking process may incur the costs described below.

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

The proposed rulemaking will benefit persons interested in participating in the procedures for rulemaking for the Authority.

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

- Quantitative description of impact:

Members of the public who want to participate in the rulemaking process may incur costs to draft and submit documents to the Authority relating to rulemakings or to participate in opportunities for oral proceedings.

- Qualitative description of impact:

The proposed rulemaking will provide clarity about the Authority’s procedures for rulemaking since the current chapter is inconsistent with Iowa Code chapter 17A.

3. Costs to the State:

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

Authority staff time is required to administer the procedures for rulemaking, including drafting Notices of Intended Action or associated documents and overseeing any public participation in the process. No additional costs are imposed by the proposed rulemaking compared to the current chapter.

- Anticipated effect on state revenues:

The rulemaking has no anticipated effect on state revenues.

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

Costs to participate in the rulemaking process are minimal and incurred only by those who choose to participate. The proposed rulemaking will provide clarity about the Authority's procedures for rulemaking since the current chapter is inconsistent with Iowa Code chapter 17A.

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

The Authority has not identified any less costly methods or less intrusive methods of describing procedures for rulemaking.

6. Alternative methods considered by the agency:

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

The Authority did not consider any alternative methods.

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

The Authority did not consider any alternative methods because the Authority did not identify any less costly or less intrusive method.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rules do not have a substantial impact on small business. The rules do not establish compliance or reporting requirements. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 196 and adopt the following new chapter in lieu thereof:

CHAPTER 196 AGENCY PROCEDURE FOR RULEMAKING

261—196.1(17A) Incorporation by reference. The authority incorporates by this reference all such matters in Iowa Code chapter 17A that relate to procedures for rulemaking.

261—196.2(17A) Contact information.

196.2(1) General. Inquiries about authority rules and the rulemaking process may be directed to Director, Iowa Economic Development Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315.

196.2(2) Comments on proposed rules. Any public comment on a Notice of Intended Action or similar document relating to rules may be directed to Director, Iowa Economic Development Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315, or as directed in the Notice of Intended Action or similar document.

These rules are intended to implement Iowa Code chapter 17A.

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 481—Chapter 55
“Health Care Employment Agencies”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.104
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 135Q as amended by
2023 Iowa Acts, House File 357

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 18, 2024
11:40 a.m.

6200 Park Avenue
Des Moines, Iowa

Virtual participation for public hearings will be available on the Department of Inspections, Appeals,
and Licensing’s website.

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis.
Written or oral comments in response to this Regulatory Analysis must be received by the Department
no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Ashleigh Hackel
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.250.3746
Email: ashleigh.hackel@dia.iowa.gov

Purpose and Summary

This proposed rulemaking amends Chapter 55, “Health Care Employment Agencies,” and
implements Iowa Code chapter 135Q as amended by 2023 Iowa Acts, House File 357, in accordance
with the goals and directives of Executive Order 10 (January 10, 2023). This rulemaking removes
the definition of “direct services” and amends the definition of “health care employment agency” in
accordance with 2023 Iowa Acts, House File 357. The rulemaking also revises references to ambulatory
surgical centers in the definition of “health care entity” to account for new state licensing standards
established by 2023 Iowa Acts, Senate File 75. Finally, the revisions update the Department’s contact
information and references to now-codified legislation.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
This proposed rulemaking does not impose any new costs.
 - Classes of persons that will benefit from the proposed rulemaking:

This proposed rulemaking updates the rules in association with revisions to Iowa Code chapter 135Q
as amended by 2023 Iowa Acts, House File 357. The general public and regulated entities will benefit
from clear and consistent implementation of revised Iowa Code chapter 135Q.

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

- Quantitative description of impact:
The proposed rulemaking has no effect on the substantive regulatory standards beyond conformance with revised Iowa Code chapter 135Q. No quantitative impact is anticipated.
 - Qualitative description of impact:
The proposed rulemaking has no effect on the substantive regulatory standards beyond conformance with revised Iowa Code chapter 135Q. No qualitative impact is anticipated.
3. Costs to the State:
- Implementation and enforcement costs borne by the agency or any other agency:
There are no implementation or enforcement costs borne by the agency or any other agency. Implementation will be through current personnel implementing this chapter.
 - Anticipated effect on state revenues:
There is no anticipated effect on state revenues.
4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:
There are no known costs associated with these proposed rules, and the revisions are attributable only to the conformance with revisions to Iowa Code chapter 135Q as amended by 2023 Iowa Acts, House File 357.
5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:
The Department believes that it has utilized the least costly and least intrusive method of implementing Iowa Code chapter 135Q as amended by 2023 Iowa Acts, House File 357.
6. Alternative methods considered by the agency:
- Description of any alternative methods that were seriously considered by the agency:
No alternative methods of implementation were identified.
 - Reasons why alternative methods were rejected in favor of the proposed rulemaking:
No alternative methods of implementation were identified.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

Chapter 55 became effective in January 2023 and was intentionally drafted to implement Iowa Code chapter 135Q without superfluous requirements that may unnecessarily impact businesses, large or small. This proposed rulemaking merely updates the rules to accommodate legislative revisions affecting the language used to implement Iowa Code chapter 135Q. If a health care employment agency was a small

business and identified that a particular rule was overly burdensome and the goals of which could be achieved in a manner that would reduce the impact on the small business, that health care employment agency could utilize the Department's established waiver process.

Text of Proposed Rulemaking

ITEM 1. Amend rule 481—55.1(89GA, HF2521) as follows:

481—55.1(89GA, HF2521 135Q) Definitions. The definitions set forth in Iowa Code section 135Q.1 as enacted by 2022 Iowa Acts, House File 2521, are incorporated herein by reference. As used in this chapter, unless the context otherwise requires, the following terms also apply:

“Direct services” includes services performed by registered nurses, licensed practical nurses, certified nurse aides, certified medication aides, and medication managers. *“Direct services”* does not include the practice of medicine and surgery or osteopathic medicine and surgery by an individual licensed under Iowa Code chapter 148 or 148C or the practice of nursing by an advanced registered nurse practitioner or an advanced practice registered nurse licensed under Iowa Code chapter 152 or 152E. For purposes of this chapter, janitorial, housekeeping, laundry, and meal preparation services are not considered direct services.

“Health care employment agency” does not include a recruitment firm that contracts with a health care entity to identify and screen potential candidates for hire and does not provide agency workers for temporary, or temporary-to-hire, direct hire, or other contract or employee placements in this state. *“Health care employment agency”* does not include a group of physical therapists licensed under Iowa Code chapter 148A, occupational therapists licensed under Iowa Code chapter 148B, or speech pathologists or audiologists licensed under Iowa Code chapter 154F providing services to a health care entity.

“Health care entity” includes, but is not limited to, any entities licensed or certified pursuant to Iowa Code chapters chapter 135B (hospitals), 135C (health care facilities), 135G (subacute mental health care facilities), 135H (psychiatric medical institutions for children), 135J (licensed hospice programs), 231C (assisted living programs), and 231D (adult day services), or any ambulatory surgical center 135R (ambulatory surgical centers), or any home health agency, hospice, end-stage renal disease center, rural health clinic, or federally qualified health care center certified by the Centers for Medicare and Medicaid Services.

ITEM 2. Amend rule 481—55.2(89GA, HF2521) as follows:

481—55.2(89GA, HF2521 135Q) Health care employment agency registration.

55.2(1) A health care employment agency operating in the state shall file a statement of registration and pay a registration fee in accordance with Iowa Code section 135Q.2(1) ~~as enacted by 2022 Iowa Acts, House File 2521.~~ A health care employment agency with multiple locations may complete one registration containing the information required in subrule 55.2(3) for each location and may remit one payment for the total registration fee required. A health care employment agency shall register with the department 30 days prior to operation.

~~a.—A health care employment agency in operation prior to July 1, 2022, shall register with the department no later than January 4, 2023.~~

~~b.—A health care employment agency in operation on or after July 1, 2022, shall register with the department 30 days prior to operation.~~

55.2(2) The statement of registration may be submitted electronically via an Internet-based system provided by the department for such purpose; by mail to the Department of Inspections, and Appeals, and Licensing, Health Facilities and Safety Division, Lucas State Office Building, Third Floor, 321 E. 12th Street 6200 Park Avenue, Suite 100, Des Moines, Iowa 50319-0083 50321; or by fax to (515)242-5022 515.242.5022.

55.2(3) to 55.2(5) No change.

ITEM 3. Amend rule 481—55.3(89GA, HF2521) as follows:

481—55.3(89GA, HF2521 135Q) General requirements. A health care employment agency shall adhere to all requirements under Iowa Code section 135Q.2(2) ~~as enacted by 2022 Iowa Acts, House File 2521,~~ and do all of the following:

55.3(1) Verification of employment standards. A health care employment agency shall ensure that its agency workers comply with all applicable state and federal requirements under Iowa Code sections 135Q.2(2) “a” through “c₂” ~~as enacted by 2022 Iowa Acts, House File 2521,~~ including but not limited to the following:

a. to c. No change.

55.3(2) No change.

ITEM 4. Amend rule 481—55.4(89GA, HF2521) as follows:

481—55.4(89GA, HF2521 135Q) Prohibitions.

55.4(1) A health care employment agency shall not restrict the employment opportunities of an agency worker in accordance with Iowa Code section 135Q.2(3) ~~as enacted by 2022 Iowa Acts, House File 2521.~~

55.4(2) Subrule 55.4(1) shall not apply to a contract between a health care employment agency and a health care entity or a health care employment agency worker that meets all of the following criteria: set forth in Iowa Code section 135Q.2(3) “b.”

a. ~~The contract is for the purpose of placing an agency worker the health care employment agency assisted in obtaining authorization to work in the United States;~~

b. ~~The contract contains an initial contract term of no less than 24 months and has a total duration, including any renewals or extensions, of no longer than 36 months; and~~

c. ~~The contract requires the agency worker to work at a single health care entity for the duration of the contract.~~

ITEM 5. Amend rule 481—55.5(89GA, HF2521) as follows:

481—55.5(89GA, HF2521 135Q) Record retention and reporting.

55.5(1) No change.

55.5(2) External reporting. A health care employment agency shall report, file, or otherwise provide any required documentation pursuant to Iowa Code section 135Q.2(2) “c₂” ~~as enacted by 2022 Iowa Acts, House File 2521,~~ including, but not limited to:

a. and b. No change.

55.5(3) Quarterly reporting to the department.

a. The quarterly report required by Iowa Code section 135Q.2(4) ~~as enacted by 2022 Iowa Acts, House File 2521,~~ shall provide the following:

(1) to (3) No change.

b. No change.

ITEM 6. Amend rule 481—55.6(89GA, HF2521), parenthetical implementation statute, as follows:

481—55.6(89GA, HF2521 135Q) Complaints.

ITEM 7. Amend subparagraph **55.6(1)“a”(1)** as follows:

(1) Any person with a concern regarding the operation of a health care employment agency may file a complaint at the department’s physical location, complaint hotline, or website, as follows:

Physical address: Department of Inspections, ~~and Appeals, and Licensing~~
Health and Safety Division, Complaint/Incident Unit
~~Lucas State Office Building, Third Floor~~ 6200 Park Avenue, Suite 100
321 E. 12th Street
Des Moines, Iowa ~~50319-0083~~ 50321

Complaint hotline: ~~1-877-686-0027~~ 1.877.686.0027

Website address: ~~dia.iowa.gov~~ dial.iowa.gov

ITEM 8. Amend rule 481—55.7(89GA, HF2521), parenthetical implementation statute, as follows:

481—55.7(~~89GA, HF2521~~ 135Q) Investigations.

ITEM 9. Amend rule 481—55.8(89GA, HF2521) as follows:

481—55.8(~~89GA, HF2521~~ 135Q) Penalties. A health care employment agency that violates Iowa Code sections 135Q.2(1) through 135Q.2(3) ~~as enacted by 2022 Iowa Acts, House File 2521,~~ or rule 481—55.3(~~89GA, HF2521~~ 135Q) shall be subject to the associated penalties under Iowa Code section 135Q.2(5) ~~as enacted by 2022 Iowa Acts, House File 2521.~~

ITEM 10. Amend rule 481—55.9(89GA, HF2521), parenthetical implementation statute, as follows:

481—55.9(~~89GA, HF2521~~ 135Q) Public and confidential information.

ITEM 11. Amend paragraph **55.9(1)“d”** as follows:

d. Any records required to be submitted to the department by the health care employment agency pursuant to Iowa Code section 135Q.2(4) ~~as enacted by 2022 Iowa Acts, House File 2521,~~ and subrule 55.5(3) (quarterly reporting to the department).

ITEM 12. Amend **481—Chapter 55**, implementation sentence, as follows:

These rules are intended to implement ~~2022 Iowa Acts, House File 2521~~ Iowa Code chapter 135Q.

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 265—Chapter 17
“Agency Procedure for Rulemaking”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.1A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 19, 2024
2 to 2:15 p.m.

1963 Bell Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the Iowa Finance Authority (Authority) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10 (January 10, 2023), the Authority proposes to rescind Chapter 17 and to adopt a new chapter in lieu thereof. The new chapter will incorporate Iowa Code chapter 17A by reference and provide contact information for the Authority.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
Persons who want to participate in the Authority’s rulemaking process may incur the costs described below.
 - Classes of persons that will benefit from the proposed rulemaking:
This proposed rulemaking will benefit persons interested in participating in the procedures for rulemaking for the Authority.
2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:
Members of the public who want to participate in the rulemaking process may incur costs to draft and submit documents to the Authority relating to rulemakings or to participate in opportunities for oral proceedings.
 - Qualitative description of impact:
The proposed rulemaking will provide clarity about the Authority’s procedures for rulemaking since the current chapter is inconsistent with Iowa Code chapter 17A.
3. Costs to the State:

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

Authority staff time is required to administer the procedures for rulemaking, including drafting Notices of Intended Action or associated documents and overseeing any public participation in the process. No additional costs are imposed by the proposed rulemaking compared to the current chapter.

- Anticipated effect on state revenues:

The rulemaking has no anticipated effect on state revenues.

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

Costs to participate in the rulemaking process are minimal and incurred only by those who choose to participate. The proposed rulemaking will provide clarity about the Authority's procedures for rulemaking since the current chapter is inconsistent with Iowa Code chapter 17A.

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

The Authority has not identified any less costly methods or less intrusive methods of describing procedures for rulemaking.

6. Alternative methods considered by the agency:

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

The Authority did not consider any alternative methods.

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

The Authority did not consider any alternative methods because the Authority did not identify any less costly or less intrusive method.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rules do not have a substantial impact on small business. The rules do not establish compliance or reporting requirements. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 17 and adopt the following **new** chapter in lieu thereof:

CHAPTER 17 AGENCY PROCEDURE FOR RULEMAKING

265—17.1(17A) Incorporation by reference. The authority incorporates by this reference all such matters in Iowa Code chapter 17A that relate to procedures for rulemaking.

265—17.2(17A) Contact information.

17.2(1) General. Inquiries about authority rules and the rulemaking process may be directed to Director, Iowa Finance Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315.

17.2(2) Comments on proposed rules. Any public comment on a Notice of Intended Action or similar document relating to rules may be directed to Director, Iowa Finance Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315, or as directed in the Notice of Intended Action or similar document.

These rules are intended to implement Iowa Code chapter 17A.

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 199—Chapter 16
“Accounting”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 546.7
State or federal law(s) implemented by the rulemaking: Iowa Code sections 476.1, 476.2, 476.8,
476.9, 476.18 and 546.7

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 19, 2024
9 a.m.

Board Hearing Room
1375 East Court Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis. Written or oral comments in response to this Regulatory Analysis must be received by the Iowa Utilities Board no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

IT Support
Iowa Utilities Board
Phone: 515.725.7300
Email: ITSupport@iub.iowa.gov

Purpose and Summary

The purpose of Chapter 16 is to inform utilities within the state of Iowa how to apply the Uniform Systems of Accounts and the National Association of Regulatory Utility Commissioners Uniform Systems of Accounts with modifications, and the effects of the relevant rules.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
Utilities that offer service within the state of Iowa will bear the costs.
 - Classes of persons that will benefit from the proposed rulemaking:
Customers of Iowa utilities will benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:
The provisions of the proposed chapter are part of the everyday work of the Board, so there is no additional impact to the Board, economic or otherwise. The utilities may have costs due to the filing requirements, but the rules are similar to federal rules and are not expected to add significant costs, economic or otherwise.
 - Qualitative description of impact:
This proposed chapter ensures utilities are accurately recording expenses and revenues.

3. Costs to the State:
 - Implementation and enforcement costs borne by the agency or any other agency:

There are no additional costs to any agency other than the normal everyday costs of operation of the Board.

- Anticipated effect on state revenues:
There is no anticipated effect on state revenues.

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

There is a huge benefit in ensuring the utilities' costs and revenues are recorded accurately and consistently. There are minimal costs involved with administering the rules. Inaction could lead to utilities filing inconsistent information if not specifically directed by federal guidelines.

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

The Board does not believe there are any less costly methods of addressing the purpose of this chapter because the chapter is largely based on federal guidelines.

6. Alternative methods considered by the agency:

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

Strict compliance with federal guidelines was considered.

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

The Board believes it is important to have certain distinctions, where necessary, to handle certain types of expenses.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

There is not a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 199—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16 ACCOUNTING

199—16.1(476) Accounting—general information.

16.1(1) Application of rules. These rules shall apply to any utility operating within the state of Iowa under the jurisdiction of the board pursuant to Iowa Code chapter 476.

16.1(2) *Effect of rules.* In prescribing uniform systems of accounts for public utilities, the board does not commit itself to the approval or acceptance of any item set out in any account for the purpose of fixing rates or in determining other matters before the board. The prescribed systems of accounts are designed to set out the facts in connection with all sources of funds, including incomes and amounts due and receivable from each source, and the amount expended and due for each purpose distinguishing clearly all payments for operating expenses from those of new construction, extensions and additions to property; and to provide for balance sheets showing various assets and liabilities and various forms of proprietary interest under uniform classifications; and, therefrom, the board will determine, in connection with such matters as may be under advisement from time to time, what consideration will be given to the various items in the several accounts.

199—16.2(476) Uniform systems of accounts—electric. The uniform systems of accounts for public utilities and licensees subject to the provisions of the Federal Power Act, 18 CFR Part 101 published in the Federal Energy Regulatory Commission’s (FERC’s) rules and regulations, in effect on November 27, 2013, and the May 27, 2008, uniform systems of accounts for rural electric cooperatives prescribed for electric borrowers of the Rural Utilities Service (RUS), as applicable, are adopted with the following modifications:

16.2(1) Definition 7 published in 18 CFR Part 101 is changed to read: “Commission” means the board except where reference is made to the licensing authority of the FERC (as in definitions 22 and 27), where Commission means FERC. This change does not apply to definitions found in RUS uniform systems of accounts for rural electric cooperatives.

16.2(2) Definition 29 published in 18 CFR Part 101 is changed to read: “Public utility” means any natural or legal person, or other entity, defined as a public utility and made subject to the authority of the board by Iowa Code section 476.1. This change does not apply to definitions found in RUS uniform systems of accounts for rural electric cooperatives.

16.2(3) General instruction 1-B of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “Utilities subject to rate regulation by the board shall keep all the accounts of these systems of accounts that are applicable to their affairs, and utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only.”

16.2(4) General instruction 1-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “It is recommended but not required that electric utilities not subject to rate regulation, other than electric cooperatives, keep all applicable accounts in accordance with the Federal Energy Regulatory Commission uniform systems of accounts, 18 CFR Part 101.” Rural electric cooperatives not subject to rate regulation may choose to keep all applicable accounts in accordance with the RUS uniform systems of accounts.

16.2(5) General instruction 2-D of the uniform systems of accounts for electric utilities is modified by adding the following sentence: “The electric utilities may use additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders providing the board is notified of the nature, amount, and purpose of such accounts in the annual report to the board and at such other times as may be requested by the board.”

16.2(6) The definitions for the uniform systems of accounts for electric utilities, when used in accounts 909, Informational and Institutional Advertising Expenses; 913, Advertising Expenses; and 930.1, General Advertising Expenses, are modified to include the following definitions:

“*Affiliate*” means any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

“*Appliance*” or “*equipment*” means any device, including a fixture, that consumes electric energy and any ancillary device required for its operation.

“*Consideration*” means any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

“*Financing*” includes acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

“*Person*” includes an individual, group, firm, partnership, corporation, cooperative, association, or other organization, but does not include state or local political subdivisions or municipal corporations.

“*Promotional practices*” means any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service; provided that the words “promotional practices” do not include the following activities:

1. Providing repairs and service to appliances or equipment of customers of a public utility in an emergency or to restore service or to prevent hazardous conditions or service interruptions.
2. Inspection and adjustment of appliances or equipment by a public utility.
3. Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at cost or above.
4. Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the board.
5. Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.
6. Providing discounts or financing to employees of a public utility to encourage their use of the utility’s service.
7. Merchandising and related inventorying of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions that due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.
8. The replacement of or alterations to a customer’s obsolete or inefficient system.
9. Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.
10. Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at \$10 or less are not considered to be a promotional practice.
11. Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.
12. Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility’s energy efficiency plan developed pursuant to 199—Chapter 35.

“*Public utility*” or “*utility*” includes persons defined to be public utilities in Iowa Code section 476.1.

16.2(7) The uniform systems of accounts for electric utilities are modified as follows:

a. 424 Promotional Practices. This account includes the cost of labor, materials used, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs that include promotional practices, and the labor, materials, and expenses related to promotional practices that are exempted by subrule 16.5(2) need not be included in this account. The account includes, but is not limited to, the following items:

- (1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate, without board written approval.
- (2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: studies to determine comparative capital or operating costs and expenses or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.
- (3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. “Value” in this instance is defined as the

fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person; provided that a utility, engaged in an appliance merchandising sales program, will not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this board are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of electric utility service, except under published tariffs.

(11) Labor items related to promotional practices:

1. Salary of employees engaged directly or indirectly in promotional practices.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

- (1) 426.7 Promotional Advertising Expenses.
- (2) 426.8 Institutional or Goodwill Advertising Expenses.
- (3) 426.9 Rate Justification Advertising Expenses.

c. 426.4 Expenditures for Certain Civic, Political, and Related Activities.

(1) This account includes the cost of labor, materials used, and expenses incurred in advertising, whether on a national, regional, or local basis, that is designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or modification of referenda, legislation, or ordinances. The account also includes expenditures for influencing the decisions of public officials, but not expenditures as are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to political advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where political advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account is determined in accordance with the text of this account as set forth in paragraph 16.2(7) "b."

(4) Labor items related to political advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.
6. Direct supervision of advertising activities.
- (5) Material and expenses related to political advertising:
 1. Advertising in newspapers, periodicals, billboards, radio, etc.
 2. Advertising matters such as posters, bulletins, booklets, and related items.
 3. Fees and expenses of advertising agencies and commercial artists.
 4. Novelties for general distribution.
 5. Postage on direct-mail advertising.
 6. Printing of booklets, dodgers, bulletins, etc.
 7. Supplies and expenses in preparing advertising materials.
 8. Office supplies and expenses.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5. More information can be found in paragraph 16.2(7) "h" or FERC account 302, Franchises and Consents.

d. 426.7 Promotional Advertising Expenses.

(1) This account includes the cost of labor, materials used, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising that is part of a promotional practice, or a program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "d."

(4) Labor items related to promotional advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(5) Materials and expenses related to promotional advertising include:

1. Items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."
2. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

NOTE A: Advertisements that set forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility) will be considered sales promotion advertising, and the cost will be charged to this account. However, advertisements that are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, will be considered as merchandise advertising, and the cost shall be charged to FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements that substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, will be considered as a combination advertisement, and the costs shall be distributed between this account and FERC account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account includes the cost of labor, materials used, and expenses incurred in advertising that is designed to create, enhance, or sustain the utility's image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "e."

(4) Labor items related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(5) Materials and expenses related to institutional or goodwill advertising include items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."

Below are examples of the advertising to be included in this account:

1. Pronouncements primarily lauding the utility or the area or community the utility serves.
2. Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community the utility serves.
3. Advertising activities to inform the public of the utility's participation in programs to improve the economic condition of the area or community the utility serves.
4. Advertising activities to inform the public of the utility's role of good citizenship.
5. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public that is not included in account 909, Informational and Instructional Advertisement Expenses. More information can be found in paragraph 16.2(7) "g."
6. Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in account 909, Informational and Instructional Advertisement Expenses.

f. 426.9 Rate Justification Advertising Expenses.

(1) This account includes the cost of labor, materials used, and expenses incurred in advertising, whether on a regional or local basis, that is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account also includes all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested will be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "f."

(4) Labor items related to rate justification advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(5) Materials and expenses related to rate justification advertising include items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."

g. 909 Informational and Instructional Advertising Expenses.

(1) This account is amended to include the cost of labor, materials used, and expenses incurred in advertising activities relating to informing customers of the reasons for and methods whereby energy may

be conserved and energy consumption reduced by the consumer; informing the public of the methods by which customers can participate with the utility in preserving and improving the environment; and information as to what the utility urges or suggests customers should do in utilizing electric service to protect their health and safety, and to utilize their electric equipment safely and economically.

1. Included in this account will be advertising activity relating to the electric utility that is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

2. Advertising that is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment will be recorded in account 426.8. More information can be found in paragraph 16.2(7) "e."

(2) Immediately following the current text and items list, "Load Factor Advertising Expenses" is added.

1. This incorporates into the account the cost of labor, materials used, and expenses incurred in advertising activities designed to improve load factor so that plant and equipment already installed can be operated more efficiently and to a greater degree of capability, thereby resulting in lower overall costs to the consumer.

2. This also includes advertising expenditures that are designed to further industrial and commercial development of the company's service area.

(3) Entries relating to conservation, environmental, informational, and load factor advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(4) Where conservation, environmental, informational, and load factor advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa electric utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.2(7) "g."

(5) Labor items related to conservation advertising include items in numbered paragraphs 16.2(7) "c"(4)"1" through "6."

(6) Materials and expenses related to conservation advertising include items in numbered paragraphs 16.2(7) "c"(5)"1" through "8."

Below are examples of the advertising to be included in this account:

1. Instructions in the proper use of equipment owned by the utility or the customer that will result in less consumption of energy.

2. Advertising designed to convince consumers to turn down thermostats, turn off lights when not in use, and turn off appliances, television sets, etc., when not in use.

3. Instructions in the proper use of equipment owned by the utility or the customer that makes use of the utility's service.

4. Information as to new rates, billing practices, new inspection, or meter-reading schedules.

5. Notification of emergency conditions and procedures to be followed during the emergency.

6. Advice concerning hazards associated with the utility's electric service.

7. Encouragement for manufacturers to go to night operations.

(7) Excluded from this account and charged to FERC account 930.2, Miscellaneous General Expenses, is the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also excluded are all expenses of promotional, institutional or goodwill, and political advertising. More information can be found in paragraphs 16.2(7) "b," 16.2(7) "d," and 16.2(7) "e," which refer to accounts 426.4, Expenditures for Certain Civic, Political and Related Activities; 426.7, Promotional Advertising Expenses; and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

1. Advertising expenses directly related to obtaining a franchise or renewing an old franchise will be charged to FERC account 302, Franchises and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

2. Advertising expenses directly related to securing of new debt financing will be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

3. Advertising expenses directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

h. 913 Advertising Expenses. The entire current text of FERC account 913, Major Expenses (Major Only), is to be deleted, and subaccount 913.5, Franchise Advertising Expenses, is to be added.

(1) This account includes only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising matter will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising include items in numbered paragraphs 16.2(7) “c”(4)“1” through “6.”

(4) Materials and expenses related to franchise advertising include items in numbered paragraphs 16.2(7) “c”(5)“1” through “8.”

16.2(8) FERC account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as they are defined and exist in the uniform systems of accounts, will be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the board for good cause shown.

16.2(9) FERC account 105, Electric Plant Held for Future Use, of the uniform systems of accounts in 18 CFR Part 101 is modified in subparagraph “D” by deleting the following language: “in account 411.6 or 411.7, as appropriate, except when determined to be significant by the commission. Upon such a determination, the amounts will be transferred to account 256, Deferred Gains from Disposition of Utility Plant, or account 187, Deferred Losses from Disposition of Utility Plant, and amortized to accounts 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, as appropriate,” and substituting in lieu thereof: “in account 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate unless otherwise authorized or required by the board for good cause shown.”

199—16.3(476) Uniform systems of accounts—gas. The uniform systems of accounts for natural gas companies subject to the provisions of the Natural Gas Act, 18 CFR Part 201 published in FERC’s rules and regulations, in effect on December 1, 2003, is adopted with the following modifications:

16.3(1) Definition 7 is changed to read: “Commission” means the board except where reference is made to the authority of FERC under the Natural Gas Act and where the board does not have the same or similar authority under Iowa Code chapter 476, where “Commission” means FERC.

16.3(2) Definition 22 is changed to read: “Natural gas company” means a person furnishing gas by piped distribution system to the public for compensation.

16.3(3) General instruction 1-B of the uniform systems of accounts for gas utilities is modified to add the following sentence: “Gas utilities subject to rate regulation by the board shall keep all the accounts of these systems of accounts that are applicable to their affairs, and gas utilities not subject to rate regulation shall keep the accounts of these systems of accounts for operating revenues only.”

16.3(4) General instruction 1-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: “It is recommended but not required that gas utilities not subject to rate regulation keep all applicable accounts in accordance with the FERC uniform systems of accounts 18 CFR Part 201.”

16.3(5) General instruction 2-D of the uniform systems of accounts for gas utilities is modified by adding the following sentence: “The gas utilities may use additional accounts as they are required or permitted to keep for their reporting to other regulatory authorities or to their stockholders, providing

the board is notified of the nature, amount and purpose of such accounts in the annual report to the board and at such other times as may be requested.”

16.3(6) The definitions for the uniform systems of accounts for gas utilities, when used in account 424, Promotional Practices, are modified to include the following definitions:

“*Affiliate*” means any person doing business in this state who directly or indirectly controls or is controlled by or is under common control with a public utility.

“*Appliance*” or “*equipment*” means any device, including a fixture, that consumes electric energy and any ancillary device required for its operation.

“*Consideration*” means any cash, donation, gift, allowance, rebate, bonds, merchandise (new or used), property (tangible or intangible), labor, service conveyance, commitment, right, or other thing of value.

“*Financing*” includes acquisition of equity or debt interests, loans, guarantee of loans, advances, sale and repurchase agreements, sale and lease-back agreements, sales on open account, conditional or installment sales contracts, or other investment or extensions of credit.

“*Person*” includes any individual, group, firm, partnership, corporation, cooperative, association, or other organization, but does not include state or local political subdivisions or municipal corporations.

“*Promotional practices*” means any consideration offered or granted by a public utility or its affiliate to any person for the purpose, express or implied, of inducing such person to select or use the service or additional service of such utility, or to select or install any appliance or equipment designed to use such utility service; provided that “promotional practices” does not include the following activities:

1. Providing repairs and service to appliances or equipment of customers of a public utility in an emergency or to restore service or to prevent hazardous conditions or service interruptions.
2. Inspection and adjustment of appliances or equipment by a public utility.
3. Repairs and other maintenance to appliances or equipment by a public utility that could be performed by an independent appliance dealer or service shop if charges are at cost or above.
4. Providing service, wiring, piping, appliances, or equipment in accordance with tariffs, rules, or regulations of a public utility on file with and approved by the board.
5. Providing appliances, equipment, or instructional services to an educational institution for the purpose of instructing students in the use or repair of such appliances or equipment.
6. Providing discounts or financing to employees of a public utility to encourage their use of the utility’s service.
7. Merchandising and related inventory of appliances or equipment for sale at retail and making and fulfilling reasonable warranties against defects in material and workmanship in appliances or equipment existing at the time of delivery; the elimination of hazardous conditions that due to a grandfather provision would not be corrected by the customer and yet would require correction to protect the public and minimize company liability.
8. The replacement of or alterations to a customer’s obsolete or inefficient system.
9. Technical, informational, or educational assistance offered to persons on the use of energy furnished by a public utility or on the use of maintenance of appliances or equipment.
10. Lunches, gifts, door prizes, etc., presented for attendance at informational meetings, conferences, etc., valued at \$10 or less will not be considered to be a promotional practice.
11. Providing appliances or equipment incidental to exhibitions, demonstrations, tests, or experiments of reasonable duration.
12. Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency.

“*Public utility*” or “*utility*” includes persons defined to be public utilities in Iowa Code section 476.1.

16.3(7) The uniform systems of accounts for gas utilities are modified to include the following:

- a. 424 Promotional Practices. This account includes the cost of labor, materials used, and expenses or losses incurred by the utility or an affiliate (where such costs are charged back to the company) on promotional practices. Promotional practices, or programs that include promotional practices, and the

labor, materials, and expenses related to promotional practices that are exempted by subrule 16.5(2) need not be included in this account. The account includes, but is not limited to, the following items:

(1) The financing of land or the construction of any building when the same is not owned or otherwise possessed by the utility or its affiliate without board written approval.

(2) The furnishing of consideration to any person for work done or to be done on property not owned or otherwise possessed by the utility or its affiliate, except for the following: studies to determine comparative capital or operating costs and expenses or to show the desirability and feasibility of selecting one form of energy over another, contributions for research and development of new energy sources, etc.

(3) The acquisition from any person of any tangible or intangible property or service for a consideration in excess of the value thereof or the furnishing to any person of any tangible property or service for a consideration of less than the value thereof. "Value" in this instance is defined as the fair market price of the property or service under competitive market conditions and under arm's length conditions.

(4) The furnishing of consideration to any person for the sale, installation, or use of appliances or equipment of one form of energy over another. Employees who are paid a commission in lieu of salary for the initial sale of appliances are exempted.

(5) The provision of free, or at less than cost or value, wiring, piping, appliances, or equipment to any person; provided that a utility engaged in an appliance merchandising sales program will not be precluded from conducting legitimate closeouts of appliances, clearance sales, or sales of damaged or returned appliances. All items required by service rules of this board are exempted.

(6) The provision of free, or at less than cost or value, installation, operation, repair, modification, or maintenance of appliances, equipment, wiring or piping to any person. This would not include services provided for the convenience and safety of customers such as gas leak testing, lighting of furnaces, etc.

(7) The granting of a trade-in allowance on the purchase of any appliance or equipment in excess of the reasonable value of the trade-in based on the past experience of a company or the granting of a trade-in allowance for such appliance or equipment when such allowance varies by the type of energy consumed in the trade-in.

(8) The financing of the acquisition of any appliance or equipment at a rate of interest or on terms significantly more favorable than those generally applicable to sales by nonutility dealers in such appliances or equipment.

(9) The furnishing of consideration to any person for any advertising or publicity purpose, except where appropriately classified to another account.

(10) The guaranteeing of the maximum cost of gas utility service, except under published tariffs.

(11) Labor items related to promotional practices include:

1. Salary of employees engaged directly or indirectly in promotional practices.
2. Clerical and stenographic work performed in relation to promotional practices.
3. Fees paid to consultants, agents, attorneys, etc., on related promotional practices.

(12) Materials and expenses related to promotional practices include:

1. Amounts spent on postage, office supplies, displays, posters, exhibits, etc.
2. Films, movies, photographs prepared for promotional activities.
3. Expenses paid such as lodging, food, entertainment expenses.
4. Transportation by company auto or plane and public transportation of any mode.

b. 426 Miscellaneous Income Deductions. Immediately following the current text and item list, add the following:

- (1) 426.7 Promotional Advertising Expenses.
- (2) 426.8 Institutional or Goodwill Advertising Expenses.
- (3) 426.9 Rate Justification Advertising Expenses.

c. 426.4 Expenditures for Certain Civic, Political and Related Activities.

(1) Account 426.4 pertains to items in numbered paragraph 16.3(7) "a"(12)"1" and paragraph 16.3(7) "b." This account will include the cost of labor, materials used, and expenses incurred in advertising, whether on a national, regional, or local basis, that is designed to influence public opinion with respect to the election or appointment of public officials or the adoption, repeal, revocation, or

modification of referenda, legislation, or ordinances. The account will also include expenditures for influencing the decisions of public officials not including such expenditures that are directly related to appearances before regulatory or other governmental bodies in connection with the utility's existing or proposed operations.

(2) Entries relating to political advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where political advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "c."

(4) Labor items related to political advertising:

1. Preparing material for newspapers, periodicals, billboards, etc., and preparing and conducting promotional motion pictures, radio, and television programs.
2. Preparing booklets, bulletins, etc., used in direct mail.
3. Preparing window and other displays.
4. Clerical and stenographic work.
5. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of advertising.

6. Direct supervision of advertising activities.

(5) Materials and expenses related to political advertising:

1. Advertising in newspapers, periodicals, billboards, radio, etc.
2. Advertising matters such as posters, bulletins, booklets, and related items.
3. Fees and expenses of advertising agencies and commercial artists.
4. Novelties for general distribution.
5. Postage on direct-mail advertising.
6. Printing of booklets, dodgers, bulletins, etc.
7. Supplies and expenses in preparing advertising materials.
8. Office supplies and expenses.

NOTE: Franchise advertising and related expenses shall be charged to account 913.5 shown in paragraph 16.3(7) "h" or FERC account 302, Franchises and Consents.

d. 426.7 Promotional Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise, load factor advertising, or advertising that is part of a promotional practice, or a program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35.

(2) Entries relating to promotional advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where promotional advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expenses for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "d."

(4) Labor items related to promotional advertising include items in numbered paragraphs 16.3(7) "c"(4)"1" through "6."

(5) Materials and expenses related to promotional advertising include:

1. Items in numbered paragraphs 16.3(7) "c"(5)"1" through "8."
2. Premiums distributed generally, such as recipe books, etc., when not offered as inducement to purchase appliances.

NOTE A: Advertisements that set forth the value or advantages of utility service (without reference to specific appliances or if reference is made to appliances from dealers or refers to appliances not carried for sale by the utility) will be considered sales promotion advertising, and the cost will be charged to this account. However, advertisements that are limited to specific makes of appliances sold by the utility and prices, terms, etc., thereof, without referring to the value or advantages of utility service, will be considered as merchandise advertising, and the cost shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work.

NOTE B: Advertisements that substantially mention or refer to the value or advantages of utility service, together with specific reference to makes or appliances sold by the utility and the price, terms, etc., thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, will be considered as a combination advertisement, and the costs shall be distributed between this account and account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, on the basis of space, time, or other proportional factors.

e. 426.8 Institutional or Goodwill Advertising Expenses.

(1) This account shall include the cost of labor, materials used, and expenses incurred in advertising that is designed to create, enhance, or sustain the utility's image or goodwill to the general public or its customers.

(2) Entries relating to institutional or goodwill advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message shall be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where institutional or goodwill advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "e."

(4) Labor items related to institutional or goodwill advertising include items in numbered paragraphs 16.3(7) "c"(4) "1" through "6."

(5) Materials and expenses related to institutional or goodwill advertising include items in numbered paragraphs 16.3(7) "c"(5) "1" through "8."

Below are examples of the advertising to be included in this account:

1. Pronouncements primarily lauding the utility or the area or community the utility serves.
2. Advertising activities to inform the ratepayers of the social and economic advantages or status of the area or community the utility serves.
3. Advertising activities to inform the public of the utility's participation in programs to improve the economic condition of the area or community the utility serves.
4. Advertising activities to inform the public of the utility's role of good citizenship.
5. Information and routine data supplied by the utility to local governments, planning agencies, civic groups, businesses, and the general public that are not inclusive in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.3(7) "i."
6. Advertising activities to inform the public of the utility's consciousness of, or involvement in, health, safety, conservation, or environmental programs, except as included in account 909, Informational and Instructional Advertising Expenses. More information can be found in paragraph 16.3(7) "g."

f. 426.9 Rate Justification Advertising Expenses.

(1) This account includes the cost of labor, materials used, and expenses incurred in advertising, whether on a regional or local basis, that is designed to promote public acceptance of utility rate increases or the utility's filed rates. The account also includes all costs incurred by the utility for advertising in opposition to the decision of the regulatory agency. However, the expenses associated with simply informing customers that new rates have been requested are to be recorded in FERC account 928, Regulatory Commission Expenses.

(2) Entries relating to rate justification advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or

scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "f."

(4) Labor items related to rate justification advertising include items in numbered paragraphs 16.3(7) "c"(4)"1" through "6."

(5) Materials and expenses related to rate justification advertising include items in numbered paragraphs 16.3(7) "c"(5)"1" through "8."

g. 909 Informational and Instructional Advertising Expenses.

(1) This account is amended to include the cost of labor, materials used, and expenses incurred in advertising activities relating to the following: informing customers of the reasons for and methods whereby energy may be conserved and energy consumption reduced by the consumer; informing the public of the methods by which customers can participate with the utility in preserving and improving the environment; and information as to what the utility urges or suggests customers should do in utilizing gas service to protect their health and safety, and to utilize their gas equipment safely and economically.

1. Included in this account is advertising activity relating to the gas utility that is related directly to the company's provision of service to the customer during energy, fuel, and related shortages.

2. Advertising that is primarily designed to laud the utility's achievements or projects purporting to preserve or enhance the environment will be recorded in account 426.8. More information can be found in paragraph 16.3(7) "e."

(2) Entries relating to conservation, environmental, informational, and load factor advertising included in this account will contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising message will be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Where conservation, environmental, informational, and load factor advertising is undertaken by an association on behalf of its members or by a holding company on behalf of its subsidiaries, the amount of expense for such advertising charged to any member or subsidiary that is an Iowa gas utility and included in this account will be determined in accordance with the text of this account as set forth in paragraph 16.3(7) "g."

(4) Labor items related to conservation advertising include items in numbered paragraphs 16.3(7) "c"(4)"1" through "6."

(5) Materials and expenses related to conservation advertising include items in numbered paragraphs 16.3(7) "c"(5)"1" through "8."

Below are examples of the advertising to be included in this account:

1. Instructions in the proper use of equipment owned by the utility or the customer that will result in less consumption of energy.

2. Advertising designed to convince consumers to turn down thermostats; turn off lights when not in use; and turn off appliances, television sets, etc., when not in use.

3. Instructions in the proper use of equipment owned by the utility or the customer that makes use of the utility's service.

4. Information as to new rates, billing practices, new inspection, or meter-reading schedules.

5. Notification of emergency conditions and procedures to be followed during the emergency.

6. Advice concerning hazards associated with the utility's gas service.

(6) Excluded from this account and charged to FERC account 930.2, Miscellaneous General Expenses, is the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also excluded are all expenses of promotional, institutional or goodwill, and political advertising. More information can be found in paragraphs 16.3(7) "c," 16.3(7) "d," and 16.3(7) "e," which refer to accounts 426.4, Expenditures for Certain Civic, Political and Related Activities; 426.7, Promotional Advertising Expenses; and 426.8, Institutional or Goodwill Advertising Expenses, respectively.

1. Advertising expenses directly related to obtaining a franchise or renewing an old franchise will be charged to FERC account 302, Franchises and Consents. Such amounts shall be maintained in a separate subaccount for ready identification.

2. Advertising expenses directly related to securing of new debt financing will be charged to FERC account 181, Unamortized Debt Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

3. Advertising expenses directly related to securing of new equity financing shall be charged to FERC account 214, Capital Stock Expense. Such amounts shall be maintained in a separate subaccount for ready identification.

h. 913.5 Franchise Advertising Expenses.

(1) This account includes only reasonable advertising expenditures for the purpose of obtaining approval, modification, or revocation of franchises.

(2) Entries relating to reasonable franchise advertising included in this account contain or refer to supporting documents that identify the specific advertising message. If references are used, copies or scripts of the advertising matter are to be readily available to staff, consumer advocate, or any party involved in a discovery proceeding.

(3) Labor items related to franchise advertising include items in numbered paragraphs 16.3(7) “c”(4)“1” through “6.”

(4) Materials and expenses related to franchise advertising include items in numbered paragraphs 16.3(7) “c”(5)“1” through “8.”

16.3(8) FERC accounts 421.1, Gain on Disposition of Property, and 421.2, Loss on Disposition of Property, as they are defined and exist in the uniform systems of accounts, are to be used to account for the gain or loss on the sale, conveyance, exchange, or transfer of utility or other property, including land and land rights, unless otherwise authorized or required by the board for good cause shown.

16.3(9) FERC accounts 105, Electric Plant Held for Future Use, and 105.1, Production Properties Held for Future Use, of the uniform systems of accounts in 18 CFR Part 201 are modified in subparagraph “D” by deleting the following language: “in accounts 411.6 or 411.7, as appropriate, except when determined to be significant by the Commission. Upon such determination, the amounts shall be transferred to account 256, Deferred Gains from Disposition of Utility Plant, or account 187, Deferred Losses from Disposition of Utility Plant, and amortized to accounts 411.6, Gains from Disposition of Utility Plant, or 411.7, Losses from Disposition of Utility Plant, as appropriate,” and substituting in lieu thereof: “in FERC accounts 421.1, Gain on Disposition of Property, or 421.2, Loss on Disposition of Property, as appropriate, unless otherwise authorized or required by the board for good cause shown.”

199—16.4(476) Uniform systems of accounts—water. The 1996 uniform systems of accounts for Class A, B, and C water utilities published by the National Association of Regulatory Utility Commissioners (NARUC) uniform systems of accounts are adopted.

199—16.5(476) Filing of promotional practices.

16.5(1) Each public utility subject to rate regulation shall file with the board written documentation describing any proposed new promotional practice as defined in the board’s uniform system of accounts no less than 30 days prior to the practice’s expected implementation. All practices for which the costs are to be charged to account 424 (electric and gas) will be set forth. The accounts currently being charged with these practices will be listed. The company is to show the following data for each promotional practice:

- a.* The name, number, or letter designation of each such promotional practice.
- b.* The class of persons to which such promotional practice is being offered or granted.
- c.* Whether such promotional practice is being uniformly offered or granted to the persons within such class.
- d.* A description of such promotional practice, which includes a statement of the terms and conditions governing the same.

e. A description of the advertising or publicity employed with respect to such promotional practice.

f. If such promotional practice is offered or granted, in whole or in part, by an affiliate or other person, the identity of such affiliate or person and the nature of such party's participation.

g. The expiration date of the practice, if known, or an estimated date.

h. Other information relevant to a complete understanding of such promotional practice.

i. The date or estimated date of the beginning of such promotional practices.

16.5(2) Any promotional practice, or program that includes a promotional practice, designed to develop or implement programs that promote energy efficiency and are part of the utility's energy efficiency plan developed pursuant to 199—Chapter 35 will be deemed not to be a promotional practice for purposes of this rule and will be exempt from the requirements of this rule.

199—16.6(476) Compiling advertisements and expenses.

16.6(1) The burden of compiling and classifying advertisements and promotional expenses consistent with this chapter will be borne by public utility companies. In this connection the burden of proof as to the accuracy of such classifications and expenses, as with other cost items, will reside with the utility.

16.6(2) Where a given advertisement or group of advertisements may fall within more than one of the categories defined by the accounts in the Uniform Systems of Accounts—Electric, Gas, Telephone, and Water, as revised by this chapter, the utilities are to apportion the expenses of such advertisements between the categories.

16.6(3) Every advertisement published, broadcast, or otherwise displayed or disseminated to the public by a public utility that is to be paid for by the utility's customers and is not required by the board or other state or federal regulation is to include the following statement: "The cost of this ad will be paid for by the customers of (Company Name)." This requirement will not apply to advertisements for products or services that are or become subject to competition as determined by the board or are treated and accounted for as part of a utility's unregulated operations. When a public utility determines that the costs of an ad are to be charged in part to the customers and in part to the public utility, the public utility displays the following notice: "x% of the cost of this ad will be paid for by the customers of (Company Name)." Any statement included in advertisements under this rule will not affect the ability of the board to determine the proper ratemaking treatment of the cost of the advertisement.

These rules are intended to implement Iowa Code sections 476.1, 476.2, 476.8, 476.9, 476.18, and 546.7.

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 199—Chapter 29
“Management Efficiency Evaluation”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 476.52 and 546.7
State or federal law(s) implemented by the rulemaking: Not applicable

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

February 28, 2024
9 a.m.

Board Hearing Room
1375 East Court Avenue
Des Moines, Iowa

March 19, 2024
9 a.m.
(if requested)

Board Hearing Room
1375 East Court Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis. Written or oral comments in response to this Regulatory Analysis must be received by the Iowa Utilities Board no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

IT Support
Iowa Utilities Board
Phone: 515.725.7300
Email: ITSupport@iub.iowa.gov

Purpose and Summary

The proposed rulemaking promulgates a methodology by which the Board may evaluate a utility’s management efficiency.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
Rate-regulated utilities will bear the costs.
 - Classes of persons that will benefit from the proposed rulemaking:
Customers of rate-regulated utilities will benefit.
2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:
 - Quantitative description of impact:
There is a benefit to the public by ensuring rate-regulated utilities are managed efficiently.
 - Qualitative description of impact:
This proposed chapter ensures the public will not bear undue financial costs related to inefficient corporate management.
3. Costs to the State:
 - Implementation and enforcement costs borne by the agency or any other agency:

There are no additional costs to any agency other than the normal everyday costs of operation of the Board.

- Anticipated effect on state revenues:
There is no anticipated effect on state revenues.

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

The costs of the proposed rulemaking would not differ significantly from the costs of inaction, but the benefits would promote future efficiency.

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

The Board does not believe that there are any less costly methods of addressing the purpose of this chapter.

6. Alternative methods considered by the agency:
- Description of any alternative methods that were seriously considered by the agency:
No alternatives were considered.
 - Reasons why alternative methods were rejected in favor of the proposed rulemaking:
No alternatives were considered.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

There is not a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 199—Chapter 29 and adopt the following **new** chapter in lieu thereof:

CHAPTER 29 MANAGEMENT EFFICIENCY EVALUATION

199—29.1(476) Policy and purpose. It is the policy of the board that a public utility shall be operated in an efficient manner. This chapter describes the methodology by which the board may evaluate the management efficiency of a rate-regulated utility and the actions that the board may take upon a finding as to the efficiency of a utility's management.

199—29.2(476) Efficiency considered in a complaint or rate case proceeding. In a complaint proceeding conducted pursuant to Iowa Code section 476.3 or in a rate proceeding conducted pursuant to Iowa Code section 476.6, the board may determine whether a public utility subject to rate regulation is being operated in an efficient or inefficient manner. In making such a determination, the board shall evaluate the management of the utility in the manner prescribed by this chapter.

199—29.3(476) Management efficiency evaluation. The board may evaluate a utility's management efficiency based upon the utility's particular circumstances and considering a range of factors that may differ among utilities. In evaluating a utility's management efficiency, the board may consider any of the factors listed in this chapter and any additional relevant factors. No single factor will be deemed conclusive evidence of efficiency or inefficiency. In performing the evaluation, the board may collect data to compare a utility to other rate-regulated utilities providing the same service within the state of Iowa. The board may consider data for time periods outside a rate case test year.

29.3(1) Factors. The board may consider the following factors:

- a. The price per unit of service (including amounts collected subject to refund) by customer class and type of service.
- b. Operation and maintenance costs per unit of service. Low operations and maintenance costs may not support a finding of efficiency if quality of service is substandard.
- c. Quality of service, as reflected in objective measures of service quality, customer complaints shown in company and board records, findings made in complaint proceedings, penalties assessed, and measures of customer satisfaction.
- d. Customer mix.
- e. The total compensation for each officer of the utility.
- f. The company's bad debt ratio.
- g. Innovative practices implemented by utility management that result in improved service or that control costs.
- h. Geographic service territory.
- i. Economic conditions in the areas served.
- j. Weather patterns and disasters.
- k. Development and implementation of energy efficiency programs.

29.3(2) Electric utilities. When evaluating an electric utility, in addition to considering the factors listed in subrule 29.3(1), the board may consider factors specific to electric utilities, including the following:

- a. Fuel cost per kWh.
- b. Availability for each generating unit with 2,000 or more service hours per year.
- c. Company-wide load factor.

29.3(3) Natural gas utilities. When evaluating a natural gas utility, in addition to considering the factors listed in subrule 29.3(1), the board may consider factors specific to natural gas utilities, including the following:

- a. Total cost per unit of gas purchased from a pipeline (to be considered separately from operations and maintenance costs).
- b. Total cost per unit of gas purchased from other sources (to be considered separately from operations and maintenance costs).
- c. Residential and commercial sales volume in relation to investment in the system (rate base).
- d. Unaccounted-for gas as a percentage of total sales volume.

199—29.4(476) Rewards and penalties. If the board makes a determination as to the efficiency of the management of a utility pursuant to this chapter, except for an electric cooperative that has elected rate regulation, the board may prescribe an adjustment of the utility's return on common equity or revenue requirement as allowed pursuant to Iowa Code section 476.52. Upon making a determination as to the efficiency of the management of a rural electric cooperative that has elected rate regulation, the board

may prescribe an adjustment of the rates charged by the cooperative as part of an adjustment to the utility's revenue requirement.

These rules are intended to implement Iowa Code section 476.52.

ARC 7643C**AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]****Notice of Intended Action****Proposing rulemaking related to farmers' market nutrition programs
and providing an opportunity for public comment**

The Agriculture and Land Stewardship Department hereby proposes to rescind Chapter 50, "Women, Infants, and Children/Farmers' Market Nutrition Program and Senior Farmers' Market Nutrition Program," Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 175B.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 175B.

Purpose and Summary

The proposed rulemaking provides updates to the Department's Farmers' Market Nutrition Programs (FMNPs), which support low-income mothers and seniors in purchasing fresh fruits and vegetables at authorized farmers' markets and farmstands.

The proposed rulemaking seeks to update the voucher redemption procedure by modernizing the vendor payment system to include a hybrid electronic method, provide greater flexibility for farming businesses to participate in the FMNPs, enhance sales opportunities, clarify violations for vendors and participants, and ensure program integrity by preventing fraud and misuse of state and federal funds.

Additionally, the proposed changes accomplish many of the goals of Executive Order 10 by removing outdated or redundant language and improving readability of the chapter.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 21—Chapter 8.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 12, 2024. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Phone: 515.518.7609
Email: colin.tadlock@iowaagriculture.gov

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Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
9 a.m.

Second Floor Conference Room
Wallace State Office Building
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 21—Chapter 50 and adopt the following **new** chapter in lieu thereof:

CHAPTER 50

WOMEN, INFANTS, AND CHILDREN/FARMERS' MARKET NUTRITION PROGRAM AND
SENIOR FARMERS' MARKET NUTRITION PROGRAM

21—50.1(159,175B) Authority and scope. This chapter establishes procedures to govern the administration of a farmers' market special supplemental food program by the department of agriculture and land stewardship for implementing the applicable agreement and guidelines set forth by the United States Department of Agriculture, Food and Nutrition Service Agreement, in accordance with Iowa Code chapter 175B.

Information may be obtained by contacting the Agricultural Diversification and Market Development Bureau, Iowa Department of Agriculture and Land Stewardship, Wallace State Office Building, Des Moines, Iowa 50319, telephone 515.281.5321.

21—50.2(159,175B) Severability. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without the invalid provision or application, and, to this end, the provisions of these rules are severable.

21—50.3(159,175B) Definitions. For the purposes of this chapter:

"Application" means a request made by an individual to the department for vendor certification or farmers' market/farmstand authorization in the Iowa FMNP on a form provided by the agricultural diversification and market development bureau of the department.

"Authorized CSA" means a community supported agriculture program located within the state of Iowa that is authorized by the department for the exchange of SFMNP funds for eligible foods.

"Authorized farmers' market" means a farmers' market site located within the state of Iowa authorized by the department for the exchange of vouchers for eligible foods.

"Authorized farmstand" means a farmstand site located within the state of Iowa authorized by the department for the exchange of vouchers for eligible foods.

"Certified vendor" means an individual who has met all Iowa FMNP conditions as outlined by the department and who is guaranteed payment on all vouchers accepted, provided compliance is

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maintained by that individual regarding all Iowa FMNP rules and procedures as outlined in the vendor certification handbook. Individuals who exclusively sell produce grown by someone else, such as wholesale distributors, cannot be certified to participate in the Iowa FMNP, except individuals employed by a farmer otherwise qualified under these rules.

“Certified vendor identification sign” means department-issued signage that shall be clearly displayed by the certified vendor at all times the vendor accepts or intends to accept vouchers in an authorized farmers’ market/farmstand. Signs shall remain the sole property of the department with forfeiture by the certified vendor to the department in the event of disqualification or suspension.

“Certified vendor number” means a unique identification number issued for a designated period by the department and assigned to an individual whom the department has identified as a certified vendor. The certified vendor number shall be affixed to the certified vendor identification sign. An individual shall be assigned no more than one certification number for any designated period.

“Certified vendor stall” means all of the area in an authorized farmers’ market that is dedicated to a certified vendor for the purpose of displaying and offering product for sale. Certified vendors are permitted only one certified vendor stall per market. The only exceptions shall be:

1. If the certified vendor elects not to promote any of the area as Iowa FMNP for an entire farmers’ market day; or
2. If the certified vendor elects to exclude a portion of the space by maintaining a distance of separation from the certified vendor stall by a minimum of two farmers’ market vendors who are neither affiliated with nor related to the certified vendor and who are actively participating in the farmers’ market on the given day. An excluded area shall be operated independently of the certified vendor stall.

These exceptions shall hold only when the vendor neither accepts nor intends to accept vouchers.

“Certified vendor stamp” means a department-issued stamp of the certified vendor number.

“Days” means calendar days.

“Designated distribution site” means a site authorized by the department for distribution of vouchers by the local agency.

“Distribution” means the process outlined by the department and the means by which local agencies actually dispense vouchers to eligible recipients.

“Eligible foods” means fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs for human consumption. Eligible foods may not be processed or prepared beyond their natural state except for usual harvesting and cleaning processes. Locally produced, unpasteurized, pure honey is an eligible food only for the recipients of SFMNP benefits.

“Farmers’ market” means a cooperative or nonprofit enterprise or association that consistently occupies a given site throughout the season, which operates principally as a common marketplace for a group of farmers to sell locally grown fresh produce directly to consumers, and where the majority of products sold are produced by the participating farmers with the sole intent and purpose of generating a portion of household income.

“Farmstand” means a consistent site throughout the season, in which a single individual farmer sells the farmer’s produce directly to consumers.

“Fresh produce” means fruits and vegetables that have not been processed in any manner. This term does not include such items as dried fruits and vegetables, potted or dried herbs, wild rice, nuts of any kind including raw nuts, popcorn, fruit or vegetable plants/seedlings, dried beans/peas, seeds/grains, flowers, maple syrup, cider, eggs, meat, cheese, and seafood.

“Iowa FMNP” means Iowa farmers’ market nutrition program and refers to both WIC FMNP and SFMNP.

“Local agency” means a nonprofit entity that certifies eligible recipients, issues Iowa FMNP vouchers, arranges for the distribution of eligible foods through CSA programs, or provides nutritional education or information on operational aspects of the Iowa FMNP to recipients and that has entered into a contract with the department.

“Locally grown” means produce or honey that has a traceable point of origin either within Iowa or in a neighboring state in a county adjacent to Iowa’s border.

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“Posted hours and days” means the operational time frames in which Iowa FMNP vouchers are accepted stated in applications for authorization submitted by a representative, who has the legal authority to obligate the farmers’ market/farmstand/CSA, which include a beginning and an ending time and date for each year of operation.

“Proxy” means an individual authorized by an eligible recipient to act on the recipient’s behalf, including application for, receipt of, or use of vouchers or acceptance of SFMNP foods provided through a CSA program as long as the benefits are ultimately received by the recipient. Minors shall not be used as proxies.

“Recipient” means a person chosen by the Iowa department of agriculture and land stewardship to receive Iowa FMNP benefits.

1. To receive WIC FMNP benefits, such person must be a woman, infant over four months of age, or child who receives benefits under the WIC program or is on the waiting list to receive benefits under the WIC program.

2. To receive SFMNP benefits, such person must meet the senior eligibility criteria of the SFMNP in Part 249.6 of Subpart C of Title 7 Code of Federal Regulations as of May 26, 2005.

“Season” means a clearly delineated period of time during a given year that has a beginning date and ending date, as specified by the department, which correlates with a major portion of the harvest period for locally grown fresh produce.

“Secretary” means the secretary of agriculture for the state of Iowa.

“Service area” means the geographic area that encompasses all of the designated distribution sites and authorized farmers’ markets, farmstands, and CSAs within Iowa for a designated period.

“SFMNP” means the senior farmers’ market nutrition program.

“Shareholder” means an SFMNP recipient for whom a full or partial share in a community supported agriculture program has been purchased by the department, and who receives SFMNP benefits in the form of actual eligible foods rather than vouchers that must be exchanged for eligible foods at farmers’ markets or farmstands.

“USDA-FNS” means the United States Department of Agriculture-Food and Nutrition Service.

“Vendor certification handbook” means a publication by the department that is based on USDA-FNS regulations and guidelines, addresses all Iowa FMNP rules and procedures applicable to a certified vendor, and provides the basis for vendor training. A copy of the publication shall be issued to each individual after certification training. New editions supersede all previous editions.

“Voucher” means an instrument issued by the department to recipients that is redeemable only for eligible foods from certified vendors at authorized farmers’ markets/farmstands with a limited redeemable period that directly correlates to the season designated by the department.

“WIC” means the Special Supplemental Food Program for Women, Infants and Children, as administered by the Iowa department of health and human services.

“WIC FMNP” means the women, infants, and children farmers’ market nutrition program.

21—50.4(159,175B) Administration and agreements.

50.4(1) The program shall be administered by the secretary or by the secretary’s designee.

50.4(2) The department shall maintain all conditions as outlined in the farmers’ market nutrition program/senior farmers’ market nutrition program state plan submitted to USDA-FNS.

21—50.5(159,175B) Distribution of benefits.

50.5(1) Iowa department of health and human services WIC client screening processes and records shall provide the basis for identifying recipients eligible for receipt of WIC FMNP vouchers. The department may contract with local agencies to certify eligible recipients and distribute SFMNP vouchers. Senior recipient eligibility criteria shall conform to Part 249.6 of Subpart C of Title 7 Code of Federal Regulations as of May 26, 2005.

50.5(2) Local agencies shall distribute vouchers to recipients in the manner specified by the department in the procedures guide. Local agency services shall include, but not be limited to, ensuring that:

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- a.* Each recipient is issued vouchers during each distribution as authorized by the department.
- b.* The voucher serial numbers issued to the recipient correspond to the numbers in the distribution registry.
- c.* A proxy is allowed to act on behalf of a recipient.
- d.* Each recipient is provided a thorough explanation of program guidelines and recipient responsibility as outlined by the department.
- e.* All Iowa FMNP support materials are put into use as outlined by the department.
- f.* Accurate and complete records of all related Iowa FMNP activities in the possession of a local agency are maintained and retained for a minimum of three years following the date of submission of the final expenditure report for the period to which the report pertains. In the event of litigation or audit findings, the records shall be retained until all issues arising from such actions have been resolved or until the end of the prescribed retention period, whichever is later.
- g.* All agency records pertaining to this program are made available for inspection to representatives of USDA, the Comptroller General of the United States, the state auditor, the department, and other agencies working under contract with the department as necessary, at any time during normal business hours, and as frequently as is deemed necessary for inspection and audit. Otherwise, confidentiality of personal information on all recipients participating in the program shall be maintained at all times.

21—50.6(159,175B) Recipient responsibilities. Recipients shall be responsible for, but not limited to, all of the following:

1. Qualifying under Iowa FMNP guidelines.
2. Ensuring that the certified vendor is present when exchanging vouchers for eligible foods and surrendering voucher(s) to the certified vendor at the time of use.
3. Using vouchers only to purchase eligible foods from certified vendors who display certified vendor identification signs at authorized farmers' markets/farmstands.
4. Redeeming vouchers on or before the expiration date printed on the face of the voucher, or surrendering all claim to the value of vouchers that remain unredeemed.
5. Ensuring vouchers received are not assigned to any other party other than to a proxy.
6. Reporting violations or problems to the department or the local agency.
7. Reporting all incidents of lost or stolen vouchers to the local agency.

21—50.7(159,175B) Recipient noncompliance sanctions. Sanctions for violations of Iowa FMNP procedures and rules applicable to an Iowa FMNP recipient are based on the severity and nature of the violations observed and the recipient's history of violations.

50.7(1) A warning may be the sanction for minor violations such as, but not limited to:

- a.* Failing to ensure the certified vendor is present when exchanging vouchers for eligible foods.
- b.* Purchasing eligible foods from noncertified vendors.
- c.* Purchasing eligible foods from certified vendors not displaying a certified vendor identification sign or not at an authorized farmers' market/farmstand/CSA.

50.7(2) A disqualification may be the sanction for severe or repeated violations such as, but not limited to:

- a.* Exchanging Iowa FMNP vouchers for anything other than eligible foods.
- b.* Redeeming or attempting to redeem Iowa FMNP vouchers to receive payment.
- c.* Dual participation resulting from intentional misrepresentation.

21—50.8(159,175B) Farmers' market, farmstand, and community supported agriculture (CSA) authorization.

50.8(1) Authorized farmers' markets shall:

- a.* Annually submit an application for farmers' market authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate

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the farmers' market and serve as evidence of willingness by a person(s) associated with the farmers' market to implement all Iowa FMNP requirements.

b. Have a minimum of three eligible certified vendors or certified vendor applicants participate in the farmers' market for the majority of weeks of the season. The names of these three vendors shall be included in the application for authorization.

c. Maintain posted hours and days of operation to be maintained throughout the season, specifically detailed to cover any anticipated fluctuations in operations over the season.

d. Actively operate for at least two hours on the same day, on at least a biweekly basis, for at least nine consecutive weeks, except that pop-up farmers' markets managed by or with the support of an authorized farmers' market may operate less frequently and for less than two hours. For example, an authorized market operates at the county fair for a single day. An application for authorization must be submitted by the pop-up market and must demonstrate shared management with, or a letter of support from, the primary authorized farmer's market.

e. Maintain accessibility and consistency of the farmers' market site throughout the season.

f. Notify the department if the farmers' market changes the posted hours and days of operation prior to the end of the authorization period.

50.8(2) Authorized farmstands shall:

a. Annually submit an application for farmstand authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate the farmstand and serve as evidence of willingness by a person(s) associated with the farmstand to implement all Iowa FMNP requirements.

b. Be operated by a certified vendor. The certified vendor may submit an application for farmstand authorization concurrently with a certified vendor application.

c. Maintain posted hours and days of operation to be maintained throughout the season, specifically detailed to cover any anticipated fluctuations in operations over the season.

d. Actively operate for at least two hours on the same day, on at least a biweekly basis, for at least nine consecutive weeks, except that authorized farmstands may operate for less than nine consecutive weeks if their eligible food crops have a limited growing season.

e. Maintain accessibility and consistency of the farmstand site throughout the season.

f. Be staffed during posted hours and days of operation.

g. Notify the department if the farmstand changes the posted hours and days of operation prior to the end of the authorization period.

h. Qualify as a permanent farmstand or a moveable farmstand.

(1) A permanent farmstand shall be operated from a permanent building that is primarily used for the sale of eligible foods or other farm products, is not moveable, and remains in the same location year-round. The building shall have at least a roof, sidewalls, and a solid floor to protect product and people. Wood post frame, stud frame, rigid-frame metal, and concrete block construction are suitable farmstand construction. The building must be maintained in a manner consistent with standards generally accepted for this type of business.

(2) A farmstand that does not meet the structural requirements of a permanent farmstand or a certified vendor stall not located at an authorized farmers' market may be considered a moveable farmstand. If three or more applications for moveable farmstands located at a nonauthorized farmers' market are received by the department, the applicants may be required to meet the authorization requirements of a farmers' market. A moveable farmstand shall not operate concurrently with the posted hours and days of any authorized farmers' market within five miles unless the farmstand is located at the certified vendor's residence or primary grow site or has operated from a structure at the same location for a minimum of five consecutive years.

50.8(3) The department may limit the number of CSAs that may become authorized under Iowa FMNP. CSAs will not be authorized for WIC FMNP. An authorized CSA shall:

a. Annually submit an application for CSA authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate the CSA and

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serve as evidence of willingness by a person(s) associated with the CSA to implement all Iowa FMNP requirements.

b. Be operated by a certified vendor. The certified vendor may submit an application for CSA authorization concurrently with a certified vendor application.

c. Have a designated distribution site where eligible foods are distributed to senior participants.

d. Provide such information as the department may require for its periodic reports to USDA-FNS.

e. Ensure that SFMNP recipients receive only eligible foods.

f. Provide eligible foods to SFMNP shareholders at or below the price charged to other customers.

g. Ensure that the shareholders receive eligible foods that are of equitable value and quantity to their share.

h. Ensure that all funds from the department are used for planting of crops for SFMNP shareholders.

i. Provide to the department access to a tracking system that determines the value of the eligible foods provided and the remaining value owed to each SFMNP shareholder.

j. Ensure that SFMNP shareholders/authorized representatives provide written acknowledgment of receipt of eligible foods.

k. Accept training on SFMNP procedures and provide training to farmers and any employees with SFMNP responsibilities for such procedures.

l. Agree to be monitored for compliance with SFMNP requirements, including both overt and covert monitoring.

m. Be accountable for actions of farmers or employees in the provision of eligible foods and related activities.

n. Offer SFMNP shareholders the same courtesies as other customers.

o. Notify the department immediately when the CSA program is experiencing a problem with its crops and may be unable to provide SFMNP shareholders with the complete amount of eligible foods agreed upon between the CSA and the department.

p. Comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Department of Agriculture regulations on nondiscrimination contained in Parts 15, 15a and 15b and FNS instructions as outlined in Part 249.7 of Title 7 Code of Federal Regulations, as of May 26, 2005.

q. Notify the department if any CSA program ceases operation prior to the end of the authorization period.

21—50.9(159,175B) Vendor certification and eligibility.

50.9(1) The department does not limit the number of vendors who may become certified under Iowa FMNP.

50.9(2) The department issues a single certified vendor number for each separate and distinct agricultural operation.

50.9(3) To be eligible to apply for certification, a vendor must:

a. Reside and grow eligible foods within Iowa or in a neighboring state in a county adjacent to Iowa's border.

b. Be at least 18 years of age or older.

c. Participate in training on Iowa FMNP rules and procedures conducted by department staff in a manner and frequency specified by the department.

d. Submit a vendor/department agreement signed by a representative with legal authority to obligate the vendor or agricultural operation. Agreements may not exceed three years.

e. Indicate an intent to participate in one or more authorized farmers' markets/farmstands.

21—50.10(159,175B) Certified vendor obligations. A certified vendor shall be responsible for, at a minimum, all of the following:

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50.10(1) Beginning each market day with at least 20 percent of all products for sale or display in a certified vendor stall as eligible foods, having personally grown a majority of the eligible foods for sale or display.

a. When eligible foods are purchased for resale from another producer or wholesaler, the certified vendor must maintain valid receipts containing the following information: the name, address and telephone number of the producer/wholesaler; date of purchase; location of the growing site; and quantity purchased, itemized by product type. These receipts must be maintained for at least two years from the date of purchase and presented to the department upon request.

b. When nonlocally grown fresh unprepared produce or honey is for sale or display, the certified vendor must display prominent signage declaring the state the product was grown and the statement “not eligible for WIC and Senior FMNP”.

50.10(2) Accepting and redeeming vouchers only for a transaction that takes place between the certified vendor and recipient or proxy at the location, hours, and days of an authorized farmers’ market/farmstand/CSA, only in exchange for eligible foods.

50.10(3) Not transacting vouchers with the vendor’s own business, family, employees, or other individuals reasonably connected with the agricultural operation.

50.10(4) Not redeeming vouchers on behalf of another vendor.

50.10(5) Prominently displaying a certified vendor identification sign only at the location, hours, and days of an authorized farmers’ market/farmstand. The certified vendor identification sign must be removed or covered when the eligible foods are sold out or when the vendor is not conducting Iowa FMNP transactions.

50.10(6) Providing eligible foods to recipients upon receipt of a valid and properly completed voucher. Vouchers that are properly presented must be accepted by certified vendors participating in the Iowa FMNP.

50.10(7) Taking possession of vouchers accepted as payment for eligible foods.

50.10(8) Accepting a voucher as payment for eligible foods only if the voucher is presented on or before the usage expiration date printed on the voucher.

50.10(9) Handling transactions with recipients in the same manner as transactions with all other customers to ensure that Iowa FMNP clients are not exposed to discriminatory practices in any form.

50.10(10) Not collecting state or local taxes on purchases involving vouchers.

50.10(11) Providing eligible foods to recipients at the current price or less than the current price charged to other customers.

50.10(12) Not levying a surcharge based on the use of vouchers by recipients.

50.10(13) Not returning cash or issuing credit in any form to recipients during sales transactions that involve vouchers only. In the event of a single transaction in which a recipient presents a combination of cash and vouchers for the purchase of locally grown fresh produce, cash or credit up to the value of the cash portion of the payment may be given to the recipient. Credits or refunds may not be issued on returned eligible foods that were purchased with vouchers.

50.10(14) Participating in training as the department deems necessary to carry out the intent of Iowa FMNP.

50.10(15) Cooperating with the department in the evaluation of each season by completely and accurately responding to a survey, with resubmission to the department in a specified and timely manner.

50.10(16) Immediately informing the department in the event of loss, destruction, or theft of the certified vendor identification sign so that a replacement may be issued.

50.10(17) Complying with all procedures and rules as herein outlined and as delineated in the department vendor agreement, the certified vendor handbook, and written notices of clarification issued by the department to the vendor.

50.10(18) Complying with the requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, United States Department of Agriculture regulations on nondiscrimination contained in Parts 15, 15a and 15b and FNS instructions as outlined in 248.7 and 249.7 of the Title 7 Code of Federal Regulations as of May 26, 2005.

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50.10(19) Agreeing to be monitored at farmers' markets/farmstands and growing sites for compliance with Iowa FMNP requirements, including both overt and covert monitoring, and providing directions to growing sites upon request of department staff.

50.10(20) Not seeking restitution from Iowa FMNP recipients for vouchers not paid by the department.

50.10(21) Paying the department for any vouchers transacted in violation of the Iowa FMNP regulations.

50.10(22) Ensuring that all other persons who act on behalf of the certified vendor at a farmers' market/farmstand/CSA act solely on behalf of the certified vendor and understand and adhere to the procedures and regulations of the Iowa FMNP.

21—50.11(159,175B) Certified vendor noncompliance sanctions.

50.11(1) A warning may be the sanction for minor violations such as, but not limited to:

a. Failing to appropriately display the certified vendor sign with the current year certification sticker.

b. Conducting Iowa FMNP transactions at locations not authorized by the department or at times other than the posted hours and days for an authorized location.

c. Conducting Iowa FMNP transactions with an expired certification.

50.11(2) A disqualification may be the sanction for severe or repeated violations such as, but not limited to:

a. Failing to accept vouchers as payment only for eligible foods.

b. Redeeming vouchers on behalf of another vendor.

c. Returning cash or issuing credit in any form to recipients during sales transactions that involve vouchers only.

50.11(3) The department will issue certified vendors a written notice for all sanctions. A sanction from the department shall be pending for 15 days following receipt of the written notice by the certified vendor. The certified vendor shall be granted the pending period for presenting a written response or rebuttal. The department may reverse or modify a sanction based upon the written response submitted by the certified vendor. If a disqualification is upheld upon completion of the pending period, the department shall notify the certified vendor of the disqualification period including an effective date and, if applicable, an end date. A disqualification period may be in effect for at least the remainder of the current year or may be permanent.

50.11(4) Disqualified vendors shall refrain from participating in Iowa FMNP.

50.11(5) Violations involving the use of multiple vouchers in a single sales transaction shall be considered as a single violation. Violations involving multiple sales transactions, regardless of time elapsed, shall be considered multiple violations at a standard of one violation per sales transaction.

50.11(6) The department shall have the right to reimbursement from the vendor of an amount equal in value to vouchers redeemed after the official date of the disqualification notification. The disqualified vendor may be required to return the certified vendor identification sign(s) to the department within 15 days of receipt of the disqualification notice. At the conclusion of a disqualification period, the vendor must reapply for and receive certification in order to resume participation in Iowa FMNP.

50.11(7) Probationary status. Any vendor successfully recertified following disqualification will be on probationary status for one full Iowa FMNP season. Recurrence of a substantiated disqualification violation during the probationary period and for which the certified vendor has been cited shall be sufficient grounds for immediate and automatic disqualification.

21—50.12(159,175B) Appeal. A certified vendor who wishes to appeal a sanction made by the department that resulted in a suspension or disqualification may make a written request for administrative appeal to the department's Iowa FMNP director. This appeal must be made within 15 days of receipt of sanction notification by the certified vendor. The provisions of 21—Chapter 2 shall be applicable to an appeal except as otherwise provided in this chapter. The farmer/farmers' market/CSA program has the

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21](cont'd)

right to appeal a denial of an application to participate. Expiration of a contract or agreement shall not be subject to appeal.

21—50.13(159,175B) Deadlines.

50.13(1) *Submission of vendor application.* All applications shall be submitted no later than one month preceding the last date on which vouchers may be used by recipients at an authorized farmers' market/farmstand/CSA.

50.13(2) *Recipient voucher usage expiration.* Vouchers shall be valid for recipient use from the season starting date through the ending date as designated by the department. Such date shall be clearly printed on the voucher face. Vouchers shall be null and void after the expiration date.

50.13(3) *Certified vendor voucher reimbursement.* All vouchers accepted by a certified vendor shall be redeemed on or before 15 days following the date of expiration for voucher usage by recipients. Such date shall be clearly printed on the voucher. Any claim to voucher payment beyond the voucher reimbursement expiration date is not valid and shall be denied.

50.13(4) *Submissions by local agency.* Deadlines for submission of records, reports, survey instruments and undistributed vouchers by local agencies shall be established by the department and specified in the agreement entered into with the local agency.

50.13(5) *Operations plans and reports to USDA-FNS.* The department shall develop and submit plans and reports in a manner prescribed by USDA-FNS.

These rules are intended to implement Iowa Code chapters 159 and 175B.

ARC 7651C**HUMAN SERVICES DEPARTMENT[441]****Notice of Intended Action****Proposing rulemaking related to child care services
and providing an opportunity for public comment**

The Department of Health and Human Services (HHS) hereby proposes to amend Chapter 170, "Child Care Services," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 234.6.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2023 Iowa Acts, House File 707.

Purpose and Summary

This proposed rulemaking implements the Child Care Assistance (CCA) program. The proposed amendments to Chapter 170 update the family income limit to 160 percent of the federal poverty level (FPL), revise the provider reimbursement rates, and update the minimum hours of participation from 28 to 32 for families that do not include a special needs child. Also, these amendments revise the CCA family fee chart to update annual FPL changes.

A Regulatory Analysis, including the proposed amendments, was published on December 27, 2023. A public hearing was held on January 18, 2024. The HHS received no public comments. The Administrative Rules Coordinator provided preclearance for publication of this Notice of Intended Action on January 18, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

HUMAN SERVICES DEPARTMENT[441](cont'd)

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the HHS for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the HHS no later than 4:30 p.m. on March 21, 2024. Comments should be directed to:

Joe Campos
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.304.0963
 Email: joe.campos@idph.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 13, 2024 11:30 a.m.	Microsoft Teams meeting ID: 249 612 543 333 Passcode: JB3qMP
March 21, 2024 11:30 a.m.	Microsoft Teams meeting ID: 291 465 633 702 Passcode: KGsoMf

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the HHS and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subparagraph **170.2(1)“a”(1)** as follows:

(1) For initial eligibility, an applicant family's nonexempt gross monthly income as established in paragraph 170.2(1)“c” cannot exceed the amounts in this subparagraph.

1. 445 160 percent of the federal poverty level applicable to the family size for children needing basic care; or
2. and 3. No change.

ITEM 2. Amend subparagraph **170.2(2)“b”(2)** as follows:

(2) The parent is employed ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) or an average of ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) during the month. Child care services may be provided for the hours of

HUMAN SERVICES DEPARTMENT[441](cont'd)

employment and for actual travel time between the child care location and the place of employment. If the parent works a shift consisting of at least six hours of employment between the hours of 8 p.m. and 6 a.m. and needs to sleep during daytime hours, child care services may also be provided to allow the parent to sleep during daytime hours.

ITEM 3. Amend subparagraph **170.2(2)“b”(8)** as follows:

(8) The parent is employed and participating in academic or vocational training for ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) or an average of ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) in the aggregate, during the month. Child care services may be provided for the hours of employment, the hours of participation in academic or vocational training and for actual travel time between the child care location and the place of employment or training. All of the requirements relating to academic or vocational training found at subparagraph 170.2(2)“b”(1), except for the requirement to be enrolled full-time, apply to the part-time training in this subparagraph.

ITEM 4. Amend paragraph **170.2(3)“a”** as follows:

a. Priority groups. As funds are determined available, families shall be served on a statewide basis from a service-area-wide waiting list as specified in subrule 170.3(4) based on the following schedule in descending order of prioritization.

(1) Families with an income at or below 100 percent of the federal poverty level whose members, for at least ~~28~~ 32 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

(2) No change.

(3) Families with an income of more than 100 percent but not more than ~~145~~ 160 percent of the federal poverty guidelines whose members, for at least ~~28~~ 32 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program.

(4) No change.

ITEM 5. Rescind paragraph **170.4(2)“a”** and adopt the following new paragraph in lieu thereof:

a. Sliding fee schedule.

(1) For families whose eligibility is established in subparagraphs 170.2(1)“a”(1) and 170.2(1)“a”(2), the child care assistance (CCA) and CCA plus programs fee schedule, dated July 2024, found on the department’s website is effective for eligibility determinations made on or after July 1, 2024.

(2) For families whose eligibility is established in subparagraph 170.2(1)“a”(3), the CCA exit program fee schedule, dated July 2024, found on the department’s website is effective for eligibility determinations made on or after July 1, 2024.

ITEM 6. Amend paragraph **170.4(7)“a”** as follows:

a. Rate of payment. The rate of payment for child care services, except for in-home care which shall be paid in accordance with paragraph 170.4(7)“d,” shall be the actual rate charged by the provider for a private individual, not to exceed the maximum rates shown below. When a provider does not have a half-day rate in effect, a rate is established by dividing the provider’s declared full-day rate by 2. When a provider has neither a half-day nor a full-day rate, a rate is established by multiplying the provider’s declared hourly rate by 4.5. Payment shall not exceed the rate applicable to the provider type and age group as shown in the tables below. To be eligible for the special-needs rate, the provider must submit documentation to the child’s service worker that the child needing services has been assessed by a qualified professional and meets the definition for “child with special needs,” and a description of the child’s special needs, including, but not limited to, adaptive equipment, more careful supervision, or special staff training.

HUMAN SERVICES DEPARTMENT[441](cont'd)

Table 1 Half-Day Rate Ceilings for (Licensed Center)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$19.30 <u>\$23.21</u>	\$51.94	\$20.50 <u>\$23.21</u>	\$51.94	\$21.50 <u>\$23.21</u>	\$51.94	\$23.21 <u>\$24.05</u>	\$51.94
Preschool	\$17.00 <u>\$18.98</u>	\$30.43	\$18.00 <u>\$19.50</u>	\$30.43	\$18.98 <u>\$19.50</u>	\$30.43	\$20.00 <u>\$21.00</u>	\$30.43
School Age	\$13.50 <u>\$15.00</u>	\$30.34	\$14.75 <u>\$15.50</u>	\$30.34	\$15.00 <u>\$16.00</u>	\$30.34	\$16.00 <u>\$17.00</u>	\$30.34

Table 2 Half-Day Rate Ceilings for (Child Development Home A/B)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$12.98 <u>\$14.00</u>	\$19.47 <u>\$21.00</u>	\$13.50 <u>\$14.00</u>	\$20.25 <u>\$21.00</u>	\$13.75 <u>\$14.00</u>	\$20.63 <u>\$21.00</u>	\$14.00 <u>\$15.00</u>	\$21.00 <u>\$22.50</u>
Preschool	\$12.50 <u>\$12.75</u>	\$18.75 <u>\$19.13</u>	\$12.75 <u>\$13.00</u>	\$19.13 <u>\$19.50</u>	\$13.00 <u>\$13.75</u>	\$19.50 <u>\$20.63</u>	\$13.75 <u>\$15.00</u>	\$20.63 <u>\$22.50</u>
School Age	\$10.82 <u>\$11.25</u>	\$16.23 <u>\$16.88</u>	\$11.25 <u>\$12.50</u>	\$16.88 <u>\$18.75</u>	\$12.00 <u>\$13.00</u>	\$18.00 <u>\$19.50</u>	\$12.50 <u>\$13.50</u>	\$18.75 <u>\$20.25</u>

Table 3 Half-Day Rate Ceilings for (Child Development Home C)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$14.00 <u>\$15.25</u>	\$21.00 <u>\$22.88</u>	\$14.50 <u>\$15.25</u>	\$21.75 <u>\$22.88</u>	\$15.00 <u>\$15.25</u>	\$22.50 <u>\$22.88</u>	\$15.25 <u>\$16.25</u>	\$22.88 <u>\$24.38</u>
Preschool	\$13.75 <u>\$15.00</u>	\$20.63 <u>\$22.50</u>	\$14.50 <u>\$15.00</u>	\$21.75 <u>\$22.50</u>	\$14.75 <u>\$15.00</u>	\$22.13 <u>\$22.50</u>	\$15.00 <u>\$16.00</u>	\$22.50 <u>\$24.00</u>
School Age	\$11.25 <u>\$13.00</u>	\$16.88 <u>\$19.50</u>	\$12.50 <u>\$13.75</u>	\$18.75 <u>\$20.63</u>	\$13.00 <u>\$14.50</u>	\$19.50 <u>\$21.75</u>	\$14.50 <u>\$15.00</u>	\$21.75 <u>\$22.50</u>

Table 4 Half-Day Rate Ceilings for Child Care Home (Not Registered)		
Age Group	Basic	Special Needs
Infant and Toddler	\$12.98 <u>\$14.00</u>	\$19.47 <u>\$21.00</u>
Preschool	\$12.50 <u>\$12.75</u>	\$18.75 <u>\$19.13</u>
School Age	\$10.82 <u>\$11.25</u>	\$16.23 <u>\$16.88</u>

The following definitions apply in the use of the rate tables:

(1) to (9) No change.

ARC 7645C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

**Proposing rulemaking related to petitions for rulemaking
and providing an opportunity for public comment**

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 2, “Petitions for Rule Making,” and to adopt a new Chapter 2, “Petitions for Rulemaking,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 17A.7.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 17A.7; 2023 Iowa Acts, Senate File 514; and Executive Order 10 (January 10, 2023).

Purpose and Summary

This proposed rulemaking repromulgates Chapter 2 under the title “Petitions for Rulemaking” and implements Iowa Code section 17A.7 and 2023 Iowa Acts, Senate File 514, in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 17A.7 requires agencies to “prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition.” The rules are intended to provide standard procedures for the public to petition the Department, including any division, board, or commission within the Department that has its own rulemaking authority, to initiate a rulemaking. The rules also provide direction for inquiries on previously filed petitions for rulemaking and the Department’s obligation to respond to petitions on rulemaking.

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received no public comments, and no changes from the Regulatory Analysis have been made.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

Ashleigh Hackel
 Iowa Department of Inspections, Appeals, and Licensing
 6200 Park Avenue, Suite 100
 Des Moines, Iowa 50321
 Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 481—Chapter 2 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2
 PETITIONS FOR RULEMAKING

The department adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure related to petitions for rulemaking, which are published at www.legis.iowa.gov/docs/Rules/Current/UniformRules.pdf on the Iowa general assembly's website. References to "the agency" within any uniform rule include the department and any division, board, or commission under the administrative authority of the department pursuant to Iowa Code chapter 10A, unless a division, board, or commission has separate rulemaking authority and has adopted rules governing petitions for rulemaking.

481—2.1(17A) Petition for rulemaking. In lieu of the words "the agency (designate office)", insert "the department or specific division, board, or commission within the department where the petition is directed, as applicable". In lieu of the words "(AGENCY NAME)", insert the department or specific division, board, or commission within the department where the petition is directed.

481—2.3(17A) Inquiries. Inquiries concerning the status of a petition for rulemaking may be made to the department or applicable division, board, or commission as provided on the department's website.

These rules are intended to implement Iowa Code section 17A.7.

ARC 7646C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

**Proposing rulemaking related to declaratory orders
and providing an opportunity for public comment**

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 3, “Declaratory Orders,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 17A.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 17A.9; 2023 Iowa Acts, Senate File 514; and Executive Order 10 (January 10, 2023).

Purpose and Summary

This proposed rulemaking repromulgates Chapter 3, “Declaratory Orders,” and implements Iowa Code section 17A.9 and 2023 Iowa Acts, Senate File 514, in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 17A.9 requires agencies to “adopt rules that provide for the form, contents, and filing of petitions for declaratory orders, the procedural rights of persons in relation to the petitions, and the disposition of the petitions. The rules must describe the classes of circumstances in which the agency will not issue a declaratory order and must be consistent with the public interest and with the general policy of the chapter to facilitate and encourage agency issuance of reliable advice.”

The rules provide standard procedures governing the filing of and the Department’s response to petitions for declaratory orders and are intended to be applicable to any division, board, or commission within the Department that has its own rulemaking authority and had not adopted its own rules governing declaratory orders.

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received no public comments, and no changes from the Regulatory Analysis have been made.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

Ashleigh Hackel
 Iowa Department of Inspections, Appeals, and Licensing
 6200 Park Avenue, Suite 100
 Des Moines, Iowa 50321
 Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 481—Chapter 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
DECLARATORY ORDERS

The department of inspections, appeals, and licensing adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure related to declaratory orders, which are published at www.legis.iowa.gov/docs/Rules/Current/UniformRules.pdf on the Iowa general assembly's website. These rules are applicable to any division, board, or commission under the administrative authority of the department pursuant to Iowa Code chapter 10A, unless a division, board, or commission has separate rulemaking authority and has adopted rules governing declaratory orders. In lieu of the words “(designate agency)” within any uniform rule, insert the name of the department or specific board or division within the department where the petition for declaratory order is directed, as applicable. In lieu of the words “(designate office)”, insert the current location of the department, board, or division within the department, as applicable.

481—3.1(17A) Petition for declaratory order. In lieu of the words “(AGENCY NAME)”, the heading on the petition form should read:

BEFORE THE DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING
[or the specific board or division within the department where the petition is directed]

481—3.2(17A) Notice of petition. In lieu of the words “ ___ days (15 or less)”, insert “15 days”.

481—3.3(17A) Intervention.

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

3.3(1) In lieu of the words “within ___ days”, insert “within 15 days”. Strike the words “(after time for notice under X.2(17A))”. In lieu of the number “X.8(17A)”, insert “rule 481—3.8(17A)”.

In lieu of the words “(AGENCY NAME)”, the heading on the petition form should read:

BEFORE THE DEPARTMENT OF INSPECTIONS, APPEALS, AND LICENSING
[or the specific board or division within the department where the petition is directed]

481—3.5(17A) Inquiries. In lieu of the words “(designate official by full title and address)”, insert “to the department or applicable division, board, or commission as provided on the department’s website”.

481—3.6(17A) Service and filing of petitions and other papers.

3.6(2) In lieu of the words “(specify office and address)”, insert the current address of the department, board, or division within the department, as applicable.

3.6(3) In lieu of the words “(uniform rule on contested cases X.12(17A))”, insert “rule 481—10.12(17A), except that the filing will be delivered to the department, board, or division at its current location”.

481—3.8(17A) Action on petition. Replace all uniform rule text with “Action on the petition will be taken in accordance with Iowa Code section 17A.9(5).”

These rules are intended to implement Iowa Code chapter 17A.

ARC 7647C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

**Proposing rulemaking related to agency procedure for rulemaking
and providing an opportunity for public comment**

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 4, “Agency Procedure for Rule Making,” and to adopt a new Chapter 4, “Agency Procedure for Rulemaking,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 17A.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 17A.3; 2023 Iowa Acts, Senate File 514; and Executive Order 10 (January 10, 2023).

Purpose and Summary

This proposed rulemaking repromulgates Chapter 4 under the title “Agency Procedure for Rulemaking” and implements Iowa Code section 17A.3 and 2023 Iowa Acts, Senate File 514, in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Through this rulemaking, the Department adopts the Uniform Rules on Agency Procedure for agency rulemaking, addressing public comment prior to filing a Notice of Intended Action, addressing contents of the Notice of Intended Action and Regulatory Analysis, the timeline for the adoption of rules, and identifying rulemaking records required to be kept by the agency. This chapter is intended to be applicable to any division, board, or commission within the Department that has its own rulemaking authority and has not adopted its own rules governing procedures for rulemaking. This rulemaking will allow the Department to increase efficiencies and standardize Department processes.

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received no public comments, and no changes from the Regulatory Analysis have been made.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

Ashleigh Hackel
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

ITEM 1. Rescind 481—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4
AGENCY PROCEDURE FOR RULEMAKING

The department of inspections, appeals, and licensing adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure related to agency procedure for rulemaking, which are published at www.legis.iowa.gov/docs/Rules/Current/UniformRules.pdf on the Iowa general assembly's website. References to “the agency” include the department or any division, board, or commission under the administrative authority of the department pursuant to Iowa Code chapter 10A, unless the division, board, or commission has separate rulemaking authority and has adopted rules governing procedures for rulemaking.

481—4.3(17A) Public rulemaking docket.

4.3(2) *Anticipated rulemaking.* In lieu of the words “(commission, board, council, director)”, insert “director, board, commissioner, or the like, as applicable”.

481—4.4(17A) Notice of proposed rulemaking.

4.4(3) *Notices mailed.* In lieu of the words “(specify time period)”, insert “one calendar year”.

481—4.5(17A) Public participation.

4.5(1) *Written comments.* Strike the words “(identify office and address) or”.

4.5(5) *Accessibility.* In lieu of the words “(designate office and telephone number)”, insert “the department, board, commissioner, or the like, as applicable”.

481—4.6(17A) Regulatory analysis.

4.6(2) *Mailing list.* In lieu of the words “(designate office)”, insert “the department, division, board, commissioner, or the like, as applicable”.

481—4.11(17A) Concise statement of reasons.

4.11(1) *General.* In lieu of the words “(specify the office and address)”, insert “the department or board, as applicable”.

481—4.13(17A) Agency rulemaking record.

4.13(2) *Contents.* Amend paragraph “c” by inserting “director, board, commissioner, or the like, as applicable” in lieu of “(agency head)”.

These rules are intended to implement Iowa Code chapter 17A and section 25B.6.

ARC 7649C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

Proposing rulemaking related to licensing and child support noncompliance, student loan repayment noncompliance, and nonpayment of state debt and providing an opportunity for public comment

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 8, “Licensing Action for Nonpayment of Child Support and Prohibition of Licensing Action for Student Loan Default/Noncompliance With Agreement for Payment of Obligation,” and to adopt a new Chapter 8, “Licensing and Child Support Noncompliance, Student Loan Repayment Noncompliance, and Nonpayment of State Debt,” Iowa Administrative Code.

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 252J.8, 272C.4 and 272D.8.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 252J.8, 272C.4 and 272D.8.

Purpose and Summary

This proposed rulemaking repromulgates Chapter 8 under the title “Licensing and Child Support Noncompliance, Student Loan Repayment Noncompliance, and Nonpayment of State Debt,” and implements Iowa Code chapter 252J, “Child Support—Licensing Sanctions,” chapter 272C, “Regulation of Licensed Professions and Occupations,” and chapter 272D, “Debts Owed State or Local Government—Licensing Sanctions,” and 2023 Iowa Acts, Senate File 514, in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 252J.8 provides that “a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the [child support recovery] unit.”

Iowa Code section 272D.8 similarly directs a licensing authority to adopt rules “for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the [centralized collection unit of the Department of Revenue].” Iowa Code section 272C.4 directs a licensing board to adopt rules “to prohibit the suspension or revocation of a license issued by the board to a person who is in default or is delinquent on repayment or a service obligation under federal or state postsecondary educational loans or public or private services-conditional postsecondary tuition assistance solely on the basis of such default or delinquency.”

This proposed rulemaking implements the aforementioned Iowa Code sections by providing definitions and procedures related to licensing action taken or prohibited related to child support noncompliance, student loan repayment noncompliance, and nonpayment of a state debt. The rules are drafted for applicability to any division, board, or commission under the administrative authority of the Department pursuant to 2023 Iowa Acts, Senate File 514. As many licensing authorities joined the Department in the realignment effected by that legislation, this rulemaking allows the Department to maintain one standard administrative chapter implementing these Iowa Code sections and to remove similar text from the individual Iowa Administrative Code chapters maintained by the licensing authorities that realigned with the Department.

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received no public comments, and no changes from the Regulatory Analysis have been made.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

Ashleigh Hackel
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11:20 to 11:40 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 481—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
LICENSING AND CHILD SUPPORT NONCOMPLIANCE, STUDENT LOAN
REPAYMENT NONCOMPLIANCE, AND NONPAYMENT OF STATE DEBT

481—8.1(252J,272D) Definitions. For the purpose of this chapter, the following definitions apply:

“*Applicant*” means a person seeking the issuance of a license.

“*Department*” means the department of inspections, appeals, and licensing.

“*License*” means the same as defined in Iowa Code sections 252J.1 and 272D.1.

CHILD SUPPORT NONCOMPLIANCE

481—8.2(252J) Definitions. For the purpose of this division, the following definitions apply:

“*Certificate of noncompliance*” means the same as defined in Iowa Code section 252J.1.

“*Licensing authority*” means the same as defined in Iowa Code section 252J.1 and includes the department and any board, commission, or other entity of the department having authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

481—8.3(252J) Child support certificates of noncompliance. The licensing authority will suspend, revoke, or deny the issuance or renewal of a license upon the receipt of a certificate of noncompliance from the child support recovery unit in accordance with Iowa Code chapter 252J. In addition to the procedures set forth in Iowa Code chapter 252J, the rules in this chapter apply.

8.3(1) Notice required by Iowa Code section 252J.8 will be served upon the applicant or licensee by restricted certified mail, return receipt requested; personal service in accordance with Iowa Rule of Civil Procedure 1.305; or the acceptance of service by the applicant or licensee personally or through authorized counsel.

8.3(2) The effective date of the denial, revocation, or suspension is 60 days following service of the notice upon the applicant or licensee.

8.3(3) The licensing authority is authorized to prepare and serve the notice mandated by Iowa Code section 252J.8 upon the applicant or licensee.

8.3(4) Applicants and licensees are responsible for keeping the licensing authority informed of all court actions and all child support recovery unit actions taken under or in connection with Iowa Code chapter 252J, including providing the licensing authority copies, within seven days of filing or issuance, of applications filed with the district court pursuant to Iowa Code section 252J.9, court orders entered in such actions, and withdrawals of certificates of noncompliance by the child support recovery unit.

8.3(5) All licensing authority fees required for license application, renewal or reinstatement must be paid before a license will be issued, renewed or reinstated after proceedings under Iowa Code chapter 252J.

8.3(6) A licensee or applicant may file an application with the district court within 30 days of service of a licensing authority notice pursuant to Iowa Code sections 252J.8 and 252J.9. The filing of the application stays the licensing authority's action until the licensing authority receives a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial, revocation, or suspension, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

8.3(7) The licensing authority will notify the applicant or licensee in writing within ten days of the effective date of the denial, suspension, or revocation of a license, and will similarly notify the applicant or licensee when the license is issued, renewed, or reinstated following the licensing authority's receipt of a withdrawal of the certificate of noncompliance.

These rules are intended to implement Iowa Code chapter 252J.

STUDENT LOAN REPAYMENT NONCOMPLIANCE

481—8.4(272C) Student loan repayment noncompliance. Pursuant to Iowa Code section 272C.10(4), a person who is in default or delinquent on student loan payments will not be denied a license or have a license suspended or revoked solely on the basis of such default or delinquency.

This rule is intended to implement Iowa Code section 272C.4.

NONPAYMENT OF STATE DEBT

481—8.5(272D) Definitions. For the purpose of this division, the following definitions apply:

“*Certificate of noncompliance*” means the same as defined in Iowa Code section 272D.1.

“*Licensing authority*” means the same as defined in Iowa Code section 272D.1 and includes the department and any board, commission, or other entity of the department having authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

481—8.6(272D) State debt certificates of noncompliance. The licensing authority will suspend, revoke, or deny the issuance or renewal of a license upon the receipt of a certificate of noncompliance

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

from the centralized collection unit of the department of revenue in accordance with Iowa Code chapter 272D. In addition to the procedures set forth in Iowa Code chapter 272D, the rules in this chapter apply.

8.6(1) Notice required by Iowa Code section 272D.8 will be served upon the applicant or licensee by restricted certified mail, return receipt requested; personal service in accordance with Iowa Rule of Civil Procedure 1.305; or the acceptance of service by the applicant or licensee personally or through authorized counsel.

8.6(2) The effective date of the denial, revocation, or suspension is 60 days following service of the notice upon the applicant or licensee.

8.6(3) The licensing authority is authorized to prepare and serve the notice mandated by Iowa Code section 272D.8 upon the applicant or licensee.

8.6(4) Applicants and licensees are responsible for keeping the licensing authority informed of all court actions and all actions of the department of revenue taken under or in connection with Iowa Code chapter 272D, including providing the licensing authority copies, within seven days of filing or issuance, of applications filed with the district court pursuant to Iowa Code section 272D.9, court orders entered in such actions, and withdrawals of certificates of noncompliance by the centralized collection unit.

8.6(5) All licensing authority fees required for license application, renewal or reinstatement must be paid before a license will be issued, renewed or reinstated after proceedings under Iowa Code chapter 272D.

8.6(6) A licensee or applicant may file an application with the district court within 30 days of service of a licensing authority notice pursuant to Iowa Code sections 272D.8 and 272D.9. The filing of the application stays the licensing authority's action until the licensing authority receives a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial, revocation, or suspension, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

8.6(7) The licensing authority will notify the applicant or licensee in writing within ten days of the effective date of the denial, suspension, or revocation of a license, and will similarly notify the applicant or licensee when the license is issued, renewed, or reinstated following the licensing authority's receipt of a withdrawal of the certificate of noncompliance.

These rules are intended to implement Iowa Code chapter 272D.

ARC 7650C**INSPECTIONS AND APPEALS DEPARTMENT[481]****Notice of Intended Action****Proposing rulemaking related to ambulatory surgical centers
and providing an opportunity for public comment**

The Department of Inspections, Appeals, and Licensing (Department) hereby proposes to adopt new Chapter 49, "Ambulatory Surgical Centers," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 135R.4 as enacted by 2023 Iowa Acts, Senate File 75.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 135R as enacted by 2023 Iowa Acts, Senate File 75, and Executive Order 10 (January 10, 2023).

Purpose and Summary

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

This proposed rulemaking promulgates new Chapter 49, “Ambulatory Surgical Centers,” and implements Iowa Code chapter 135R as enacted by 2023 Iowa Acts, Senate File 75, in accordance with the goals and directives of Executive Order 10. The rulemaking administers Iowa Code section 135R.4 by establishing a license application and renewal process, including clarifying implementation of Iowa Code chapter 135R in association with the Certificate of Need program set forth in Iowa Code chapter 10A, subchapter VII, part 2, as enacted by 2023 Iowa Acts, Senate File 514.

The rules also implement an inspection frequency as described in Iowa Code chapter 135R and describe standard procedures as to access to records, referral of pertinent findings or allegations, notifications of final findings, and inspector conflicts of interest. The rules also describe substantive licensing standards consistent with the requirements of Iowa Code chapter 135R, including compliance with specific standards for coverage in the federal Medicare program for ambulatory surgical centers and external quality data reporting in accordance with Iowa Code chapter 135R and rules promulgated by the Department of Health and Human Services. The rules also describe enforcement and penalties for noncompliance with Iowa Code chapter 135R and standards promulgated in accordance therewith, processes for obtaining waivers, and the public and confidential nature of various records collected or created by the Department.

A Regulatory Analysis related to this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, and a public hearing on the Regulatory Analysis was held on January 3, 2024. The Department received seven written public comments, and two members of the public spoke at the public hearing. Five comments reported concerns with Iowa Code chapter 135R as enacted by 2023 Iowa Acts, Senate File 75, as opposed to the rules administering the legislation. Such comments primarily reported concerns with the statutory requirement for quality data reporting to the Department of Health and Human Services that is consistent with the data required to be reported to the Centers for Medicare and Medicaid Services and the potential for double reporting by federally certified ambulatory surgical centers, the inclusion of ambulatory surgical centers within the certificate of need requirements, and the definition of “ambulatory surgical center” in Iowa Code section 135R.1.

The Ambulatory Surgical Center Association, in addition to providing comments about the underlying legislation, requested that proposed subrule 49.4(2) be revised to clarify whether reporting is required to the “Iowa” Department of Health and Human Services or the “federal” Department of Health and Human Services. That subrule was renumbered as subrule 49.4(3) and revised to insert the word “Iowa.”

The Department also received a comment related to concerns regarding the difference between the state and federal definitions of “ambulatory surgical center” as it relates to the federal regulatory “distinct entity” requirements for the physical environment and operations. The Department has revised proposed subrules 49.2(1) and 49.4(2) to provide additional clarity as to the applicability of federal physical environment requirements, the building and plan review submission process, and the availability of waivers. The Department has also added clarity with respect to changes of ownership subsequent to inquiry on that topic.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

Ashleigh Hackel
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: ashleigh.hackel@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 18, 2024 11 to 11:20 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 11 to 11:20 a.m.	6200 Park Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Virtual participation for public hearings will be available on the Department's website. Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Adopt the following **new** 481—Chapter 49:

CHAPTER 49
AMBULATORY SURGICAL CENTERS

481—49.1(135R) Definitions.

“*Ambulatory surgical center*” means the same as defined by Iowa Code section 135R.1.

“*Department*” means the department of inspections, appeals, and licensing.

481—49.2(135R,10A) Application and licensing.

49.2(1) Application and licensing. An ambulatory surgical center shall obtain a license from the department in accordance with Iowa Code section 135R.2.

a. An ambulatory surgical center seeking licensure will make application on forms provided by the department or through the department's online application system. Upon receipt of a completed application, including completion of the building and plan review set forth in paragraph “*b*,” and receipt of the \$50 fee set forth in Iowa Code section 135R.3(3), the application will be considered.

b. An ambulatory surgical center applicant shall submit architectural technical documents, engineering documents, and plans and specifications to the department's building and construction division in accordance with rule 661—300.4(103A) that demonstrate the applicant's compliance with the construction and physical environment requirements of subrule 49.4(2). The submission may be

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

completed by an authorized agent of the applicant or the responsible design professional, who shall certify that the building or building plans meet the construction and physical environment standards within subrule 49.4(2) or that a waiver has been granted by the department for any noncompliant standard. If the applicant was operating prior to and continuously since July 1, 2023, the applicant is permitted up to six months after submission of its license application to submit plans demonstrating compliance with subrule 49.4(1) or obtaining waivers for the construction and physical environment standards in accordance with subrule 49.4(2).

49.2(2) *Certificate of need.* An ambulatory surgical center will be granted an initial license and is not required to obtain a new certificate of need solely because licensure is mandated by Iowa Code chapter 135R if the ambulatory surgical center was operating prior to and continuously since July 1, 2023. Any ambulatory surgical center beginning operations on or after July 1, 2023, shall obtain a certificate of need from the health facilities council pursuant to Iowa Code chapter 10A, subchapter VII, part 2, prior to submitting its license application to the department. Any ambulatory surgical center modifying its operations after July 1, 2023, in a manner that would require a certificate of need pursuant to Iowa Code chapter 10A, subchapter VII, part 2, shall obtain a certificate of need from the health facilities council.

49.2(3) *Renewal, changes of ownership, and changes of information.* A license issued pursuant to this chapter expires one year after the date of issuance or as indicated on the license.

a. Renewal. To renew a license, a completed application form shall be submitted to the department 30 days prior to license expiration.

b. Change of ownership. To request a change of ownership, a completed application form shall be submitted to the department for the new owner at least 30 days prior to the proposed effective date of the change of ownership. A change of ownership includes the purchase, transfer, assignment, or lease of the licensed ambulatory surgical center, and includes a change in the management company responsible for the day-to-day operation of the ambulatory surgical center if the management company is ultimately responsible for any enforcement action taken by the department. For purposes of determining ownership and whether such changes constitute a change of ownership, the department adopts the Centers for Medicare and Medicaid Services (CMS) State Operations Manual sections 3210.1A and 3210.1D (Rev. 1, 05-21-04).

c. Change of information. The department should be notified of any changes to an applicant's or licensee's application information within 30 days of the date the change occurs, including the cessation of operation.

49.2(4) *Public display.* The license shall be displayed in a conspicuous place in the ambulatory surgical center viewed by the public.

481—49.3(135R,10A) Inspections.

49.3(1) *Frequency.* Inspections may be initiated because of a complaint or other information received by the department or upon referral from other agencies. The department will perform inspections at the same frequency and utilize any priority tier structure for survey and certification activities required for inspections of Medicare-certified ambulatory surgical centers. The department will recognize, in lieu of its own licensure inspection, the comparable inspection and findings of a Medicare survey or an accrediting organization approved by CMS for federal certification.

49.3(2) *Access to records.* An inspector with the department may enter an ambulatory surgical center without a warrant and may examine and copy all records and items pertaining to the inspection unless the record or item is protected by some other legal privilege.

49.3(3) *Evaluation of allegations and referral to other agencies.* If an inspection is initiated, the department will evaluate the allegations to determine whether the allegations should also be referred to other local, state, or federal agencies. If the department believes a criminal or regulatory violation has occurred or is occurring, the department shall notify the appropriate law enforcement or regulatory agencies.

49.3(4) *Final findings.* The department will notify the ambulatory surgical center and any complainant, in writing, of the final findings of an inspection.

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

49.3(5) *Inspector conflict of interest.* An employee of the department will be excluded from participating in the inspection of an ambulatory surgical facility described by Iowa Code section 135R.5(3).

481—49.4(135R) General licensing standards.

49.4(1) *Federal specific conditions of coverage.* A state-licensed ambulatory surgical center shall comply with the specific conditions for coverage in the federal Medicare program for ambulatory surgical centers under 42 CFR Part 416, Subpart C, as amended to July 1, 2023, and federal interpretive guidelines for such regulations, including Appendix L of the State Operations Manual published by CMS, Rev. 215, as amended to July 21, 2023.

49.4(2) *Construction and physical environment standards.* In accordance with subrule 49.4(1), the construction and physical environment standards of 42 CFR 416.44 as amended to July 1, 2023, are adopted. Ambulatory surgical centers built in compliance with construction and environment standards applicable at the time of building approval or building plan approval under subrule 49.2(1) are deemed in compliance with subsequent regulations, with the exception of any structural renovations, additions, functional alterations, or changes in space utilization after the date of approval. Any such structural renovations, additions, functional alterations, or changes in space utilization that will occur after the licensee's initial approval shall be reviewed and approved in accordance with paragraph 49.2(3) "b" prior to such changes being made.

49.4(3) *External reporting.* An ambulatory surgical center shall report quality data to the Iowa department of health and human services consistent with the data required to be reported to CMS in accordance with rules promulgated by the Iowa department of health and human services.

481—49.5(135R) Enforcement and penalties.

49.5(1) *Denial, suspension, or revocation.* The license for an ambulatory surgical center may be denied, suspended, or revoked for failure to comply with Iowa Code chapter 135R or this chapter, including any reason for which an ambulatory surgical center could be denied, suspended, or terminated from the federal Medicare program for ambulatory surgical centers under 42 CFR Part 416 as amended to July 1, 2023, and federal interpretive guidelines, including Appendix L of the State Operations Manual published by CMS, Rev. 215, as amended to July 21, 2023.

49.5(2) *Effective date and contested case appeals.* Unless otherwise stated, a denial, suspension or revocation of license is effective 30 days after certified mailing or personal service of the notice upon the licensee. The licensee may request a contested case hearing by submitting a request, in writing, to the department within 30 days of the mailing or service. Contested case appeals and hearings are governed by 481—Chapter 9, 481—Chapter 10, and 481—Chapter 16.

49.5(3) *Enjoining an unlicensed ambulatory surgical center.* An injunction or other process against any person to restrain or prevent the establishment, operation, or maintenance of an ambulatory surgical center without a license may be pursued by the department in accordance with Iowa Code section 135R.7.

49.5(4) *Operation of unlicensed ambulatory surgical center—serious misdemeanor.* A person establishing, operating, or maintaining an ambulatory surgical center without a license commits a serious misdemeanor as set forth in Iowa Code section 135R.9.

481—49.6(135R,10A) Public and confidential information. The department's final findings with respect to compliance by an ambulatory surgical center with requirements for licensing will be made available to the public on the department's website. Other information relating to an ambulatory surgical center obtained by the department that does not constitute the department's final findings from an inspection, including the name and identifying information about a complainant, are confidential in accordance with Iowa Code section 135R.6. This rule does not inhibit the referral of otherwise confidential information to other law enforcement or regulatory agencies pursuant to Iowa Code section 10A.105(5).

49.6(1) *Public disclosure.* The following records are open and available for inspection:

- a. License application forms and accompanying materials;

INSPECTIONS AND APPEALS DEPARTMENT[481](cont'd)

- b. Final findings of the department's inspections;
- c. Official notices of any enforcement action.

49.6(2) Confidential information. Confidential information includes the following:

a. Information obtained by the department that does not comprise a final finding resulting from an inspection. Inspection information that does not comprise a final finding may be made public in a contested case proceeding concerning the department's final findings, including the denial or revocation of registration.

b. Names and identifying information of all complainants.

49.6(3) Redaction of confidential information. If a record normally open for inspection contains confidential information, the confidential information will be redacted prior to providing the record for inspection.

481—49.7(135R,10A) Waivers. Requests for waiver may be submitted to the department in accordance with 481—Chapter 6. Waivers may be granted by the director of the department when, in the director's discretion, good and sufficient reasons underlying the need for a waiver have been established; no substantial risk to the health, safety, or welfare of patients is presented by approving the waiver; and alternate means are employed or compensating circumstances exist to justify the waiver. Any waiver granted is limited to the specific project under consideration and does not establish a precedent for similar acceptance in other cases.

These rules are intended to implement Iowa Code chapters 135R and 10A.

ARC 7644C

INSURANCE DIVISION[191]

Notice of Intended Action

Proposing rulemaking related to captive companies and providing an opportunity for public comment

The Insurance Division hereby proposes to adopt a new Chapter 113, "Captive Companies," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 521J.26.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 521J.26.

Purpose and Summary

This proposed chapter establishes rules and procedures for implementation and administration of captive companies. The purpose of the proposed chapter is to set forth the financial, reporting, recordkeeping, and other requirements that the Iowa Insurance Commissioner deems necessary for the regulation of captive companies.

Fiscal Impact

The captive company program will incur costs associated with captive companies over the next five years in terms of personnel and implementation costs. The introduction of captive companies to the state of Iowa and the tax on premiums of captive insurance will increase General Fund revenue; however, the amount cannot be determined. The Division anticipates that there will be an annual request for additional staffing and resources necessary to fully implement the program.

Jobs Impact

INSURANCE DIVISION[191](cont'd)

The Division believes that Iowa Code chapter 521J and the proposed rulemaking will have a moderate impact on private sector jobs and employment opportunities within the insurance industry.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 191—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Division no later than 4:30 p.m. on March 20, 2024. Comments should be directed to:

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Fax: 515.654.6500
Email: angela.burke.boston@iid.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 20, 2024 10 to 11 a.m.	1963 Bell Avenue, Suite 100 Des Moines, Iowa
March 20, 2024 3 to 4 p.m.	1963 Bell Avenue, Suite 100 Des Moines, Iowa

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Angela Burke Boston via email at angela.burke.boston@iid.iowa.gov or by telephone at 515.654.6543 and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Adopt the following **new** 191—Chapter 113:

CHAPTER 113
CAPTIVE COMPANIES

191—113.1(521J) Authority. This chapter is promulgated pursuant to the general rulemaking authority vested in the commissioner by Iowa Code section 521J.26.

INSURANCE DIVISION[191](cont'd)

191—113.2(521J) Purpose. The purpose of this chapter is to set forth the financial, reporting, recordkeeping, and other requirements that the commissioner deems necessary for the regulation of captive companies.

191—113.3(521J) Definitions. In addition to the definitions set forth in Iowa Code section 521J.1 and rule 191—1.1(502,505), the following definitions apply:

“*Captive manager*” means a person that is on the Iowa approved captive management firms list and, pursuant to a written contract with a captive company, provides and coordinates services including but not limited to accounting, statutory filings, signed annual statements and coordination of related services. The captive manager acts as an intermediary that facilitates and assists the captive company in meeting its statutory requirements under Iowa Code chapter 521J.

“*Work papers*” include, but are not necessarily limited to, schedules, analyses, reconciliations, abstracts, memoranda, narratives, flow charts, copies of company records or other documents prepared or obtained by the accountant and the accountant’s employees in the conduct of their audit of the captive company.

191—113.4(521J) Annual reporting requirements.

113.4(1) A captive company authorized in this state shall file an annual report of its financial condition with the commissioner as required by Iowa Code section 521J.7(1). The report shall be verified by oath of at least two individuals who are executive officers of the captive company. The report shall be prepared using generally accepted accounting principles (GAAP). A hard copy shall be mailed and an electronic copy shall be filed consistent with directions from the commissioner.

113.4(2) All captive insurance companies are to use the Iowa Captive Company Annual Statement Form, except captive risk retention group insurers and special purpose captive companies, which shall use the National Association of Insurance Commissioners’ (NAIC’s) Annual and Quarterly Statements.

113.4(3) The Iowa Captive Company Annual Statement shall include a statement of a qualified actuary titled “statement of actuarial opinion” setting forth the opinion relating to loss and loss adjustment expense reserves.

113.4(4) A special purpose captive company domiciled in this state shall annually submit to the commissioner a material variances letter explaining any material differences between the captive company’s actual results and its projections on file. For the purposes of this rule, “materiality” shall be defined as 10 percent of surplus as regards policyholders as of the prior year end.

191—113.5(521J) Risk limitation.

113.5(1) The commissioner may limit the net amount of risk a captive company retains for a single risk after considering the impact of the retention on the captive company’s capital and surplus.

113.5(2) The commissioner may also prescribe and demand additional capital and surplus of any captive company if the commissioner determines that the captive company is not adequately capitalized for the type, volume and nature of the risk that is being covered by the captive company.

191—113.6(521J) Annual audit.

113.6(1) All companies shall have an annual audit by an independent certified public accountant, approved by the commissioner, and shall file such audited financial report with the commissioner on or before June 1 for the preceding year. Financial statements furnished under this rule shall be prepared in accordance with generally accepted auditing standards as determined by the American Institute of Certified Public Accountants.

113.6(2) The annual audit report shall be considered part of the captive company’s annual report of financial condition, except with respect to the date by which it must be filed with the commissioner.

113.6(3) The annual audit shall consist of the following:

- a. Opinion of independent certified public accountant.

INSURANCE DIVISION[191](cont'd)

(1) Financial statements furnished pursuant to this subrule shall be examined by independent certified public accountants in accordance with generally accepted auditing standards as determined by the American Institute of Certified Public Accountants.

(2) The opinion of the independent certified public accountant shall cover all years presented.

(3) The opinion must be addressed to the captive company on stationery of the accountant showing the address of issuance, bear original manual signatures or be executed in conformance with Iowa Code chapter 554D and be dated.

b. Report of evaluation of internal controls.

(1) This report shall include an evaluation of the internal controls of the captive company relating to the methods and procedures used in securing of assets and the reliability of the financial records, including but not limited to controls of the system of authorization and approval and the separation of duties.

(2) The review shall be conducted in accordance with generally accepted auditing standards, and the report shall be filed with the commissioner.

c. Accountant's letter. The accountant shall furnish to the captive company, for inclusion in the filing of the audited annual report, a letter stating the following:

(1) The accountant is independent with respect to the captive company and conforms to the standards of the profession as contained in the Code of Professional Ethics and pronouncements of the American Institute of Certified Public Accountants and the Financial Accounting Standards Board;

(2) The general background and experience of the staff engaged in the audit, including their experience in auditing captive or other insurance companies;

(3) The accountant understands that the audited annual report and the opinions will be filed in compliance with this rule;

(4) The accountant consents to the requirements of rule 191—113.12(521J);

(5) The accountant consents and agrees to make the work papers as described in rule 191—113.3(521J) available for review by the commissioner, designee, or appointed agent; and

(6) The accountant is properly licensed by an appropriate state licensing authority.

d. Financial statements. The following financial statements are required:

(1) Balance sheet;

(2) Statement of gain or loss from operations;

(3) Statement of changes in financial position;

(4) Statement of cash flow;

(5) Statement of changes in capital paid up, gross paid in and contributed surplus and unassigned funds (surplus); and

(6) Notes to financial statements. The notes to financial statements shall be those required by generally accepted accounting principles and shall include:

1. Reconciliation of differences, if any, between the audited financial report and the statement or form filed with the commissioner;

2. Summary of ownership and relationship of the captive company and all affiliated corporations or companies insured by the captive; and

3. Narrative explanation of all material transactions with the captive company. For purposes of this provision, no transaction shall be deemed material unless it involves 3 percent or more of a captive company's admitted assets as of the prior year end.

191—113.7(521J) Annual certification of loss reserves and loss expense reserves.

113.7(1) All companies shall submit an annual statement of actuarial opinion by a qualified actuary, evaluating the company's loss reserves and loss expense reserves or life and health policy and claim reserves. The statement of actuarial opinion shall conform to the Standards of Practice promulgated by the Actuarial Standards Board of the American Academy of Actuaries, the standards of the Casualty Actuarial Society, or the standards of the Society of Actuaries, as applicable, and such additional standards as the commissioner deems appropriate.

INSURANCE DIVISION[191](cont'd)

113.7(2) The individual who prepares the statement of actuarial opinion shall be approved by the commissioner and shall be a Fellow of the Casualty Actuarial Society, a member in good standing of the American Academy of Actuaries, a member in good standing of the Society of Actuaries, or an individual who has demonstrated competence to the commissioner.

113.7(3) The annual statement of actuarial opinion shall be considered part of the company's annual report of financial condition, except with respect to the date by which it must be filed with the commissioner.

113.7(4) With the exception of risk retention groups and special purpose financial insurance companies, all companies shall file such statement of actuarial opinion with the commissioner on or before June 30 for the year ending December 31 immediately preceding. Companies that have received approval to report on other than a calendar year basis shall file such opinion within 180 days after the end of their fiscal year.

113.7(5) A risk retention group domiciled in this state shall file such statement of actuarial opinion with the commissioner on or before March 1 and an actuarial opinion summary on or before March 15 for the year ending December 31 immediately preceding, written by the company's appointed actuary evaluating the company's loss reserves and loss expense reserves. The appointed actuary must be appointed by the board of directors, or its equivalent, or by a committee of the board, by December 31 of the calendar year for which the opinion is rendered. The appointed actuary must report to the board of directors each year on the items within the scope of the statement of actuarial opinion. The statement of actuarial opinion and the supporting actuarial report must be made available to the board of directors. The minutes of the board of directors should indicate that the appointed actuary has presented such information to the board of directors and that the statement of actuarial opinion and the supporting actuarial report were made available. The statement of actuarial opinion and the actuarial opinion summary shall be in the format of and contain the information required by the NAIC's Property and Casualty Annual Statement Instructions.

A special purpose financial insurance company domiciled in this state shall file such statement of actuarial opinion on or before June 30 for the year ending December 31 immediately preceding. The statement of actuarial opinion shall be in the format of and contain the information required by the NAIC's Life, Accident and Health Annual Statement Instructions or Property and Casualty Annual Statement Instructions, as applicable.

191—113.8(521J) Designation of independent certified public accountant.

113.8(1) Captive companies, after becoming subject to this rule, shall within 90 days report to the commissioner in writing the name and address of the independent certified public accountant retained to conduct the annual audit set forth in this rule.

113.8(2) A certified public accountant that is retained to conduct the independent annual audit may only be appointed from the list of approved certified public accounting firms or individual certified public accountants maintained by the commissioner.

113.8(3) A captive company that terminates the appointment of an independent certified public accountant retained to conduct the annual audit required in this rule shall report the name and address of the certified public accountant in writing to the commissioner within 90 days after the appointment is terminated and shall, within the same period, report the name and address of the certified public accountant that is subsequently retained.

191—113.9(521J) Consolidated or combined audits. A company may make written application to the commissioner for approval to submit a consolidated annual audit in lieu of separate annual audits if the company is part of a group of entities that consolidates its annual audit. In such cases, a consolidating or combining worksheet shall be prepared with the annual audit as follows:

113.9(1) Amounts for each captive company subject to this subrule shall be stated separately.

113.9(2) Noninsurance operations may be shown on the worksheet on a combined or individual basis.

113.9(3) Explanations of consolidating and eliminating entries shall be included.

INSURANCE DIVISION[191](cont'd)

113.9(4) A reconciliation shall be included of any differences between the amounts shown in the individual captive company columns of the worksheet and comparable amounts shown on the annual reports of such captive companies.

191—113.10(521J) Notification of adverse financial condition. A captive company shall require its certified public accountant to immediately notify an officer and all members of the board of directors of the captive company in writing of any determination by the independent certified public accountant that the captive company has materially misstated its financial condition in its report to the commissioner. The captive company shall furnish such notification to the commissioner within five business days of receipt.

191—113.11(521J) Additional deposit requirement.

113.11(1) Whenever the commissioner deems that the financial condition of a captive company warrants additional security, the commissioner may require the captive company to deposit, in trust for the captive company, cash, securities approved by the commissioner, or an irrevocable letter of credit issued by a bank chartered by the state of Iowa or a member bank of the Federal Reserve System with the commissioner.

113.11(2) The commissioner shall return the deposit or letter of credit of a captive company if the captive company ceases to do any business only after being satisfied that all obligations of the captive company have been discharged.

113.11(3) A captive company may receive interest or dividends from the deposit or exchange the deposits for others of equal value with the approval of the commissioner.

191—113.12(521J) Availability and maintenance of work papers of the independent certified public accountant.

113.12(1) Each captive company shall require its independent certified public accountant to make all work papers prepared in the conduct of the audit of the captive company available for review by the commissioner or the commissioner's appointed agent. The captive company shall require that the accountant retain the audit work papers for a period of not less than seven years after the report period.

113.12(2) The review by the commissioner shall be considered an examination or investigation by the commissioner and all work papers obtained shall be confidential records. The captive company shall require that the independent certified public accountant provide photocopies of the work papers to the commissioner. The commissioner may retain any photocopies of work papers.

191—113.13(521J) Organizational examination. In addition to the processing of the application, an organizational investigation or examination may be performed before an applicant captive company is licensed. Such examination or investigation shall consist of a general review of the applicant captive company's corporate records, including articles of incorporation, charters, bylaws, and minute books; feasibility study demonstrating the feasibility of the business plan of the captive company; verification of capital and surplus; verification of principal place of business; determination of assets and liabilities; and a review of such other factors as the commissioner deems necessary.

191—113.14(521J) Reinsurance.

113.14(1) A captive company authorized to do business in this state may take credit for reserves on risk ceded to a reinsurer subject to the following requirements:

a. No credit shall be allowed for reinsurance where the reinsurance contract does not result in the complete transfer of the risk or liability to the reinsurer.

b. No credit shall be allowed, as an asset or a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer based on the liability of the ceding insurer under the contract reinsured without diminution because of the insolvency of the ceding insurer.

113.14(2) Reinsurance contracts shall be executed in writing setting forth the terms, provisions and conditions governing the reinsurance.

INSURANCE DIVISION[191](cont'd)

113.14(3) Copies of all reinsurance treaties and contracts will be filed and approved by the commissioner.

113.14(4) Reinsurance requirements for captive risk retention groups.

a. Permitted reinsurance.

(1) Captive risk retention groups shall not receive financial statement credit if all policies are ceded through 100 percent reinsurance arrangements, or any lesser percentage as determined in the sole discretion of the commissioner; and

(2) Credit for reinsurance will be permitted if the reinsurer complies with Iowa Code chapter 521B; or

(3) Credit for reinsurance will be permitted if the reinsurer maintains an A- or higher A.M. Best rating, or other comparable rating from a nationally recognized statistical rating organization; the reinsurer maintains minimum capital and surplus in an amount acceptable to the commissioner based upon a review of the reinsurer's most recent audited financial statements; and the reinsurer is licensed and domiciled in a jurisdiction acceptable to the commissioner; or

(4) Credit for reinsurance may be permitted if the reinsurer satisfies each of the following requirements and any other requirements deemed necessary by the commissioner:

1. The captive risk retention group shall file annually, on or before June 1, the reinsurer's audited financial statements, which shall be analyzed by the commissioner to assess the appropriateness of the reserve credit or the initial and continued financial condition of the reinsurer;

2. The reinsurer shall demonstrate to the satisfaction of the commissioner that it maintains a ratio of net written premium, wherever written, to surplus and capital of not more than three to one;

3. If the reinsurer is an affiliate of the captive risk retention group, the reinsurer shall not write third-party business without obtaining prior written approval from the commissioner. A reinsurer is affiliated, for the purpose of this subparagraph, with a risk retention group if more than 50 percent of the equity interests in such reinsurer are owned, directly or indirectly, by one or more of the members of the captive risk retention group;

4. The reinsurer shall not use cell arrangements without obtaining prior written approval from the commissioner;

5. The reinsurer shall be licensed and domiciled in a jurisdiction acceptable to the commissioner; and

6. The reinsurer shall submit to the examination authority of the commissioner.

b. The commissioner shall either require a reinsurer not domiciled in the United States to include language in the reinsurance agreement that states that in the event of the reinsurer's failure to perform its obligations under the terms of its reinsurance agreement, it shall submit to the jurisdiction of any court of competent jurisdiction in the United States, or shall require compliance with paragraph 113.14(4) "c."

c. For credit for reinsurance and solvency regulatory purposes, the commissioner may require an approved funds-held agreement, letter of credit, trust or other acceptable collateral based on unearned premium, loss and loss adjustment expense reserves, and incurred but not reported claims.

d. Upon application, the commissioner may waive either of the reinsurance requirements in subparagraph 113.14(4) "a"(2) or numbered paragraph 113.14(4) "a"(4) "6" in circumstances where the captive risk retention group or reinsurer can demonstrate to the satisfaction of the commissioner that the reinsurer is sufficiently capitalized based upon an annual review of the reinsurer's most recent audited financial statements, the reinsurer is licensed and domiciled in a jurisdiction satisfactory to the commissioner, and the proposed reinsurance agreement adequately protects the captive risk retention group and its policyholders. Any such waiver should be included in the plan of operation, or any subsequent revision or amendment of the plan, pursuant to Section 3902(d)(1) of the Federal Liability Risk Retention Act of 1986, and the plan must be submitted by the risk retention group licensed as a captive to the commissioner of its state of domicile and each state in which the risk retention group licensed as a captive intends to do business or is currently registered. Any such waiver of a subrule 113.14(4) requirement constitutes a change in the risk retention group's plan of operation in each of those states.

INSURANCE DIVISION[191](cont'd)

e. Upon application, the commissioner may waive the requirement that a reinsurance arrangement must satisfy either paragraph 113.14(4) “*b*” or “*c*” in circumstances where the captive risk retention group or reinsurer can demonstrate to the satisfaction of the commissioner that the reinsurer is sufficiently capitalized based upon an annual review of the reinsurer’s most recent audited financial statements, the reinsurer is licensed and domiciled in a jurisdiction satisfactory to the commissioner, and the proposed reinsurance agreement adequately protects the captive risk retention group and its policyholders. Any such waiver should be disclosed in Note 1 of the risk retention group’s annual statutory financial statement.

f. Each approved captive manager or captive risk retention group shall assess the reinsurance programs of the risk retention groups licensed as captives under their management, and within 90 days of [the effective date of this rulemaking], submit a written report to the commissioner indicating whether such risk retention groups licensed as captives are compliant with these rules. All captive risk retention groups failing to submit the report in a timely manner shall be examined, at the captive risk retention group’s expense, to determine compliance with these rules.

g. Captive risk retention groups that require additional time to comply with these rules shall be permitted to take credit for reinsurance for risks ceded to reinsurers not in compliance with these rules for a period not to exceed 12 months from [the effective date of this rulemaking] and contingent upon satisfactory demonstration to the commissioner that such delay of implementation will not cause a hazardous financial condition or potential harm to its member policyholders.

191—113.15(521J) Service providers. No person shall act, in or from this state, as a captive manager, broker, producer, salesman, or reinsurance intermediary for captive business without authorization of the commissioner. Application for such authorization must be on a form prescribed by the commissioner.

191—113.16(521J) Directors.

113.16(1) Every captive company shall report any change in its executive officers or directors to the commissioner within 30 days after a change is made, including, in its report, a biographical affidavit of any new executive officer or director.

113.16(2) No director, officer or employee of a captive company shall, except on behalf of the captive company, accept, or be the beneficiary of, any fee, brokerage, gift or other emolument because of any investment, loan, deposit, purchase, sale, payment or exchange made by or for the captive company. Such person may receive reasonable compensation for necessary services rendered to the captive company in the person’s usual private, professional or business capacity.

113.16(3) Any profit or gain received by or on behalf of any person in violation of this rule shall inure to and be recoverable by the captive company.

191—113.17(521J) Conflict of interest.

113.17(1) Each captive company licensed in Iowa is required to adopt a conflict of interest statement for officers, directors, and key employees. The statement shall disclose that the individual has no outside commitments, personal or otherwise, that would divert the individual from their duty to further the interests of the captive company that the individual represents, but this shall not preclude a person from being a director or officer in more than one insurance company.

113.17(2) Each officer, director and key employee shall file a yearly disclosure with the board of directors.

191—113.18(521J) Acquisition of control of or merger with domestic captive company. No person shall make a tender offer for, or enter into any agreement to exchange securities for, or seek to acquire, or acquire in the open market or otherwise, any interest in a domestic captive company if, after the consummation thereof, such person would, directly or indirectly (or by conversion or by exercise of any right to acquire) be in control of such company as defined in Iowa Code section 521A.1(3), and no person shall enter into an agreement to merge with or otherwise to acquire control of a captive company, without the prior written approval of the commissioner. In considering any application for acquisition

INSURANCE DIVISION[191](cont'd)

of control or merger with a domestic captive company, the commissioner shall consider all the facts and circumstances surrounding the application and the criteria for establishment of a captive company set out in this rule.

191—113.19(521J) Suspension or revocation. The commissioner may, by order, suspend or revoke the license of a captive company or place the same on probation on the following grounds:

113.19(1) The captive company has not commenced business according to its plan of operation within two years of being licensed;

113.19(2) The captive company has ceased to write business;

113.19(3) The captive company so requests; or

113.19(4) Any reason provided in Iowa Code section 521J.9(1).

191—113.20(521J) Change of information in initial application.

113.20(1) Any material change in a captive company's business plan that was filed with the commissioner at the time of initial application and any subsequent amendment of the plan requires prior approval of the commissioner.

113.20(2) Any change in any other information filed with the initial application must be filed with the commissioner within 60 days after the change but does not require prior approval.

113.20(3) The captive company shall immediately notify the commissioner upon making changes in board members or officers of the captive company.

191—113.21(521J) Application and forms.

113.21(1) Any person who wants to form a captive company shall make application to the commissioner for authority to conduct a captive company using the Application to Form a Captive Company.

113.21(2) One complete copy of the application, including forms, attachments, exhibits, and all other papers and documents filed as a part thereof, shall be filed electronically with the commissioner through the division's captive website, iid.iowa.gov/captive. Accompanying fees may be made by personal delivery or mail addressed to the Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315, Attention: Captive Insurance Administrator.

113.21(3) The application shall be signed in the manner prescribed in the application. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the application.

113.21(4) A captive company must include with its application a feasibility study demonstrating the feasibility of its business plan.

113.21(5) Forms for filing with the division are available on the division's website at iid.iowa.gov/captive or by mailing a written request to the Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315.

These rules are intended to implement Iowa Code chapter 521J.

ARC 7648C

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Notice of Intended Action

Proposing rulemaking related to contribution rates, SECURE 2.0 Act of 2022, processing fee, and alignment and providing an opportunity for public comment

The Iowa Public Employees' Retirement System (IPERS) hereby proposes to amend Chapter 4, "Employers," Chapter 5, "Employees," and Chapter 11, "Application for, Modification of, and Termination of Benefits," Iowa Administrative Code.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 97B.4 and 97B.15.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 97B.

Purpose and Summary

This proposed rulemaking is intended to conform rules with other rules and statutes or rescind rules that are outdated, redundant, inconsistent, or no longer in effect to meet the requirements of the statutory five-year review of rules for Chapters 6 through 10 and Executive Order 10 (January 10, 2023); implement contribution rates for employers, regular members, and special service members beginning July 1, 2024, to reflect FY 2025 rates; eliminate an invalid reference within a lettered paragraph as requested by the Legislative Services Agency (LSA); align an existing lettered paragraph with applicable provision(s) of the Federal SECURE 2.0 Act of 2022; add a dollar amount to an existing subrule establishing that IPERS will charge a processing fee for paper warrants, pursuant to new Iowa Code section 17A.6C, which requires any fee established by an agency be adopted by rule; and bring an existing subrule, pursuant to 2020 Iowa Acts, House File 2565, as amended by sections 72 through 74 of 2020 Iowa Acts, House File 2641, into compliance with the required transition from the Department of Administrative Services to the Department of Revenue.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition IPERS for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by IPERS no later than 4:30 p.m. on March 12, 2024. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

March 12, 2024
10 to 11 a.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via conference call:
teams.microsoft.com/l/meetup-join
Meeting ID: 227 084 262 326
Passcode: Rqm7hh

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact IPERS and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subrules 4.6(1) to 4.6(3) as follows:

4.6(1) Contribution rates for regular class members.

a. No change.

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by ~~rule-making~~ rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%	<u>15.73%</u>
Employer	9.44%	9.44%	9.44%	9.44%	9.44%	<u>9.44%</u>
Employee	6.29%	6.29%	6.29%	6.29%	6.29%	<u>6.29%</u>

4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	19.02%	18.52%	18.02%	17.52%	17.02%	<u>17.02%</u>
Employer	9.51%	9.26%	9.01%	8.76%	8.51%	<u>8.51%</u>
Employee	9.51%	9.26%	9.01%	8.76%	8.51%	<u>8.51%</u>

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2019	Effective July 1, 2020	Effective July 1, 2021	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024
Combined rate	16.52%	16.02%	15.52%	15.52%	15.52%	<u>15.52%</u>
Employer	9.91%	9.61%	9.31%	9.31%	9.31%	<u>9.31%</u>
Employee	6.61%	6.41%	6.21%	6.21%	6.21%	<u>6.21%</u>

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 2. Amend paragraph **5.2(6)“g”** as follows:

g. An emergency medical care provider who provides emergency medical services, as defined in Iowa Code section 147A.1, and who is not a member of the retirement systems established in Iowa Code chapter ~~401~~ or 411 shall be covered.

ITEM 3. Amend paragraph **11.2(4)“a”** as follows:

a. Notwithstanding the foregoing, IPERS shall commence payment of a member's retirement benefit under Iowa Code sections 97B.49A to 97B.49I (under Option 2) no later than the “required beginning date” ~~specified under Internal Revenue Code Section 401(a)(9)~~, even if the member has not submitted the application for benefits. If the lump sum actuarial equivalent could have been elected by the member, payments shall be made in such a lump sum rather than as a monthly allowance. The “required beginning date” is defined as the later of: ~~(1) April 1 of the year following the year that the member attains the age of 72 (or the age of 70 ½ for that member who attains the age of 70 ½ on or before December 31, 2019), or (2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.~~

(1) April 1 of the year following the year that the member attains the applicable age, determined as follows:

1. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), and

2. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age is age 73; or

(2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.

ITEM 4. Amend subrule 11.6(1) as follows:

11.6(1) Monthly paper warrants processing fee. Effective July 1, 2005, IPERS shall charge a \$1 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes that it would be an undue hardship for the person to do what is necessary to receive payment of the person's IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member's retirement allowance on a posttax basis.

For purposes of this subrule, a member claiming undue hardship must establish that the cost normally assessed for the processing of paper warrants would be unduly burdensome because of the member's limited income, or is otherwise financially burdensome or physically impracticable.

ITEM 5. Amend subrule 11.7(6) as follows:

11.7(6) Offsets against amounts payable. IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code sections ~~8A.504 and 421.17~~, or section 421.65 ~~as enacted by 2020 Iowa Acts, House File 2565, section 16, as applicable.~~

ARC 7632C

PHARMACY BOARD[657]

Notice of Intended Action

Proposing rulemaking related to temporary designation of controlled substances and providing an opportunity for public comment

The Board of Pharmacy hereby proposes to amend Chapter 10, “Controlled Substances,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 124.201.

PHARMACY BOARD[657](cont'd)

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 124.201.

Purpose and Summary

The purpose of this proposed rulemaking is to add nine substances to Schedule I (fentanyl-related substances) and one substance to Schedule IV (an FDA-approved medication to treat postpartum depression) of the Controlled Substances Act in response to similar scheduling action taken by the federal Drug Enforcement Administration.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 657—Chapter 34.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking. Written comments in response to this rulemaking must be received by the Board no later than 4:30 p.m. on March 12, 2024. Comments should be directed to:

Sue Mears
Board of Pharmacy/Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: sue.mears@dia.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind subrule 10.39(1) and adopt the following **new** subrule in lieu thereof:

10.39(1) Amend Iowa Code section 124.204(2) by adding the following new paragraphs:

cq. 2-methyl-N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide. Other name: alpha’-Methyl butyryl fentanyl.

cr. N-(1-(2,5-dimethoxyphenethyl)piperidin-4-yl)-N-phenylpropionamide. Other name: 2’,5’-Dimethoxyfentanyl.

PHARMACY BOARD[657](cont'd)

- cs.* N-(1-phenethylpiperidin-4-yl)-N-phenylfuran-3-carboxamide. Other name: 3-Furanyl fentanyl.
- ct.* 3-methyl-N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide. Other name: Isovaleryl fentanyl.
- cu.* N-(3-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide. Other name: meta-Fluorofentanyl.
- cv.* N-(3-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide. Other name: meta-Fluoroisobutyl fentanyl.
- cw.* N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)furan-2-carboxamide. Other name: ortho-Fluorofentanyl.
- cx.* N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)furan-2-carboxamide. Other name: para-Methoxyfentanyl.
- cy.* N-(4-methylphenyl)-N-(1-phenethylpiperidin-4-yl)cyclopropanecarboxamide. Other name: para-Methylcyclopropyl fentanyl.

ITEM 2. Rescind and reserve subrules **10.39(3)** and **10.39(4)**.

ITEM 3. Amend subrule 10.39(8) as follows:

10.39(8) Amend Iowa Code section 124.210(3) by adding the following new ~~paragraph~~ paragraphs:

bg. Daridorexant.

bh. Zuranolone.

ARC 7639C

PROFESSIONAL LICENSURE DIVISION[645]

Notice of Intended Action

Proposing rulemaking related to licensure of social workers and providing an opportunity for public comment

The Board of Social Work hereby proposes to rescind Chapter 280, "Licensure of Social Workers," Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 154C, 272C, 147, and 17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 154C, 272C, 147, and 17A.

Purpose and Summary

This proposed rulemaking sets minimum standards for entry into the profession of social work. Iowa residents, licensees and employers benefit from the rulemaking since the rulemaking articulates the processes by which individuals apply for licensure as a social worker in the state of Iowa, as directed in statute. These processes include the processes for initial licensure, renewal, and reinstatement. These requirements ensure public safety by ensuring that any individual entering the profession has minimum competency. Requirements include the application process, minimum educational qualifications, and examination requirements.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 645—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Board no later than 4:30 p.m. on March 13, 2024. Comments should be directed to:

Tony Alden
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.281.4401
Email: tony.alden@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
9 to 9:30 a.m.

6200 Park Avenue
Des Moines, Iowa
Via video/conference call:
meet.google.com/upm-vmcy-kyc
Or dial: 424.269.9398
PIN: 166 396 680#

March 13, 2024
9 to 9:30 a.m.

6200 Park Avenue
Des Moines, Iowa
Via video/conference call:
meet.google.com/upm-vmcy-kyc
Or dial: 424.269.9398
PIN: 166 396 680#

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

ITEM 1. Rescind 645—Chapter 280 and adopt the following **new** chapter in lieu thereof:

SOCIAL WORKERS

CHAPTER 280	LICENSURE OF SOCIAL WORKERS
CHAPTER 281	CONTINUING EDUCATION FOR SOCIAL WORKERS
CHAPTER 282	PRACTICE OF SOCIAL WORKERS
CHAPTER 283	DISCIPLINE FOR SOCIAL WORKERS

CHAPTER 280
LICENSURE OF SOCIAL WORKERS

645—280.1(154C) Definitions. For purposes of these rules, the following definitions apply:

“*Active license*” means a license that is current and has not expired.

“*ASWB*” means the Association of Social Work Boards.

“*Board*” means the board of social work.

“*Grace period*” means the 30-day period following expiration of a license when the license is still considered to be active.

“*Inactive license*” means a license that has expired because it was not renewed by the end of the grace period.

“*LBSW*” means licensed bachelor social worker.

“*Licensee*” means any person licensed to practice as a social worker in the state of Iowa.

“*License expiration date*” means December 31 of even-numbered years.

“*LISW*” means licensed independent social worker.

“*LMSW*” means licensed master social worker.

“*Mandatory reporter training*” means the training requirements in Iowa Code section 232.69.

“*Reactivate*” or “*reactivation*” means the process as outlined in rule 645—280.8(17A,147,272C).

“*Reinstatement*” means the process as outlined in rule 645—11.31(272C).

645—280.2(154C) Social work services subject to regulation. Social work services provided to an individual in this state through telephonic, electronic or other means, regardless of the location of the social worker, shall constitute the practice of social work and be subject to regulation in Iowa.

645—280.3(154C) Requirements for licensure. The following criteria shall apply to licensure:

280.3(1) The applicant submits a completed application for licensure and pays the nonrefundable licensure fee specified in rule 645—5.19(147,154C).

280.3(2) No application will be considered by the board until official copies of academic transcripts have been received by the board except as provided in subrule 280.3(7).

280.3(3) The applicant provides verification of license from the jurisdiction in which the applicant has most recently been licensed, sent directly from the jurisdiction to the board office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification direct from the jurisdiction’s board office if the verification provides:

- a. Licensee’s name;
- b. Date of initial licensure;
- c. Current licensure status; and
- d. Any disciplinary action taken against the license.

280.3(4) The applicant will take the examination(s) provided in rule 645—280.4(154C).

280.3(5) Licensees who were issued their initial licenses within six months prior to the renewal shall not be required to renew their licenses until the renewal date two years later.

280.3(6) Incomplete applications that have been on file in the board office for more than two years will be:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

- a. Considered invalid and be destroyed; or
- b. Maintained upon written request of the applicant. The applicant is responsible for requesting that the file be maintained.

280.3(7) In lieu of the requirements in subrules 280.3(2) and 280.3(3), the board will accept the ASWB Social Work Registry verification of academic transcripts and verification of licensure in other states.

645—280.4(154C) Written examination.

280.4(1) The applicant will take and pass the ASWB examination at the appropriate level as follows:

- a. Bachelor level social worker—the basic level examination.
- b. Master level social worker—the intermediate level examination.
- c. Independent level social worker—the clinical level examination.

280.4(2) The board will accept only official results from the ASWB examination service that are sent directly from the examination service to the board.

280.4(3) The ASWB passing score will be utilized as the Iowa passing score.

280.4(4) An applicant may sit for the examination if the applicant meets the requirements stated in rule 645—280.3(154C). Upon written request of the applicant, the board may authorize a student to sit for the examination prior to the receipt of the official transcript if the student is in the last semester of an approved master of social work program. The student shall submit an application for licensure at the master's level and the fee, and, in lieu of a transcript, the student shall request that the school submit a letter directly to the board office. The letter shall state that the student is currently enrolled in a master of social work program and the student's expected date of graduation. Upon completion of degree requirements, the applicant shall have the transcript showing the date of the degree sent directly from the school to the board office.

280.4(5) In lieu of the requirements in subrule 280.4(2), the board will accept the ASWB Social Work Registry verification of the ASWB examination results.

280.4(6) In lieu of the requirements in subrule 280.4(1), the board will accept verification of passing the state of California equivalent level licensing examination.

645—280.5(154C) Educational qualifications.

280.5(1) Bachelor level social worker. An applicant for a license will possess a bachelor's degree in social work from a college or university accredited by the Council on Social Work Education at the time of graduation.

280.5(2) Master and independent level social worker. An applicant for a license will present evidence satisfactory to the board that the applicant:

- a. Possesses a master's degree in social work from a college or university accredited by the Council on Social Work Education at the time of graduation; or
- b. Possesses a doctoral degree in social work from a college or university approved by the board at the time of graduation.

280.5(3) Foreign-trained social workers shall provide an equivalency evaluation of their educational credentials by International Education Research Foundation, Inc., Credentials Evaluation Service, P.O. Box 3665, Culver City, California 90231-3665, telephone 310.258.9451, website www.ierf.org or email at info@ierf.org; or obtain a certificate of equivalency from the Council on Social Work Education, 1701 Duke Street, Suite 200, Alexandria, Virginia 22314-3457, telephone 703.683.8080, website www.cswe.org. The professional curriculum must be equivalent to that stated in these rules. The applicant shall bear the expense of the curriculum evaluation.

645—280.6(154C) Supervised clinical experience. An applicant for licensure as an independent level social worker must complete a supervised clinical experience as set forth in this rule.

280.6(1) *Minimum requirements.* The supervised clinical experience must satisfy all of the following requirements:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

- a. *Timing.* The supervised clinical experience cannot begin until after licensure as a master level social worker.
- b. *Duration.* The supervised clinical experience must be a minimum of two years.
- c. *Minimum number of hours.* The supervised clinical experience consists of at least 3,000 hours of practice.
- d. *Minimum number of direct client hours.* The supervised clinical experience consists of at least 1,500 hours of direct client contact.
- e. *Minimum number of direct supervision hours.* The supervised clinical experience must consist of at least 110 hours of direct supervision equitably distributed throughout the supervised clinical experience, including at least 24 hours of live or recorded direct observation of client interaction. A maximum of 50 hours of direct supervision may be obtained through group supervision. Direct supervision can occur in person or by using videoconferencing. After 110 hours of direct supervision are complete, ongoing direct supervision will continue to occur for the remainder of the supervised clinical experience.
- f. *Number of supervisors.* A supervisee may utilize a maximum of four supervisors at any given time. A supervisee is responsible for notifying each supervisor if another supervisor is also being utilized to allow for coordination as appropriate.
- g. *Number of supervisees.* A supervisor will determine the number of supervisees who can be supervised safely and competently and will not exceed that number.
- h. *Content.* The supervised clinical experience must involve performing psychosocial assessments, diagnostic practice using the current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5-TR), published March 2022, and providing treatment, including the establishment of treatment goals, psychosocial therapy using evidence-based therapeutic modalities, and differential treatment planning. The supervised clinical experience will prepare the supervisee for independent practice and must include training on practice management, ethical standards, legal and regulatory requirements, documentation, coordination of care, and self-care.

280.6(2) Eligible supervisors. A supervisor must satisfy all of the following requirements:

- a. Hold an active license as an independent level social worker, mental health counselor, or marital and family therapist in Iowa.
- b. Have a minimum of three years of independent practice.
- c. Have completed at least a six-hour continuing education course in supervision or one graduate-level course in supervision.
- d. Be knowledgeable of the applicable ethical code and licensing rules governing the supervisee.
- e. Any request for a supervisor who does not meet these requirements must be approved by the board before supervision begins.

280.6(3) Supervision plan. Prior to beginning supervision, the supervisee will submit a written supervision plan to the board using the current form published by the board. The supervisee will also submit a written supervision plan to the board prior to beginning supervision with a new supervisor.

280.6(4) Supervision report. When supervision is complete, or when a supervisor ceases providing supervision to the supervisee, the supervisee will ensure a completed supervision report using the current form published by the board is submitted to the board. If the supervisor reports that the supervisee is not adequately prepared for independent licensure, or reports violations of the board's rules or applicable ethical code, the board may require the supervisee to complete additional supervision or training as deemed appropriate prior to licensure.

280.6(5) Supervised clinical experience in other states. An applicant who completed some or all of the supervised clinical experience in another state without obtaining licensure in that state should contact the board to determine whether some or all of the supervised clinical experience completed can be used to qualify for licensure in Iowa.

280.6(6) Grandfather clause. Any new or additional requirements imposed by this rule do not apply to supervision that started prior to July 20, 2022.

645—280.7(154C) License renewal.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

280.7(1) The biennial license renewal period for a license to practice social work will begin on January 1 of odd-numbered years and end on December 31 of the next even-numbered year. Every licensee will renew on a biennial basis. The licensee is responsible for renewing the license prior to its expiration. Failure of the licensee to receive notice does not relieve the licensee of the responsibility for renewing the license.

280.7(2) Renewal procedures.

a. A licensee seeking renewal will:

(1) Meet the continuing education requirements of rule 645—281.2(154C) and the mandatory reporting requirements of subrule 280.7(3); and

(2) Submit the completed renewal application and renewal fee before the license expiration date.

b. Those persons licensed for the first time will not be required to complete continuing education as a prerequisite for the first renewal of their licenses. Continuing education hours acquired anytime from the initial licensing until the second license renewal may be used. The new licensee will be required to complete a minimum of 27 hours of continuing education per biennium for each subsequent license renewal.

c. Persons licensed to practice social work shall keep their renewal licenses displayed in a conspicuous public place at the primary site of practice.

d. Failure to receive the notice of renewal will not relieve the licensee of the responsibility for submitting the required materials and the renewal fee to the board office 30 days before license expiration.

e. A social worker whose Iowa license is delinquent, closed, retired, voluntarily surrendered, suspended, or revoked cannot advance to a higher level until the license is again active.

280.7(3) Mandatory reporting of child abuse and dependent adult abuse.

a. Effective July 1, 2019, a licensee who regularly examines, attends, counsels or treats children in Iowa will complete an initial two-hour child abuse mandatory reporter training course offered by the department of health and human services within six months of employment, or prior to the expiration of a current certificate. Thereafter, all mandatory reporters will take a one-hour recertification training every three years, prior to the expiration of a current certificate.

b. Effective July 1, 2019, a licensee who regularly examines, attends, counsels or treats adults in Iowa will complete an initial two-hour dependent adult abuse mandatory reporter training course offered by the department of health and human services within six months of employment, or prior to the expiration of a current certificate. Thereafter, all mandatory reporters will take a one-hour recertification training every three years, prior to the expiration of a current certificate.

c. The requirement for mandatory reporter training for identifying and reporting child and dependent adult abuse will be suspended if the board determines that suspension is in the public interest or that a person at the time of license renewal:

(1) Is engaged in active duty in the military service of this state or the United States.

(2) Holds a current waiver by the board based on evidence of significant hardship in complying with training requirements, including waiver of continuing education requirements or extension of time in which to fulfill requirements due to a physical or mental disability or illness as identified in 645—Chapter 281.

d. The board may select licensees for audit of compliance with the requirements in paragraphs 280.7(3) “*a*” and “*b*.”

280.7(4) Late renewal. To renew a late license, the licensee will complete the renewal requirements and submit the late fee within the grace period.

280.7(5) Inactive license. A licensee who fails to renew the license by the end of the grace period has an inactive license. A licensee whose license is inactive continues to hold the privilege of licensure in Iowa, but may not practice as a social worker in Iowa until the license is reactivated. A licensee who practices as a social worker in the state of Iowa with an inactive license may be subject to disciplinary action by the board, injunctive action pursuant to Iowa Code section 147.83, criminal sanctions pursuant to Iowa Code section 147.86, and other available legal remedies.

280.7(6) Upon receiving the information required by this rule and the required fee, board staff will administratively issue a two-year license. In the event the board receives adverse information on the

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

renewal application, the board will issue the renewal license but may refer the adverse information for further consideration or disciplinary investigation.

645—280.8(17A,147,272C) License reactivation. To apply for reactivation of an inactive license, a licensee shall:

280.8(1) Submit a reactivation application.

280.8(2) Pay the reactivation fee that is due as specified in 645—subrule 5.19(4).

280.8(3) Provide verification of current competence to practice social work by satisfying one of the following criteria:

a. If the license has been on inactive status for five years or less, an applicant will provide the following:

(1) Verification of the license from the jurisdiction in which the applicant has most recently been practicing during the time period the Iowa license was inactive, sent directly from the jurisdiction to the board office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification from a jurisdiction's board office if the verification includes:

1. Licensee's name;
2. Date of initial licensure;
3. Current licensure status; and
4. Any disciplinary action taken against the license; and

(2) Verification of completion of 27 hours of continuing education within two years of application for reactivation or verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation.

b. If the license has been on inactive status for more than five years, an applicant will provide the verifications in both subparagraphs 280.8(3) "b"(1) and (2) below plus the verification in subparagraph 280.8(3) "b"(3) or (4) below.

(1) Verification of the license from the jurisdiction in which the applicant has most recently been practicing during the time period the Iowa license was inactive, sent directly from the jurisdiction to the board office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification from a jurisdiction's board office if the verification includes:

1. Licensee's name;
2. Date of initial licensure;
3. Current licensure status; and
4. Any disciplinary action taken against the license.

(2) Verification of completion of 27 hours of continuing education within two years of application for reactivation or verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation.

(3) Verification of passing the ASWB examination within the last five years at the appropriate or higher level as follows:

1. Bachelor level social worker—the bachelor's level examination; or
2. Master level social worker—the master's level examination; or
3. Independent level social worker—the clinical level examination; or

(4) Verification of continued social work practice at the appropriate or higher level in another state for a minimum of two years immediately preceding the application for reactivation.

645—280.9(17A,147,272C) License reinstatement. A licensee whose license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the license in accordance with rule 645—11.31(272C) and must apply for and be granted reactivation of the license in accordance with rule 645—280.8(17A,147,272C) prior to practicing social work in this state.

These rules are intended to implement Iowa Code chapters 17A, 147, 154C and 272C.

ARC 7640C

PROFESSIONAL LICENSURE DIVISION[645]

Notice of Intended Action

**Proposing rulemaking related to continuing education for social workers
and providing an opportunity for public comment**

The Board of Social Work hereby proposes to rescind Chapter 281, “Continuing Education for Social Workers,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 154C, 272C, 147, and 17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 154C, 272C, 147, and 17A.

Purpose and Summary

This proposed rulemaking sets forth continuing education requirements for social workers. The rulemaking includes definitions related to continuing education, the number of hours of continuing education that licensees are required to obtain, the standards that licensees need to meet in order to comply with the proposed rules, and the types of continuing education courses that are permissible. The intended benefit of continuing education is to ensure that social workers maintain up-to-date practice standards and, as a result, provide high-quality services to Iowans.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 645—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Board no later than 4:30 p.m. on March 13, 2024. Comments should be directed to:

Tony Alden
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.281.4401
Email: tony.alden@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

March 12, 2024
9 to 9:30 a.m.

6200 Park Avenue
Des Moines, Iowa
Via video/conference call:
meet.google.com/upm-vmcy-kyc
Or dial: 424.269.9398
PIN: 166 396 680#

March 13, 2024
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Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 645—Chapter 281 and adopt the following **new** chapter in lieu thereof:

CHAPTER 281
CONTINUING EDUCATION FOR SOCIAL WORKERS

645—281.1(154C) Definitions. For the purpose of these rules, the following definitions apply:

“*Active license*” means a license that is current and has not expired.

“*Approved program/activity*” means a continuing education program/activity meeting the standards set forth in these rules.

“*Audit*” means the selection of licensees for verification of satisfactory completion of continuing education requirements during a specified time period.

“*Board*” means the board of social work.

“*Continuing education*” means planned, organized learning acts acquired during licensure designed to maintain, improve, or expand a licensee's knowledge and skills in order for the licensee to develop new knowledge and skills relevant to the enhancement of practice, education, or theory development to improve the safety and welfare of the public.

“*Hour of continuing education*” means at least 50 minutes spent by a licensee in actual attendance at and completion of an approved continuing education activity.

“*Inactive license*” means a license that has expired because it was not renewed by the end of the grace period. The category of “inactive license” may include licenses formerly known as lapsed, inactive, delinquent, closed, or retired.

“*License*” means license to practice.

“*Licensee*” means any person licensed to practice as a social worker in the state of Iowa.

645—281.2(154C) Continuing education requirements.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

281.2(1) The biennial continuing education compliance period extends for a two-year period beginning on January 1 of each odd-numbered year and ending on December 31 of the next even-numbered year. Each biennium, each person who is licensed to practice as a licensee in this state will be required to complete a minimum of 27 hours of continuing education approved by the board.

281.2(2) Requirements of new licensees. Those persons licensed for the first time during the license renewal period will not be required to complete continuing education as a prerequisite for the first renewal of their licenses. Continuing education hours acquired anytime from the initial licensing until the second renewal may be used. The new licensee will be required to complete a minimum of 27 hours of continuing education per biennium for each subsequent license renewal.

281.2(3) Requirement of supervisors. For licensure at the independent level, persons serving in a supervisory role must complete three hours of continuing education in supervision.

281.2(4) Hours of continuing education credit may be obtained by attending and participating in a continuing education activity. These hours must be in accordance with these rules.

281.2(5) No hours of continuing education will be carried over into the next biennium except as stated for the second renewal. A licensee whose license was reactivated during the current renewal compliance period may use continuing education earned during the compliance period for the first renewal following reactivation.

281.2(6) The licensee will maintain a personal file with all documentation of the continuing education credits obtained.

645—281.3(154C,272C) Standards.

281.3(1) *General criteria.* A continuing education activity that meets all of the following criteria is appropriate for continuing education credit if the continuing education activity:

- a. Constitutes an organized program of learning that contributes directly to the professional competency of the licensee;
- b. Pertains to subject matters that integrally relate to the practice of the profession;
- c. Is conducted by individuals who have specialized education, training and experience by reason of which said individuals should be considered qualified concerning the subject matter of the program.

At the time of audit, the board may request the qualifications of presenters;

- d. Fulfills stated program goals, objectives, or both;
- e. Provides proof of attendance to licensees in attendance including:
 - (1) Date, location, course title, presenter(s);
 - (2) Number of program contact hours; and
 - (3) Certificate of completion or evidence of successful completion of the course provided by the course sponsor; and
- f. Contains one of the following content areas:
 - (1) Human behavior.
 1. Theories and concepts of the development of human behavior in the life cycle of individuals, families and the social environment;
 2. Community and organizational theories;
 3. Normal, abnormal and addictive behaviors;
 4. Abuse and neglect; and
 5. Effects of culture, race, ethnicity, sexual orientation and gender.
 - (2) Assessment and treatment.
 1. Psychosocial assessment/interview;
 2. Utilization of the current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-5-TR) of the American Psychiatric Association, published March 2022;
 3. Theoretical approaches and models of practice—individual, couple, and family therapy and group psychotherapy;
 4. Establishing treatment goals and monitoring progress;
 5. Techniques of social work practice; and
 6. Interdisciplinary consultation and collaboration.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

- (3) Social work research, program evaluation, or practice evaluation.
- (4) Management, administration, and social policy.
 1. Organizational policies and procedures;
 2. Advocacy and prevention in social work practice;
 3. Management of social work staff and other personnel; and
 4. Management of social work programs.
- (5) Theories and concepts of social work education.
- (6) Social work ethics as they pertain to the rules of conduct.
- (7) An area, as demonstrated by the licensee, that directly relates to the licensee's individual practice as a social worker. The licensee will submit for consideration by the board a specific explanation of how the program relates to the licensee's individual practice setting as a social worker.

281.3(2) Specific criteria. Continuing education hours of credit can be obtained by completing:

- a. A minimum of three hours per biennium in social work ethics.
- b. Academic coursework that meets the criteria set forth in the rules. Continuing education equivalents are as follows:
 - 1 academic semester hour = 15 continuing education hours
 - 1 academic quarter hour = 10 continuing education hours
- c. Programs designed for the purpose of enhancing the licensee's administrative, management or other clinical skills.
- d. Activities/programs that are sponsored/approved by:
 - (1) ASWB Approved Continuing Education (ACE) Program; or
 - (2) National Association of Social Workers (NASW) Continuing Education Unit (CEU) Approval Program.
- e. Pro-bono/volunteer work that meets the following criteria:
 - (1) A licensee may earn a maximum of 3 of the required 27 hours of continuing education for credit during one biennium by performing pro-bono/volunteer services for indigent, underserved populations, or in areas of critical need within the state of Iowa. Such services must be approved in advance by the board.
 - (2) A licensee will apply for prior approval of pro-bono/volunteer services by sending a letter to the board indicating that the following requirements will be met:
 1. The site for these services is identified including information about the clients, the services that will be offered, how they will be performed and the learning objectives.
 2. A contract will be established between licensee and client(s), and each party will be aware that the services are being provided without charge.
 3. The services will be subject to all the legal responsibilities and obligations related to the licensee's profession.
 4. The licensee will keep records and files of these client services pursuant to the rules of 645—Chapter 282.
 5. A representative from the site for pro-bono/volunteer services must provide a letter stating that these services are to be performed by the licensee.
 6. Upon review, the licensee will receive a letter from the board indicating prior approval for these pro-bono/volunteer services that will be done for continuing education credit.
 7. Following completion of such services:
 - The licensee must provide the board a letter stating that the services were performed as planned.
 - The representative on the site must provide a letter indicating such completion.
- f. Instruction of a course at an approved college, university or graduate school of social work. A licensee may receive credit on a one-time basis not to exceed three hours of continuing education credit per biennium.
- g. Instruction/presentation/moderation of continuing education programs. A licensee may receive credit on a one-time basis, not to exceed three hours of continuing education credit per biennium, for programs at which the licensee is actually in attendance for the complete program provided the licensee receives a certificate of attendance in compliance with this rule.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

h. Authorship of professional papers, publications or books and preparation of presentations and exhibits. A presentation must be made before a professional audience. Presentations may receive credit on a one-time basis for the article, publication, book or the preparation of a presentation or exhibit, not to exceed three hours of continuing education credit per biennium.

i. Supervision of a social work practicum student(s) from an accredited social work education program. A licensee may receive one credit for every 100 hours supervised, not to exceed 6 hours of continuing education credit per biennium.

These rules are intended to implement Iowa Code section 272C.2 and chapter 154C.

ARC 7641C**PROFESSIONAL LICENSURE DIVISION[645]****Notice of Intended Action****Proposing rulemaking related to practice of social workers
and providing an opportunity for public comment**

The Board of Social Work hereby proposes to rescind Chapter 282, "Practice of Social Workers," Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 154C, 272C, 147, and 17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 154C, 272C, 147, and 17A.

Purpose and Summary

This proposed rulemaking provides Iowans, licensees, and licensees' employers with practice guidance and requirements for social workers. The proposed rules provide guidance on what is and is not considered appropriate practice. Categories include informed consent, competency, supervision, privacy and confidentiality, recordkeeping, access to records, billing and fees, dual relationships and conflicts of interest, sexual relationships, physical contact, termination of services, misrepresentations, impairments, research, organization relationships and business practices, discrimination and sexual harassment, electronic social work services, the National Association of Social Workers Code of Ethics, and general guidance.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 645—Chapter 18.

Public Comment

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Board no later than 4:30 p.m. on March 13, 2024. Comments should be directed to:

Tony Alden
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.281.4401
Email: tony.alden@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

<p>March 12, 2024 9 to 9:30 a.m.</p>	<p>6200 Park Avenue Des Moines, Iowa Via video/conference call: meet.google.com/upm-vmcy-kyc Or dial: 424.269.9398 PIN: 166 396 680#</p>
<p>March 13, 2024 9 to 9:30 a.m.</p>	<p>6200 Park Avenue Des Moines, Iowa Via video/conference call: meet.google.com/upm-vmcy-kyc Or dial: 424.269.9398 PIN: 166 396 680#</p>

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 645—Chapter 282 and adopt the following **new** chapter in lieu thereof:

CHAPTER 282
PRACTICE OF SOCIAL WORKERS

645—282.1(154C) Definitions.

“*Client*” means the individual, couple, family, or group to whom a licensee provides direct social work services.

“*Clinical services*” means services provided by an LMSW or LISW that involve the professional application of social work theory and methods in diagnosing, assessing, treating, and preventing psychosocial disabilities or impairments, including emotional and mental disorders.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

“*Counseling*” means a method used by licensees to assist clients in learning how to solve problems and make decisions about personal, health, social, educational, vocational, financial, and other interpersonal concerns.

“*Psychosocial therapy*” means a specialized, formal interaction between an LMSW or LISW and a client in which a therapeutic relationship is established and maintained to assist the client in overcoming or abating specific emotional, mental, or social problems and achieving specified goals for well-being. Psychosocial therapy is a form of psychotherapy that emphasizes the interface between the client and the client’s environment. Therapy is a planned, structured program based on a diagnosis and is directed to accomplish measurable goals and objectives specified in the client’s individual treatment plan.

645—282.2(154C) Rules of conduct.**282.2(1) Informed consent.**

a. A licensee will provide services to clients only in the context of a professional relationship based, when appropriate, on valid written informed consent. A licensee will use clear and understandable language to inform clients about the nature of available services, potential benefits and risks, limits and risks of confidentiality, alternative ways of receiving assistance, applicable fees, and involvement of and sharing information with third parties.

b. If a client has difficulty communicating, a licensee will attempt to ensure the client’s comprehension. This may include providing the client with a detailed verbal explanation or arranging for a qualified interpreter or translator whenever possible. A licensee will provide information in a manner that is understandable and culturally appropriate for the client. Clients will be given sufficient opportunity to ask questions and receive answers about social work services, including electronic delivery of services, if appropriate.

c. If a client lacks the capacity to provide informed consent, a licensee will protect the client’s interests by seeking permission from an appropriate third party and will inform the client consistent with the client’s level of understanding. In such instances, a licensee will seek to ensure that the third party acts in a manner consistent with the client’s wishes and interests. A licensee will take reasonable steps to enhance the client’s ability to give informed consent.

d. If a client is receiving services involuntarily, a licensee will provide information about the nature and extent of services and about the extent of the client’s right to refuse services.

e. The provision of social work services to an individual in this state through any electronic means, including the Internet, telephone, or the Iowa communications network or any fiberoptic media, regardless of the location of the licensee, constitutes the practice of social work in the state of Iowa and will be subject to regulation in accordance with Iowa Code chapters 147 and 154C and the administrative rules of the board. A licensee who provides services via electronic media will inform recipients of the limitations and risks associated with such services.

f. A licensee will obtain a client’s informed consent before audiotaping or videotaping the client or permitting a third party to observe services provided to the client.

g. A licensee will develop policies regarding the sharing, retention, and storage of digital and other electronic communications and records and will inform clients of applicable policies.

282.2(2) Competence.

a. A licensee will provide services and represent oneself as competent only within the boundaries of the licensee’s education, training, license, certification, consultation received, supervised experience, or other relevant professional experience.

b. A licensee will provide services in substantive areas or use intervention techniques or approaches that are new only after engaging in appropriate study, training, consultation, and supervision from people who are competent in those areas, interventions, or techniques.

c. When generally recognized standards do not exist with respect to an emerging area of practice, a licensee will exercise careful judgment and take responsible steps, including appropriate education, research, training, consultation and supervision, to ensure competence and to protect clients from harm.

282.2(3) Supervision.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

a. A licensee will exercise appropriate supervision over persons who practice under the supervision of the licensee.

b. A licensee who provides supervision or consultation will have the necessary knowledge and skill to supervise or consult appropriately and will do so only within the licensee's areas of knowledge and competence.

c. A licensee who provides supervision or consultation is responsible for setting clear, appropriate, and culturally sensitive boundaries.

d. A licensee will not engage in any dual or multiple relationships with supervisees if there is a risk of exploitation of or potential harm to the supervisee.

e. A licensee will not engage in sexual activities or sexual contact with a supervisee, student, trainee, or other colleague over whom the licensee exercises professional or supervisory authority.

f. A licensee will not employ, assign, or supervise an individual in the performance of services that require a license if the individual has not received a license to perform the services or if the individual has a suspended, revoked, lapsed, or inactive license.

g. A licensee will not practice without receiving supervision, as needed, given the licensee's level of practice, experience, and need.

282.2(4) Privacy and confidentiality.

a. A licensee will not disclose or be compelled to disclose client information unless required by law, except under the following limited circumstances:

(1) Situations in which the licensee determines that disclosure is necessary to prevent serious, foreseeable, and imminent harm to the client or another specific identifiable person.

(2) Situations in which the client waives the privilege by bringing criminal, civil, or administrative charges or action against a licensee.

(3) With the written informed consent of the client that explains to whom the client information will be disclosed or released and the purpose and time frame for the release of information. If the client is deceased or unable to provide informed consent, a licensee will obtain written consent from the client's personal representative, another person authorized to sue, or the beneficiary of an insurance policy on the client's life, health, or physical condition.

(4) To testify in a court or administrative hearing concerning matters pertaining to the welfare of children.

(5) To seek collaboration or consultation with professional colleagues or administrative superiors on behalf of the client.

(6) Pursuant to a validly issued subpoena or court order.

In the event of a disclosure of information under any of the circumstances stated above, the licensee will disclose the least amount of confidential information necessary and will reveal only that information that is directly relevant to the purpose for which the disclosure is made.

b. Before the disclosure is made, on the basis of client consent or other legal basis, a licensee will inform the client, to the extent possible, about the disclosure of confidential information and the potential consequences of the disclosure.

c. A licensee will discuss with clients and other interested parties the nature of confidentiality and limitations of a client's right to confidentiality. A licensee will review with clients the circumstances under which confidential information may be requested and when disclosure of confidential information may be legally required. This discussion should occur as soon as possible in the professional relationship and as needed throughout the course of the relationship.

d. When a licensee provides counseling or psychosocial therapy services to families, couples, or groups, the licensee will seek agreement among the parties involved concerning each individual's right to confidentiality and obligation to preserve the confidentiality of information shared by others. A licensee will inform participants in family, couples, or group counseling or psychosocial therapy that the licensee cannot guarantee that all participants will honor such agreements.

e. A licensee will inform clients involved in family, couples, marital, or group counseling or psychosocial therapy of the licensee's, the licensee's employer's, and the agency's policy concerning

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

the licensee's disclosure of confidential information among the parties involved in the counseling or psychosocial therapy.

f. A licensee will not disclose confidential information to third-party payers unless a client has authorized such disclosure. A licensee will inform the client of the nature of the client information to be disclosed or released to the third-party payer.

g. A licensee will not discuss confidential information in any setting unless privacy can be ensured.

h. A licensee will protect the confidentiality of clients during legal proceedings to the extent permitted by law.

i. A licensee will protect the confidentiality of clients when the licensee is responding to requests from members of the media.

j. A licensee will protect the confidentiality of clients' written and electronic records and other sensitive information. A licensee will take reasonable steps to ensure that client records are stored in a secure location and that client records are not available to others who are not authorized to have access.

k. A licensee will take precautions to ensure and maintain the confidentiality of information transmitted to other parties through the use of computers, electronic mail, facsimile machines, telephones, telephone answering machines, and other electronic or computer technology.

l. A licensee will transfer or dispose of client records in a manner that protects client confidentiality and is consistent with federal and state statutes, rules and regulations and the guidelines of the licensee's employer or agency, if applicable.

m. A licensee will take reasonable precautions to protect client confidentiality in the event of the licensee's termination of practice, incapacitation, or death.

n. A licensee will not disclose identifying information when discussing a client for teaching or training purposes or in public presentations unless the client has consented to disclosure of confidential information.

o. A licensee will not disclose identifying information when discussing a client with consultants unless the client has consented to disclosure of confidential information or there is a compelling need for such disclosure.

p. Consistent with the preceding standards, a licensee will protect the confidentiality of deceased clients.

282.2(5) Recordkeeping.

a. A licensee will maintain sufficient, timely, and accurate documentation in client records. A licensee's records will reflect the services provided, facilitate the delivery of services, and ensure continuity of services in the future.

b. A licensee who provides clinical services in any employment setting, including private practice, will maintain timely records that include subjective and objective data, assessment or diagnosis, a treatment plan, and any revisions to the assessment, diagnosis, or plan made during the course of treatment.

c. A licensee who provides clinical services will store records in accordance with state and federal statutes, rules, and regulations governing record retention and with the guidelines of the licensee's employer or agency, if applicable. If no other legal provisions govern record retention, a licensee will store all client records for a minimum of seven years following the termination of services to ensure reasonable future access.

282.2(6) Access to records. A licensee who provides clinical services will:

a. Provide the client with reasonable access to records concerning the client. A licensee who is concerned that a client's access to the client's records could cause serious misunderstanding or harm to the client will provide assistance in interpreting the records and consultation with the client regarding the records. A licensee may limit a client's access to the client's records, or portions of the records, only in exceptional circumstances when there is compelling evidence that such access would cause serious harm to the client. Both the client's request and the rationale for withholding some or all of a record should be documented in the client's records.

b. Take steps to protect the confidentiality of other individuals identified or discussed in any records to which a client is provided access.

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282.2(7) Billing and fees.

- a. A licensee will bill only for services that have been provided.
- b. A licensee will not accept goods or services from the client or a third party in exchange for the licensee's services.
- c. A licensee will not solicit a private fee or other remuneration for providing services to clients who are entitled to such available services through the licensee's employer or agency.
- d. A licensee will not accept, give, offer or solicit a fee, commission, rebate, fee split, or other form of consideration for the referral of a client.
- e. A licensee will not permit any person to share in the fees for professional services, other than a partner, employee, an associate in a professional firm, or a consultant to the licensee.
- f. A licensee who provides clinical services will, when appropriate:
 - (1) Establish and maintain billing practices that accurately reflect the nature and extent of services provided.
 - (2) Inform the client of the fee for services at the initial session or meeting with the client. A licensee will provide a written payment arrangement to a client at the commencement of the professional relationship.

282.2(8) Dual relationships and conflicts of interest.

- a. "Dual relationship" means that a licensee develops or assumes a secondary role with a client, including but not limited to a social relationship, an emotional relationship, an employment relationship, or a business association. For purposes of these rules, "dual relationship" does not include a sexual relationship. Standards governing sexual relationships are found in subrule 282.2(9).
 - (1) Current clients. A licensee will not engage in a dual relationship with a client.
 - (2) Former clients. A licensee will not engage in a dual relationship with a client within five years of the termination of the client relationship. A licensee will not engage in a dual relationship with a former client, regardless of the length of time elapsed since termination of the client relationship, when there is a risk of exploitation or potential harm to a client or former client.
 - (3) Unavoidable dual relationships with current and former clients. If a dual relationship with a current or former client is unavoidable, the licensee will take steps to protect the client and will be responsible for setting clear, appropriate, and culturally sensitive boundaries. The burden will be on the licensee to show that the dual relationship was unavoidable. In determining whether a dual relationship was unavoidable, the board will consider the size of the community, the nature of the relationship, and the risk of exploitation or harm to a client or former client.
- b. Conflicts of interest.
 - (1) A licensee will avoid conflicts of interest that interfere with the exercise of professional discretion and impartial judgment.
 - (2) A licensee will not continue in a professional relationship with a client when the licensee has become emotionally involved with the client to the extent that objectivity is no longer possible in providing the required professional services.
 - (3) A licensee will inform the client when a real or potential conflict of interest arises and take reasonable steps to resolve the issue in a manner that makes the client's interests primary and protects the client's interests to the greatest extent possible. In some cases, protecting the client's interests may require termination of the professional relationship with proper referral of the client.
 - (4) A licensee will not take unfair advantage of any professional relationship or exploit others to further the licensee's personal, religious, political, or business interests.
 - (5) A licensee who provides services to two or more people who have a relationship with each other will clarify with all parties, when appropriate and in a manner consistent with the confidentiality standards of subrule 282.2(4), which individuals will be considered clients and the nature of the licensee's professional obligations to the various individuals who are receiving services. A licensee who anticipates a conflict of interest among the individuals receiving services or who anticipates having to perform in potentially conflicting roles will clarify, when appropriate and in a manner consistent with

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

the confidentiality standards at subrule 282.2(4), the licensee's role with the parties involved and take appropriate action to minimize any conflict of interest.

282.2(9) *Sexual relationships.*

a. Current clients. A licensee will not engage in sexual activities or sexual contact with a client, regardless of whether such contact is consensual or nonconsensual.

b. Former clients. A licensee will not engage in sexual activities or sexual contact with a former client within the five years following termination of the client relationship. A licensee will not engage in sexual activities or sexual contact with a former client, regardless of the length of time elapsed since termination of the client relationship, if the client has a history of physical, emotional, or sexual abuse or if the client has ever been diagnosed with any form of psychosis or personality disorder or if the client is likely to remain in need of therapy due to the intensity or chronicity of a problem.

c. A licensee will not engage in sexual activities or sexual contact with a client's or former client's spouse or significant other.

d. A licensee will not engage in sexual activities or sexual contact with a client's or former client's relative within the second degree of consanguinity (client's parent, grandparent, child, grandchild, or sibling) when there is a risk of exploitation or potential harm to a client or former client.

e. A licensee will not provide clinical services to an individual with whom the licensee has had prior sexual contact.

282.2(10) *Physical contact.* A licensee will not engage in physical contact with a client when there is a possibility of psychological harm to the client as a result of the contact. A licensee who engages in appropriate physical contact with a client is responsible for setting clear, appropriate, and culturally and age-sensitive boundaries that govern such contact.

282.2(11) *Termination of services.*

a. A licensee will terminate services to a client when such service is no longer required or no longer serves the client's needs or interests.

b. A licensee will take reasonable steps to avoid abandoning clients who are still in need of services. A licensee will assist in making appropriate arrangements for continuation of services when necessary.

c. A licensee will not terminate services to pursue a social, financial, business, romantic, or sexual relationship with a client.

d. A licensee who anticipates the termination or interruption of services to a client will notify the client promptly and seek the transfer, referral, or continuation of services in relation to the client's needs and preferences.

e. A licensee who is leaving an employment setting will inform clients, to the extent possible given the nature of the termination of the employment relationship, of appropriate options for the continuation of services and of the benefits and risks of the options.

f. If the employer who terminates a licensee is also a licensee, the employer will provide notice to clients or allow the licensee the opportunity to provide notice to clients to ensure appropriate case closure or continuation or transfer of services if continued treatment is necessary.

g. A licensee who provides clinical services will comply with the following additional standards regarding termination of the client relationship:

(1) Termination of a client relationship will be documented in the client record. Absent written documentation of termination, the professional relationship will be considered ongoing.

(2) A licensee who practices in a fee-for-service setting may terminate services to a client who is not paying an overdue balance only if the financial contractual arrangements have been made clear to the client, if the client does not pose an imminent danger to self or others, and if the clinical and other consequences of the current nonpayment have been addressed and discussed with the client. Prior to terminating services under this subrule, a licensee will make reasonable efforts to collect the unpaid fees and will make appropriate referrals for the client.

282.2(12) *Misrepresentations, disclosure.* A licensee will not:

a. Knowingly make a materially false statement, or fail to disclose a relevant material fact, in a letter of reference, application, referral, report or other document.

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- b.* Knowingly allow another person to use the licensee's license or credentials.
- c.* Knowingly aid or abet a person who is misrepresenting the person's professional credentials or competencies.
- d.* Impersonate another person or misrepresent an organizational affiliation in one's professional practice.
- e.* Further the application or make a recommendation for professional licensure of another person who is known by the licensee to be unqualified in respect to character, education, experience, or other relevant attribute.
- f.* Fail to notify the appropriate licensing authority of any human services professional who is practicing or teaching in violation of the laws or rules governing that person's professional discipline.
- g.* Engage in professional activities, including advertising, that involve dishonesty, fraud, deceit, or misrepresentation.
- h.* Advertise services in a false or misleading manner or fail to indicate in the advertisement the name, the highest relevant degree and licensure status of the provider of services.
- i.* Fail to distinguish, or purposely mislead the reader or listener in public announcements, addresses, letters and reports as to whether the statements are made as a private individual or whether they are made on behalf of an employer or organization.
- j.* Engage in direct solicitation of potential clients for pecuniary gain in a manner or in circumstances that constitute overreacting, undue influence, misrepresentation or invasion of privacy.
- k.* Fail to inform each client of any financial interests that might accrue to the licensee for referral to any other person or organization or for the use of tests, books, or apparatus.
- l.* Fail to inform each client that the client may be entitled to the same services from a public agency, if the licensee is employed by that public agency and also offers services privately.
- m.* Make claims of professional superiority that cannot be substantiated by the licensee.
- n.* Guarantee that satisfaction or a cure will result from the performance of professional services.
- o.* Claim or use any secret or special method of treatment or techniques that the licensee refuses to divulge to professional colleagues.
- p.* Take credit for work not personally performed whether by giving inaccurate information or failing to give accurate information.
- q.* Offer social work services or use the designation of licensed bachelor social worker, licensed master social worker, or licensed independent social worker; use the designations LBSW, LMSW, or LISW or any other designation indicating licensure status; or hold oneself out as practicing at a certain level of licensure unless the licensee is duly licensed as such.
- r.* Permit another person to use the licensee's license for any purpose.
- s.* Practice outside the scope of a license.

282.2(13) Impairments.

- a.* A licensee will not:
 - (1) Practice in a professional relationship while intoxicated or under the influence of alcohol or drugs not prescribed by a licensed physician.
 - (2) Practice in a professional relationship while experiencing a mental or physical impairment that adversely affects the ability of the licensee to perform professional duties in a competent and safe manner.
 - (3) Practice in a professional relationship if involuntarily committed for treatment of mental illness, drug addiction, or alcoholism.
- b.* A licensee who self-reports an impairment or suspected impairment to the board may be eligible for confidential monitoring by the impaired practitioner review committee. The licensee will be provided the Impaired Practitioner Report form to initiate the process. Standards governing the impaired practitioner review committee may be found in 645—Chapter 16.

282.2(14) Research. If engaged in research, a licensee will:

- a.* Consider carefully the possible consequences for human beings participating in the research.
- b.* Protect each participant from unwarranted physical and mental harm.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

c. Ensure that the consent of the participant is voluntary and informed and that each participant executes a signed informed consent form that details the nature of the research and any known possible consequences.

d. Treat information obtained as confidential.

e. Not knowingly report distorted, erroneous, or misleading information.

282.2(15) *Organization relationships and business practices.* A licensee will not:

a. Solicit the clients of colleagues or assume professional responsibility for clients of another agency or colleague without appropriate communication with that agency or colleague.

b. Abandon an agency, organization, institution, or group practice without reasonable notice or under circumstances that seriously impair the delivery of professional care to clients.

c. Deliberately falsify client records.

d. Fail to submit required reports and documents in a timely fashion to the extent that the well-being of the client is adversely affected.

e. Delegate professional responsibilities to a person when the licensee knows, or has reason to know, that the person is not qualified by training, education, experience, or classification to perform the requested duties.

282.2(16) *Discrimination and sexual harassment.*

a. A licensee will not practice, condone, or facilitate discrimination against a client, student, or supervisee on the basis of race, ethnicity, national origin, color, sex, sexual orientation, age, marital status, political belief, religion, mental or physical disability, diagnosis, or social or economic status.

b. A licensee will not sexually harass a client, student, or supervisee. Sexual harassment includes sexual advances, sexual solicitation, requests for sexual favors, and other verbal or physical conduct of a sexual nature.

282.2(17) *General.* A licensee will not:

a. Practice without receiving supervision as needed, given the licensee's level of practice, experience, and need.

b. Practice a professional discipline without an appropriate license or after expiration of the required license.

c. Physically or verbally abuse a client or colleague.

d. Obtain, possess, or attempt to obtain or possess a controlled substance without lawful authority; or sell, prescribe, give away, or administer controlled substances.

282.2(18) *Relationship between the board's rules of conduct and the National Association of Social Workers (NASW) Code of Ethics.* The NASW Code of Ethics is one resource for practitioners with respect to practice and ethical issues, and selected sections from the NASW Code of Ethics have been incorporated into the rules of conduct. A licensee's professional conduct is governed by the board's rules of conduct, and a licensee may be disciplined for violation of these rules.

282.2(19) *Electronic social work services.* A licensee will:

a. Assess the client's suitability and capacity for online and remote services at the point of the client's first contact and use professional judgment to determine whether an initial in-person, videoconference, or telephone consultation is warranted before undertaking electronic social work services.

b. Take reasonable steps to verify the client's identity, ability to consent to services, and location. When verification of a client's identity is not feasible, social workers will inform the client of the limitations of services that can be provided.

c. Continually assess a client's suitability for electronic social work services during the course of the professional relationship.

These rules are intended to implement Iowa Code chapters 21, 147, 154C, and 272C.

ARC 7642C

PROFESSIONAL LICENSURE DIVISION[645]

Notice of Intended Action

**Proposing rulemaking related to discipline for social workers
and providing an opportunity for public comment**

The Board of Social Work hereby proposes to rescind Chapter 283, “Discipline for Social Workers,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 154C, 272C, 147, and 17A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 154C, 272C, 147, and 17A.

Purpose and Summary

This proposed rulemaking provides protection to Iowans because the rulemaking publicly defines disciplinary options when a social worker fails to provide the standard of care. This is important to both the public and to the licensee because the rulemaking creates a shared understanding of what is and is not appropriate for certain types of licensed individuals in the state of Iowa. When professional standards are not met, a licensee can be subject to discipline against the licensee’s license. Iowans have the ability to submit a complaint to the licensing board, which can then investigate the allegation. The Board has the ability to seek discipline against the licensee for those items outlined, ensuring that the public is protected.

The 19 boards in the legacy Department of Health and Human Services Bureau of Professional Licensure have similar disciplinary standards for all professions. For this reason, one shared disciplinary chapter has been created that applies to all professions. This proposed chapter contains only those disciplinary grounds that are unique to the Board and are therefore excluded from the general disciplinary chapter.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 645—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Board no later than 4:30 p.m. on March 13, 2024. Comments should be directed to:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

Tony Alden
 Iowa Department of Inspections, Appeals, and Licensing
 6200 Park Avenue
 Des Moines, Iowa 50321
 Phone: 515.281.4401
 Email: tony.alden@dia.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
 9 to 9:30 a.m.

6200 Park Avenue
 Des Moines, Iowa
 Via video/conference call:
meet.google.com/upm-vmcy-kyc
 Or dial: 424.269.9398
 PIN: 166 396 680#

March 13, 2024
 9 to 9:30 a.m.

6200 Park Avenue
 Des Moines, Iowa
 Via video/conference call:
meet.google.com/upm-vmcy-kyc
 Or dial: 424.269.9398
 PIN: 166 396 680#

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Board and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 645—Chapter 283 and adopt the following **new** chapter in lieu thereof:

CHAPTER 283
 DISCIPLINE FOR SOCIAL WORKERS

645—283.1(272C) Grounds for discipline. The board may impose any of the disciplinary sanctions provided in Iowa Code section 272C.3 when the board determines that the licensee is guilty of any of the following acts or offenses or those listed in 645—Chapter 13:

Violation of a regulation, rule, or law of this state, another state, or the United States that relates to the practice of social work, including but not limited to the rules of conduct found in rule 645—282.2(154C).

This rule is intended to implement Iowa Code chapters 147, 154C and 272C.

ARC 7638C**PROFESSIONAL LICENSURE DIVISION[645]****Notice of Intended Action****Proposing rulemaking related to licensure of physician assistants
and providing an opportunity for public comment**

The Board of Physician Assistants hereby proposes to rescind Chapter 326, “Licensure of Physician Assistants,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 147.36, 147.76, 148C.3, 148C.5, 272C.3 and 272C.4; 2023 Iowa Acts, House File 424; and Executive Order 10 (January 10, 2023).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 147, 148C and 272C.

Purpose and Summary

This proposed rulemaking sets minimum standards for licensure as a physician assistant in Iowa. Iowa residents, licensees, and employers benefit from the rulemaking because it articulates the processes by which individuals apply for licensure, as directed in statute. This includes the process for initial licensure, renewal, and reinstatement. These requirements ensure public safety by making certain that any individual entering the profession has minimum competency. Requirements include the application process, minimum educational qualifications, and examinations. The rulemaking also incorporates provisions directed by 2023 Iowa Acts, House File 424, to determine the terms of collaboration for a physician assistant who enters into independent practice.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department of Inspections, Appeals, and Licensing for a waiver of the discretionary provisions, if any, pursuant to 645—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 12, 2024. Comments should be directed to:

Michele Royer
Bureau of Board Support
Iowa Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.281.5234
Email: michele.royer@iowa.gov

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
9:20 to 9:40 a.m.

6200 Park Avenue
Des Moines, Iowa
Video call link: meet.google.com/upm-vmcy-kyc
Or dial: (US) +1 424.269.9398
PIN: 166 396 680#
More phone numbers:
tel.meet/upmvmcykyc?pin=8845872653931

March 13, 2024
9:20 to 9:40 a.m.

6200 Park Avenue
Des Moines, Iowa
Video call link: meet.google.com/upm-vmcy-kyc
Or dial: (US) +1 424.269.9398
PIN: 166 396 680#
More phone numbers:
tel.meet/upmvmcykyc?pin=8845872653931

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 645—Chapter 326 and adopt the following **new** chapter in lieu thereof:

PHYSICIAN ASSISTANTS

CHAPTER 326	LICENSURE OF PHYSICIAN ASSISTANTS
CHAPTER 327	PRACTICE OF PHYSICIAN ASSISTANTS
CHAPTER 328	CONTINUING EDUCATION FOR PHYSICIAN ASSISTANTS
CHAPTER 329	DISCIPLINE FOR PHYSICIAN ASSISTANTS

CHAPTER 326
LICENSURE OF PHYSICIAN ASSISTANTS

645—326.1(148C) Definitions.

“*Active license*” means a license that is current and has not expired.

“*Approved program*” means a program for the education of physician assistants which has been accredited by the Accreditation Review Commission on Education for the Physician Assistant or its successor, or, if accredited prior to 2001, either by the Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs.

“*Board*” means the board of physician assistants.

“*CME*” means continuing medical education.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

“Collaboration” means consultation with or referral to the appropriate physician or other health care professional by a physician assistant as indicated by the patient’s condition; the education, competencies, and experience of the physician assistant; and the standard of care.

“Department” means the department of inspections, appeals, and licensing.

“Direction” means authoritative policy or procedural guidance for the accomplishment of a function or activity.

“Grace period” means the 30-day period following expiration of a license when the license is still considered to be active. In order to renew a license during the grace period, a licensee is required to pay a late fee.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, PL 104-191, August 21, 1996, 110 Stat 1936.

“Inactive license” means a license that has expired because it was not renewed by the end of the grace period. The category of “inactive license” may include licenses formerly known as lapsed, inactive, delinquent, closed, or retired.

“Independent practice” means the practice of a physician assistant that is organized as a professional corporation under Iowa Code chapter 496C or a professional limited liability company under Iowa Code chapter 489.

“Licensee” means a person licensed by the board as a physician assistant to provide medical services.

“Licensure by endorsement” means the issuance of an Iowa license to practice as a physician assistant to an applicant who is or has been licensed in another state.

“Locum tenens” means the temporary substitution of one licensed physician assistant for another.

“Mandatory training” means training on identifying and reporting child abuse or dependent adult abuse required of physician assistants who are mandatory reporters. The full requirements on mandatory reporting of child abuse and the training requirements are found in Iowa Code section 232.69. The full requirements on mandatory reporting of dependent adult abuse and the training requirements are found in Iowa Code section 235B.16.

“NCCPA” means the National Commission on Certification of Physician Assistants.

“Opioid” means a drug that produces an agonist effect on opioid receptors and is indicated or used for the treatment of pain or opioid use disorder.

“Physician” means a person who is currently licensed in Iowa to practice medicine and surgery or osteopathic medicine and surgery. A physician supervising a physician assistant practicing in a federal facility or under federal authority will not be required to obtain licensure beyond licensure requirements mandated by the federal government for supervising physicians.

“Physician assistant” or *“PA”* means a person who meets the qualifications under Iowa Code chapter 148C and is licensed to practice medicine by the board.

“Prescription monitoring program database” or *“PMP database”* means the Iowa prescription monitoring program database administered by the Iowa board of pharmacy pursuant to Iowa Code chapter 124, subchapter VI, and 657—Chapter 37.

“Reactivate” or *“reactivation”* means the process as outlined in rule 645—326.19(17A,147,272C) by which an inactive license is restored to active status.

“Reinstatement” means the process as outlined in rule 645—11.31(272C) by which a licensee who has had a license suspended or revoked or who has voluntarily surrendered a license may apply to have the license reinstated, with or without conditions. Once the license is reinstated, the licensee may apply for active status.

“Supervising physician” means a physician who supervises the medical services provided by the physician assistant engaged in independent practice consistent with the physician assistant’s education, training, or experience.

“Supervision” means the availability of a physician for consultation and collaboration on the activities of a physician assistant who is engaged in independent practice and who has not met the criteria in rules 645—326.7(148C) and 645—326.8(148C) or has met the criteria in rule 645—326.11(148C). Supervision will not be construed as requiring the personal presence of a supervising physician at the place where such services are rendered except insofar as the personal presence is expressly required by

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

these rules or by Iowa Code chapter 148C. Supervision shall not be construed to apply to any physician assistant who is not engaging in independent practice or who is engaged in independent practice but has met the criteria in rules 645—326.7(148C) and 645—326.8(148C) or has met the criteria in rule 645—326.11(148C).

“*Supply prescription drugs*” means to deliver to a patient or the patient’s representative a quantity of prescription drugs or devices that are properly packaged and labeled.

645—326.2(148C) Initial licensure.

326.2(1) To apply for a license, the applicant will complete an online application packet and pay the nonrefundable application fee.

a. If licensed in another jurisdiction, the applicant will complete the licensure by endorsement application and submit a license verification document that discloses if disciplinary action was taken in the jurisdiction where the applicant was most recently licensed. The applicant will submit proof of completing 100 CME hours for each biennium since initial certification.

b. A person who is licensed in another jurisdiction who cannot satisfy the requirements of licensure by endorsement may apply for licensure by verification, if eligible, in accordance with rule 645—19.1(272C).

c. An application not completed according to guidelines will not be reviewed by the board.

d. The applicant will request the approved program for the education of physician assistants to submit official copies of the applicant’s transcript to the board office. Exception: An applicant who is not a graduate of an approved program but who passed the NCCPA initial certification examination prior to 1986 is exempt from the graduation requirement.

e. The applicant will request the NCCPA, or its successor agency, to send a copy of the initial certification to the board office.

f. In lieu of paragraphs 326.2(1) “*d*” and “*e*,” an applicant may provide documentation from the Federation Credentials Verification Service (FCVS) of the Federation of State Medical Boards as primary source verification for identity, education and national certification information.

326.2(2) A licensee who was issued a license within six months prior to the renewal date will not be required to renew the license until the renewal date two years later.

326.2(3) Incomplete applications that have been on file in the board office for more than two years will be:

a. Considered invalid and destroyed; or

b. Maintained upon written request from the candidate.

645—326.3(148C) Temporary licensure.

326.3(1) A temporary license may be issued for an applicant who has not taken the NCCPA initial certification examination or successor agency examination or is waiting for the results of the examination.

326.3(2) The applicant must comply with subrule 326.2(1), with the exception of paragraphs 326.2(1) “*d*” and “*e*.”

326.3(3) A temporary license will be valid for one year from the date of issuance.

326.3(4) The temporary license will be renewed only once upon the applicant’s showing proof that, through no fault of the applicant, the applicant was unable to take the certification examination recognized by the board. Proof of inability to take the certification examination will be submitted to the board office with written request for renewal of a temporary license, accompanied by the temporary license renewal fee.

326.3(5) If the temporary licensee fails the certification examination, the temporary licensee must cease practice immediately and surrender the temporary license by the next business day.

326.3(6) There is no additional fee for converting temporary licensure to permanent licensure.

326.3(7) The applicant will ensure that certification of completion is sent to the board directly from an approved program for the education of physician assistants. The certification of completion must be signed by a designee from the approved program.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

645—326.4(148C) Examination requirements. The applicant for licensure as a physician assistant will successfully pass the certifying examination conducted by the NCCPA or a successor examination approved by the board of physician assistants.

645—326.5(148C) Two-year physician supervision.

326.5(1) Eligibility determinants. A physician with an active permanent, special, or temporary Iowa license who is actively engaged in the practice of medicine in Iowa may supervise a physician assistant. A physician is ineligible to supervise a physician assistant if the physician is subject to a disciplinary order of the board that restricts or rescinds the physician's authority to supervise or collaborate with a physician assistant. The physician may supervise or collaborate with a physician assistant to the extent that the order allows.

326.5(2) Reserved.

645—326.6(148C) Exemptions from this chapter. This chapter does not apply to the following:

326.6(1) A physician working in a federal facility or under federal authority when the provisions of this chapter conflict with federal regulations.

326.6(2) A physician who supervises a physician assistant providing medical care created by an emergency or a state or local disaster pursuant to Iowa Code section 148C.4(2).

326.6(3) A physician assistant who is not practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5).

326.6(4) A physician assistant who is practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5), who has met the criteria in rule 645—326.7(148C) or who has met the criteria in rule 645—326.11(148C).

645—326.7(148C) Collaborative practice. A physician assistant who enters into an independent practice arrangement, as defined in Iowa Code section 148C.1(5), who has met the criteria in rule 645—326.8(148C) or who has met the criteria in rule 645—326.9(148C) will practice in compliance with Iowa Code chapter 148C. This rule shall not be construed to apply to physician assistants in independent practice who did not previously meet the criteria of rule 645—326.8(148C) or 645—326.9(148C) or to any other practicing physician assistant.

645—326.8(148C) Supervisory requirement. A physician assistant who is practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5), and who has not previously practiced under a supervising physician or in collaboration with the appropriate physician or other health care professional for a period of at least two years will comply with existing supervision requirements set forth in rule 645—326.9(148C).

645—326.9(148C) Supervision requirements.

326.9(1) Notification requirements. A physician assistant who is practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5), and who has not previously practiced under a supervising physician or in collaboration with the appropriate physician or other health care professional for a period of at least two years will use the jointly approved board forms to notify the board of the identity of the physician assistant's supervising physician(s) prior to beginning practice in Iowa. The physician assistant will notify the board of the identity of each of the physician assistant's supervising physicians and of any change in the status of the supervisory relationships during the physician assistant's required supervisory biennium.

326.9(2) A physician assistant who is practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5), and who has not previously practiced under a supervising physician or in collaboration with the appropriate physician or other health care professional for a period of at least two years will maintain documentation of current supervising physicians, which will be made available to the board upon request.

326.9(3) It shall be the responsibility of the physician assistant who is practicing in an independent practice arrangement, as defined in Iowa Code section 148C.1(5), and who has not previously practiced

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

under a supervising physician or in collaboration with the appropriate physician or other health care professional for a period of at least two years and a supervising physician to ensure that the physician assistant is adequately supervised. Upon agreeing to supervise the physician assistant, a supervising physician will be advised that the physician's name will be listed with the board as a supervising physician. In regard to scheduling, the physician assistant may not practice if supervision is unavailable, except as otherwise provided in Iowa Code chapter 148C or these rules. The physician assistant and the supervising physician are each responsible for knowing and complying with the supervision provisions of these rules.

a. Patient care provided by the physician assistant will be reviewed with a supervising physician on an ongoing basis as determined at the practice level, ensuring each patient has received the appropriate medical care.

b. Patient care provided by the physician assistant may be reviewed with a supervising physician in person, by telephone, or by other telecommunicative means and determined at the practice level.

c. When signatures are required, electronic signatures are allowed if:

(1) The signature is transcribed by the signer into an electronic record and is not the result of electronic regeneration; and

(2) A mechanism exists allowing confirmation of the signature and protection from unauthorized reproduction.

d. When the physician assistant is being trained to perform new medical procedures, the training will be carried out under the supervision of a physician or another qualified individual. Upon completing training, a physician assistant may perform the new medical procedures as determined at the practice level, except as otherwise provided in Iowa Code chapter 148C or these rules.

645—326.10(148C) Eligibility determinants. A physician with an active permanent, special, or temporary Iowa license who is actively engaged in the practice of medicine in Iowa may collaborate with a physician assistant. A physician is ineligible to serve as a collaborating or supervising physician subject to a disciplinary order of the board of medicine that restricts or rescinds the physician's authority to supervise or collaborate with a physician assistant. The physician may collaborate with a physician assistant to the extent that the order allows.

645—326.11(148C) Out-of-state licensees. A physician assistant who has been previously licensed and practiced in another state and who obtains a license to practice in Iowa will be subject to the requirements outlined in rule 645—326.9(148C) if the physician assistant enters into an independent practice arrangement, as defined in Iowa Code section 148C.1(5).

645—326.12(148C) License renewal.

326.12(1) The license renewal period for a license to practice will begin on October 1 and end on September 30 two years later. The licensee is responsible for renewing the license prior to its expiration. Failure of the licensee to receive notice from the board does not relieve the licensee of the responsibility for renewing the license.

326.12(2) An individual who was issued a license within six months of the license renewal date will not be required to renew the license until the subsequent renewal date two years later.

326.12(3) A licensee applying for renewal will:

a. Meet the continuing education requirements of rule 645—328.2(148C) and the mandatory reporting requirements of subrule 326.12(4). A licensee whose license was reactivated during the current renewal compliance period may use continuing education credit earned during the compliance period for the first renewal following reactivation; and

b. Complete the online renewal application, pay the fee, and attach a certificate of completing continuing education hours before the expiration date.

326.12(4) Mandatory reporter training requirements.

a. A licensee who, in the scope of professional practice or in the licensee's employment responsibilities, examines, attends, counsels or treats children in Iowa will indicate on the renewal

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

application completion of training in child abuse identification and reporting as required by Iowa Code section 232.69(3)“b” in the previous three years, or condition(s) for waiver of this requirement as identified in paragraph 326.12(4)“e.”

b. A licensee who, in the course of employment responsibilities, examines, attends, counsels or treats adults in Iowa will indicate on the renewal application completion of training in dependent adult abuse identification and reporting as required by Iowa Code section 235B.16(5)“b” in the previous three years, or condition(s) for waiver of this requirement as identified in paragraph 326.12(4)“e.”

c. The course(s) will be the curriculum provided by the Iowa department of health and human services.

d. The licensee will maintain written documentation for three years after mandatory training as identified in paragraphs 326.12(4)“a” to “c,” including program date(s), content, duration, and proof of participation.

e. The requirement for mandatory training for identifying and reporting child and dependent adult abuse will be suspended if the board determines that suspension is in the public interest or that a person at the time of license renewal:

- (1) Is engaged in active duty in the military service of this state or the United States.
- (2) Holds a current waiver by the board based on evidence of significant hardship in complying with training requirements.

f. The board may select licensees for audit of compliance with the requirements in paragraphs 326.12(4)“a” to “e.”

326.12(5) Upon receiving the information required by this rule and the required fee, a two-year license will be issued. In the event the board receives adverse information on the renewal application, the board will issue the renewal license but may refer the adverse information for further consideration or disciplinary investigation.

326.12(6) A person licensed to practice as a physician assistant will keep the license certificate and renewal displayed in a conspicuous public place at the primary site of practice.

326.12(7) Late renewal. The license will become late when the license has not been renewed by the expiration date on the renewal. The licensee will be assessed a late fee as specified in 645—subrule 5.14(4). To renew a late license, the licensee will complete the renewal requirements and submit the late fee within the grace period.

326.12(8) Inactive license. A licensee who fails to renew the license by the end of the grace period has an inactive license. A licensee whose license is inactive continues to hold the privilege of licensure in Iowa, but may not practice as a physician assistant in Iowa until the license is reactivated. A licensee who practices as a physician assistant in the state of Iowa with an inactive license may be subject to disciplinary action by the board, injunctive action pursuant to Iowa Code section 147.83, criminal sanctions pursuant to Iowa Code section 147.86, and other available legal remedies.

645—326.13(148C,88GA,ch1020) Use of title. A physician assistant licensed under Iowa Code chapter 148C may use the words “physician assistant” after the person’s name or signify the same by the use of the letters “PA.” A person who meets the qualifications for licensure under Iowa Code chapter 148C but does not possess a current license may use the title “PA” or “physician assistant” but may not act or practice as a physician assistant unless licensed under Iowa Code chapter 148C.

645—326.14(148C) Address change. The physician assistant will notify the board of any change in permanent address within 30 days of its occurrence.

645—326.15(148C) Student physician assistant.

326.15(1) Any person who is enrolled as a student in an approved program will comply with the rules set forth in this chapter. A student is exempted from licensure requirements.

326.15(2) Notwithstanding any other provisions of these rules, a student may perform medical services when they are rendered within the scope of an approved program.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

645—326.16(17A,147,272C) Requirements for reactivation. To apply for reactivation, a licensee will:

326.16(1) Complete an online reactivation application and pay the nonrefundable reactivation fee.

326.16(2) Provide verification of current competence to practice as a physician assistant by satisfying one of the following criteria:

a. If the license has been on inactive status for five years or less, an applicant must:

(1) Send verification. If licensed in another jurisdiction, submit a license verification document that discloses whether disciplinary action was taken against the applicant in the jurisdiction where the applicant was most recently licensed.

(2) Submit proof. Submit proof of completing 100 hours of continuing education within two years of application for reactivation or NCCPA or successor agency certification.

b. If the license has been on inactive status for more than five years, an applicant must:

(1) Send verification. Submit a license verification document that discloses whether disciplinary action was taken against the applicant from every jurisdiction in which the applicant has been licensed.

(2) Submit verification. Submit verification of completing 200 hours of continuing education within two years of application for reactivation, of which at least 40 percent of the hours completed will be in Category I or NCCPA or successor agency certification.

645—326.17(17A,147,272C) License reinstatement. A licensee whose license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the license in accordance with rule 645—11.31(272C) and must apply for and be granted reactivation of the license in accordance with rule 645—326.16(17A,147,272C) prior to practicing as a physician assistant in this state.

These rules are intended to implement Iowa Code chapters 17A, 147, 148C and 272C.

TREASURER OF STATE

Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the committee composed of Treasurer of State Roby Smith, Superintendent of Credit Unions Katie Averill, Superintendent of Banking James Johnson, and Auditor of State Rob Sand has established today the following rates of interest for public obligations and special assessments. The usury rate for February is 6.00%.

INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.2 Unpaid Warrants	Maximum 6.0%
74A.4 Special Assessments	Maximum 9.0%

RECOMMENDED Rates for Public Obligations (74A.3) and School District Warrants (74A.7). A rate equal to 75% of the Federal Reserve monthly published indices for U.S. Government securities of comparable maturities. All Financial Institutions as defined by Iowa Code section 12C.1 are eligible for public fund deposits as defined by Iowa Code section 12C.6A.

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

New official state interest rates, effective February 9, 2024, setting the minimums that may be paid by Iowa depositories on public funds are listed below.

TREASURER OF STATE[781](cont'd)

TIME DEPOSITS

7-31 days	Minimum .05%
32-89 days	Minimum .05%
90-179 days	Minimum 1.95%
180-364 days	Minimum 1.75%
One year to 397 days	Minimum 1.75%
More than 397 days	Minimum 1.30%

These are minimum rates only. All time deposits are four-tenths of a percent below average rates. Public body treasurers and their depositories may negotiate a higher rate according to money market rates and conditions.

Inquiries may be sent to Roby Smith, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

USURY

In accordance with the provisions of Iowa Code section 535.2(3)"a," the Superintendent of Banking has determined that the maximum lawful rate of interest shall be:

March 1, 2023 — March 31, 2023	5.50%
April 1, 2023 — April 30, 2023	5.75%
May 1, 2023 — May 31, 2023	5.75%
June 1, 2023 — June 30, 2023	5.50%
July 1, 2023 — July 31, 2023	5.50%
August 1, 2023 — August 31, 2023	5.75%
September 1, 2023 — September 30, 2023	6.00%
October 1, 2023 — October 31, 2023	6.25%
November 1, 2023 — November 30, 2023	6.50%
December 1, 2023 — December 31, 2023	6.75%
January 1, 2024 — January 31, 2024	6.50%
February 1, 2024 — February 29, 2024	6.00%
March 1, 2024 — March 31, 2024	6.00%

ARC 7633C**CAPITAL INVESTMENT BOARD, IOWA[123]****Adopted and Filed****Rulemaking related to the Iowa capital investment board**

The Iowa Capital Investment Board hereby rescinds Chapter 1, “Iowa Capital Investment Board – Administration,” Chapter 2, “Tax Credit for Investments in Qualifying Businesses and Community-Based Seed Capital Funds,” Chapter 3, “Tax Credit for Investments in Venture Capital Funds,” and Chapter 4, “Investment Tax Credits Relating to Investments in a Fund of Funds Organized by the Iowa Capital Investment Corporation,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 15E.63(11) as amended by 2023 Iowa Acts, House File 688, section 18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 15E.

Purpose and Summary

Pursuant to Part IV of Executive Order 10, the Department of Revenue was directed on November 21, 2023, to propose Notice of Intended Action **ARC 7195C** to rescind the remaining chapters for the Iowa Capital Investment Board. The Administrative Rules Coordinator provided preclearance for publication of the Notice of Intended Action on November 21, 2023.

After review of the Iowa Administrative Code pursuant to Iowa Code section 15E.63(11), the Department determined that the rules for the Board can be rescinded in their entirety. Effective June 20, 2013, the Board and the Iowa Fund of Funds are governed by the program wind-up and future repeal provisions of Iowa Code section 15E.72. Chapters 1 and 4 relate to functions of the Board prior to the wind-down that are no longer applicable. Chapter 2 relates to a program administered by the Iowa Economic Development Authority that no longer involves the Board, making rules on its role no longer relevant. The Iowa Economic Development Authority has its own rules and statutes on the program in Iowa Code sections 15E.41 through 15E.46 and 261—Chapter 115. Chapter 3 describes a tax credit that was previously administered by the Board but that was repealed in 2010.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, as **ARC 7195C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on January 17, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

CAPITAL INVESTMENT BOARD, IOWA[123](cont'd)

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on March 27, 2024.

The following rulemaking action is adopted:

- ITEM 1. Rescind and reserve **123—Chapter 1.**
- ITEM 2. Rescind and reserve **123—Chapter 2.**
- ITEM 3. Rescind and reserve **123—Chapter 3.**
- ITEM 4. Rescind and reserve **123—Chapter 4.**

[Filed 1/29/24, effective 3/27/24]

[Published 2/21/24]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/21/24.

ARC 7634C

RACING AND GAMING COMMISSION[491]

Adopted and Filed

Rulemaking related to proceedings, wagering, and fantasy sports contests

The Racing and Gaming Commission hereby amends Chapter 4, "Contested Cases and Other Proceedings," Chapter 13, "Sports Wagering," and Chapter 14, "Fantasy Sports Contests," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 99D.7, 99E.3 and 99F.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 99D, 99E and 99F.

Purpose and Summary

Items 1 through 5 and 7 clarify the administrator's authority in proceedings.

Item 6 clarifies the types of licensees to which the rules are applicable.

Item 8 enhances licensee requirements for messaging to applicants/customers with regard to underage wagering and account sharing.

Item 9 enhances licensee requirements with regard to identifying and preventing wagering by prohibited persons and enhances reporting requirements by the licensee with regard to account sharing.

Items 10 and 14 enhance licensee requirements for account verification at registration.

Item 11 enhances responsibilities of licensees to detect potential fraudulent or suspicious activity.

RACING AND GAMING COMMISSION[491](cont'd)

Item 12 fixes a cross-reference issue caused by amendments in Item 10.

Item 13 adds a requirement of annual testing for geolocation system auditing.

Item 15 enhances licensee requirements with regard to identifying and preventing wagering by prohibited persons.

Item 16 enhances licensee requirements for messaging to applicants/customers with regard to underage wagering and account sharing.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on September 20, 2023, as **ARC 7070C**. A public hearing was held on October 10, 2023, at 9 a.m. at the Commission Office, Suite 100, 1300 Des Moines Street, Des Moines, Iowa. No one attended the public hearing.

Comments were received by several stakeholders, and information was gathered from the Iowa Bankers Association. Item 12 and proposed new paragraphs 14.8(5)“b” and “c” within Item 17 were not adopted due to the comments received by those parties. Subsequent items and paragraphs within subrule 14.8(5) were reorganized. Additional changes from the Notice were incorporated that did not significantly change the meaning or intention of these amendments in Items 6, 8 through 11, 15, and 17 (15 and 17 were renumbered as 14 and 16 herein).

Adoption of Rulemaking

This rulemaking was adopted by the Commission on January 25, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on March 27, 2024.

The following rulemaking action is adopted:

ITEM 1. Amend rule 491—4.1(17A) as follows:

491—4.1(17A) Scope and applicability. This chapter applies to contested case proceedings conducted by the racing and gaming commission. The chapter shall also apply to gaming boards’ and board of stewards’ proceedings and gaming representatives’ or administrator’s designees’ actions.

RACING AND GAMING COMMISSION[491](cont'd)

ITEM 2. Amend rule 491—4.4(99D,99E,99F), catchwords, as follows:

491—4.4(99D,99E,99F) Gaming representatives and administrator's designees—licensing and regulatory duties.

ITEM 3. Amend paragraphs 4.4(2)“a” and “b” as follows:

a. A ~~gaming representative shall make a~~ referral to the gaming board shall be in writing. The referral shall make reference to rules or statutory provisions at issue and provide a factual basis supporting the violation.

b. The gaming representative or the administrator's designee making the referral to the gaming board, or a designee of the gaming board, shall appear before the gaming board at the hearing to provide any information requested by the board.

ITEM 4. Amend subrule 4.4(7) as follows:

4.4(7) The gaming representative or the administrator's designee shall have other powers and duties set forth in the statutes and rules, and as assigned by the administrator.

ITEM 5. Amend subrule 4.5(3) as follows:

4.5(3) The gaming board, upon receipt of a referral, may review the referral prior to the hearing. The gaming board may return a referral to the initiating gaming representative or the administrator's designee on its own motion prior to hearing if the information provided appears insufficient to establish a violation.

ITEM 6. Amend subrule 4.5(9) as follows:

4.5(9) The gaming board has the power to interpret the rules and to decide all questions not specifically covered by them. The board has the power to determine all questions arising with reference to the conduct of gaming, and sports wagering and fantasy sports contests and the authority to decide any question or dispute relating to racing, ~~or gaming, sports wagering or fantasy sports contests~~ in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

ITEM 7. Amend subrule 4.5(13) as follows:

4.5(13) Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with a gaming representative or the administrator's designee. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the gaming board. Stipulations are considered final agency action and cannot be appealed.

ITEM 8. Amend subrule 13.2(4) as follows:

13.2(4) Public notice.

a. The public shall have access to the sports wagering rules, available wagers, odds or payouts, the payout period, and the source of the information used to determine the outcome of a sports wager. All licensees and advance deposit sports wagering operators shall require participants to follow the rules of play. The sports wagering rules shall be:

~~a-~~ (1) Displayed in the licensee's sports wagering area.

~~b-~~ (2) Posted on the ~~internet~~ Internet site or mobile application used to conduct advance deposit sports wagering.

~~e-~~ (3) Included in any terms and conditions disclosure statements of the advance deposit sports wagering system.

b. During account setup and login, advance deposit sports wagering operators shall display the following information on any interface that accepts wagers:

(1) Account sharing is prohibited.

(2) Persons under the age of 21 are prohibited from wagering.

RACING AND GAMING COMMISSION[491](cont'd)

(3) Any other disclosures, as required by the administrator.

ITEM 9. Amend subrule 13.2(7) as follows:

13.2(7) Internal controls. Licensees and advance deposit sports wagering operators shall submit a description of internal controls to the administrator. The submission shall be made at least 30 days before sports operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of sports operations. The operator shall submit to the administrator any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It shall be the affirmative responsibility and continuing duty of each licensee and advance deposit sports wagering operator and their employees to follow and comply with all internal controls. The submission shall include controls and reasonable methods that provide for the following:

a. To prohibit wagering by coaches, athletic trainers, officials, players, or other individuals who participate and persons employed in a position with direct involvement with coaches, athletic trainers, officials, players or other individuals who participate in an authorized sporting event in which wagers may be accepted. Licensees shall demonstrate the capability, subject to review and approval by the administrator, to prevent prohibited persons from wagering on events on which they are not allowed to wager by implementing one of the following:

(1) Organize and maintain a list of prohibited persons.

(2) Participate in a third-party association or group that organizes and maintains a list of prohibited persons.

~~*b.* To prohibit wagering by persons who are employed in a position with direct involvement with coaches, players, athletic trainers, officials, athletes or participants in an authorized sporting event in which wagers may be accepted~~ identify and suspend accounts opened by individuals on behalf of persons under the age of 21.

c. No change.

d. To promptly report to the commission, in a format approved by the administrator, any abnormal wagering activity or patterns that may indicate a concern about the integrity of an authorized sporting event or events, and any other conduct with the potential to corrupt a wagering outcome of an authorized sporting event for purposes of financial gain, including but not limited to match fixing, and suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, account sharing, or use of false identification. Integrity-monitoring procedures shall also provide for the sharing of information with other licensees, other governing authorities, and accredited sports governing entities by participating in an integrity-monitoring association or group or by another method as approved by the administrator.

e. to i. No change.

ITEM 10. Amend subrule 13.5(2) as follows:

13.5(2) Account registration. A person must have an established account in order to place advance deposit sports wagers. The process for establishing an account is subject to the administrator's approval. An account may be established through on-site registration under procedures previously approved by the administrator, or through remote registration. To establish an account, an application for an account shall be signed or otherwise authorized in a manner approved by the administrator and shall include the applicant's full legal name, principal residential address, date of birth, last four digits of the social security number, and any other information required by the administrator. The account registration process shall also include:

a. No change.

~~*b.* Player verification of legal name, physical address, and age to correctly identify account holders.~~ An applicant verification process that includes an exact match of the following:

(1) Date of birth, including month, date and year of birth.

(2) The last four digits of the social security number.

(3) Last name.

c. An applicant verification process that permits a flexible match by allowing the following:

RACING AND GAMING COMMISSION[491](cont'd)

(1) First name may include nicknames and abbreviations.

(2) Address may include abbreviations.

d. Authentication of identification by:

(1) Answering knowledge-based questions based on the applicant's public or private data; or

(2) Verifying that device ID and phone number match the applicant's publicly known data; or

(3) Comparing of valid government-issued ID to applicant's picture taken at time of account registration; or

(4) Another method as approved by the administrator.

e. e. Verification that the ~~player~~ applicant is not on the statewide self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

d. f. Availability and acceptance of a set of terms and conditions that is also readily accessible to the player before and after registration and noticed when updated. Notices shall include, at a minimum, the following:

(1) to (5) No change.

e. g. Availability and acceptance of a privacy policy that is also readily accessible to the player before and after registration and noticed when updated and that includes, at a minimum, the following:

(1) to (4) No change.

f. h. If an advance deposit sports wagering operator has an agreement with more than one licensee, the advance deposit sports wagering operator shall submit an agreement to the administrator that indicates the manner in which customer net receipts shall be assigned with its licensee partners. The agreement shall include all partnering licensees and their respective qualified sponsoring organizations, and the net receipts shall be allocated using one of the following methods:

(1) to (4) No change.

The agreement shall be made available for public inspection.

ITEM 11. Amend paragraphs **13.5(3)“b”** and **“e”** as follows:

b. Location detection procedures to reasonably detect and dynamically monitor the location of a player attempting to place any wager or perform other account activities as identified by the advance deposit sports wagering operator or licensee, related to an Iowa authorized account. Account activity-based location detection controls shall be informed by industry best practices and any commission guidelines for the detection of fraud or other unauthorized or illegal activity. The advance deposit sports wagering operator or licensee shall utilize and monitor geolocation activity to detect potential fraudulent and suspicious activity, which shall be reported in accordance with paragraph 13.2(7)“d.” A player outside the permitted boundary attempting to make a wager shall be rejected, and the player shall be notified. The confidence radius shall be entirely located within the permitted boundary.

e. Authentication for ~~log in through a username and password~~ login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords shall be available, secure, and clearly disclosed to the player. Players shall be allowed to change their passwords.

ITEM 12. Amend subrule 13.5(7) as follows:

13.5(7) Expiration or termination of an Iowa Code section 99F.7A operating agreement. In the event an advance deposit sports wagering operating agreement between a licensee under Iowa Code section 99F.7A and another entity expires, terminates, or is no longer valid, notice of termination must be given to the commission and all customers affiliated with the licensee. A customer shall be given an opportunity to close an account. If the advance deposit sports wagering operator has an operating agreement with other licensees in the state of Iowa, the customer shall have the option to select another partner licensee to which their net receipts shall be assigned, or the customer's net receipts shall be assigned to any remaining partner licensees in accordance with an agreement submitted to the administrator pursuant to paragraph ~~13.5(2)“f.”~~ 13.5(2)“h.”

RACING AND GAMING COMMISSION[491](cont'd)

ITEM 13. Amend subrule 13.6(3) as follows:

13.6(3) Annual testing.

a. No change.

b. A geolocation system and integrity test shall be performed annually on the advance deposit wagering system.

(1) The testing organization must be independent of the licensee and the licensed geolocation vendor and shall be qualified by the administrator.

(2) The geolocation test shall be completed and the results submitted no later than March 31 of each year.

(3) Geolocation testing shall review existing licensee procedures for detecting and reporting fraudulent activity associated with any account activity detected by the geolocation system, and shall recommend updates to those procedures to align with any current or updated industry standard or commission guidance.

~~*b. c.*~~ At the discretion of the administrator, additional assessments or specific testing criteria may be required.

ITEM 14. Amend subrule 14.7(2) as follows:

14.7(2) Customer verification of legal name, physical address and age to correctly identify account holders.

a. A customer verification process shall include an exact match of the following:

(1) Date of birth, including month, date and year of birth.

(2) The last four digits of the social security number.

(3) Last name.

b. A customer verification process shall permit a flexible match by allowing the following:

(1) First name may include nicknames and abbreviations.

(2) Address may include abbreviations.

c. A customer verification process shall authenticate identification by the following:

(1) Answering knowledge-based questions based on the applicant's public or private data; or

(2) Verifying that device ID and phone number match the applicant's publicly known data; or

(3) Comparing a valid government-issued ID to a photo of the applicant taken at the time of account registration; or

(4) Another method as approved by the administrator.

ITEM 15. Amend paragraph **14.8(1)“c”** as follows:

c. Restriction of entries from coaches, officials, athletes, contestants, or other individuals who participate in a game or contest that is the subject of an internet fantasy sports contest in which the outcome is determined, in whole or in part, by the accumulated statistical results of a team of individuals in the game or contest in which they participate. Licensees shall demonstrate the capability, subject to review and approval by the administrator, to prevent prohibited persons from participating in contests in which they are not allowed to participate by implementing one of the following:

(1) Organize and maintain a list of prohibited persons.

(2) Participate in a third-party association or group that organizes and maintains a list of prohibited persons.

ITEM 16. Amend subrule 14.8(5) as follows:

14.8(5) Operating requirements. A fantasy sports contest service provider shall ensure the following:

a. to f. No change.

g. Authentication for login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords shall be available, secure, and clearly disclosed to the player. Players shall be allowed to change their passwords.

RACING AND GAMING COMMISSION[491](cont'd)

h. During account setup and login, fantasy sports contest service providers shall display the following information on any interface that accepts fantasy sports contest entries:

- (1) Account sharing is prohibited.
- (2) Persons under the age of 21 are prohibited from entering fantasy sports contests.
- (3) Any other disclosures, as required by the administrator.

[Filed 1/25/24, effective 3/27/24]

[Published 2/21/24]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/21/24.

ARC 7635C

UTILITIES DIVISION[199]

Adopted and Filed

Rulemaking related to complaint procedures

The Utilities Board hereby rescinds Chapter 6, "Complaint Procedures," Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 476.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 476.83.

Purpose and Summary

Chapter 6 is intended to describe the process under Iowa Code sections 476.3 and 476.83 for a person to file a complaint with the Board against a utility. The Board is repromulgating Chapter 6 because it contains unnecessary and restrictive language the Board needed to reduce.

On January 18, 2024, the Board issued an order adopting amendments. The order is available on the Board's electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0006.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 29, 2023, as **ARC 7124C**. Public hearings were held on December 19, 2023, at 9 a.m. and January 8, 2024, at 1 p.m. in the Board Hearing Room, 1375 East Court Avenue, Des Moines, Iowa.

The public hearings were attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Interstate Power and Light Company (IPL); Black Hills/Iowa Gas Utility Company, LLC, d/b/a Black Hills Energy; ITC Midwest LLC; the Iowa Communications Alliance (ICA); and Iowa-American Water. All oral comments received were in support of the proposed repromulgation of Chapter 6. IPL and ICA commented that additionally, they would like the Board to implement a jurisdictional check to rule 199—6.3(476). The Board received written comments from OCA expressing its support for the repromulgation of Chapter 6.

Two changes from the Notice have been made:

1. A redundancy error was found in subrule 6.5(1) published under the Notice, which stated: "The request shall include the file number of the informal complaint and explain why the proposed resolution should be modified or rejected. The request shall explain why the proposed resolution should be modified or rejected and shall propose an alternative resolution." This was reduced to: "The request shall include the file number of the informal complaint. The request shall explain why the proposed resolution should be modified or rejected and shall propose an alternate resolution."

UTILITIES DIVISION[199](cont'd)

2. A citation error was found in rule 199—6.8(476) published under the Notice, which stated: "...complaints alleging an unauthorized change in telecommunications service (more information is contained in rule 199—22.9(476)) will be processed pursuant to 199—Chapter 22, unauthorized changes in telecommunications service[.]" This was corrected to: "...complaints alleging an unauthorized change in telecommunications service (more information is contained in the 'Unauthorized changes in telecommunications service' rule in 199—Chapter 22) will be processed pursuant to this chapter[.]"

Adoption of Rulemaking

This rulemaking was adopted by the Board on January 18, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

No waiver provision is included in the amendments because the Board has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 6.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on March 27, 2024.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6
COMPLAINT PROCEDURES

199—6.1(476) General inquiries. Any person may seek assistance from the Iowa utilities board by appearing in person at the board's office at 1375 East Court Avenue, Des Moines, Iowa 50319-0069; by mailing an inquiry to the board's office; by placing a telephone call to the board's customer service bureau at 515.725.7300 or toll-free at 877.565.4450; by sending an inquiry by email to customer@iub.iowa.gov; or by contacting the agency through any other means. If the inquiry is not resolved after board staff has obtained additional information, the person making the inquiry may escalate the inquiry to a written complaint by requesting an informal investigation pursuant to rule 199—6.2(476) and Iowa Code section 476.3.

199—6.2(476) Informal complaint procedures. Any person may submit a written complaint to the board requesting a determination of the reasonableness of rates, charges, schedules, service, regulations, or anything done or not done by a public utility for those services or rates subject to regulation by the board. "Person" as used in this chapter shall have the same definition as defined in Iowa Code section 4.1(20).

UTILITIES DIVISION[199](cont'd)

6.2(1) Information to be filed. The written complaint should include the following information:

a. The name of the utility involved, any utility personnel known or believed to be familiar with the facts stated in the complaint, and the location of the office of the utility where the complaint was originally made and processed.

b. The name of the complainant. If the complaint is being made on behalf of a person other than the complainant, an affidavit from the person upon whose behalf the complaint is being made, attesting to the accuracy of the complaint, should be included. A complaint filed by an organization on behalf of its members shall include an affidavit signed by an attorney for, or an officer of, the organization.

c. The address, or addresses, of the premises where the service, billing problems, or other actions occurred. If the complainant resides at a different address, the complaint shall also state where a response to the complaint is to be mailed. The complainant shall provide a telephone number and, if available, an email address where the complainant can be reached.

d. The nature of the complaint, and efforts made to resolve the matter. Bills, correspondence, or other relevant documents should be included if the documents will aid the board's understanding of the utility's action or practice about which the complaint is made. If known, references to statutes or rules believed to govern the outcome of the complaint should be included. Also, a description of the efforts made by the complainant to resolve the complaint with the utility should be included. The complainant should contact the utility to attempt to resolve the complaint prior to submitting a complaint to the board.

e. A proposal for resolving the complaint. The proposal should refer to any known statutes, board orders, or rules that support the resolution proposed by the complainant.

6.2(2) Request for additional information. If board staff determines that additional information is needed prior to forwarding the complaint to the utility, the complainant will be notified that specified additional information is needed. If the requested additional information is not provided within ten days, the complaint may be dismissed. Dismissal of the complaint on this basis does not prevent the complainant from filing in the future a complaint that includes the requested information.

199—6.3(476) Processing the informal complaint. When the board receives a written complaint that includes the necessary information outlined in rule 199—6.2(476), board staff shall initiate the informal complaint process by opening an investigation into the complaint and assigning the informal complaint a file number.

6.3(1) Within ten days after receipt of the written complaint, or of any additional information requested, board staff shall forward to the public utility and the consumer advocate the complaint and any additional information provided by the complainant.

6.3(2) The utility shall respond to the complaint within 20 days of receipt and send a copy of its response to the complainant and the consumer advocate. Prior to the date the response is due, the utility may request an extension of time to respond to the complaint. Within five days, board staff shall notify the utility, the complainant, and the consumer advocate whether the request for an extension is granted and of the length of the extension.

6.3(3) The utility shall specifically address each allegation made by the complainant and provide any supporting facts, statutes, rules, board orders, or tariff provisions supporting its response. The utility shall include copies of all related letters, records, or other documents not supplied by the complainant, and all records concerning the complainant that are not confidential or privileged. In cases involving confidential or privileged records, the response shall advise of the records' existence.

199—6.4(476) Proposed resolution of an informal complaint.

6.4(1) After the utility's response is received, board staff may request additional information deemed necessary to complete the investigation and resolve the complaint. When all necessary information has been received and the investigation is complete, board staff shall, within 30 days, send a letter with a proposed resolution of the complaint to the complainant, the utility, and the consumer advocate. Staff shall notify the complainant, the utility, and consumer advocate when the investigation is complete and the 30-day time period to issue a proposed resolution commences.

UTILITIES DIVISION[199](cont'd)

6.4(2) In the proposed resolution, board staff shall inform the parties of their right to request formal proceedings. The complainant, utility, and consumer advocate have 14 days after the date the proposed resolution is issued to file a request for a formal proceeding. If no party files a request for formal proceeding within 14 days pursuant to subrule 6.5(1), the proposed resolution is binding.

6.4(3) After the proposed resolution is issued, the complainant, utility, or consumer advocate may request in writing within 14 days that board staff reopen the investigation regarding the complaint to consider additional information, changed circumstances, or other relevant information not provided in the initial investigation. Within five days of receiving the request, board staff shall send a response to the request to reopen the investigation, either advising the parties that the investigation will be reopened and a second proposed resolution will be issued or denying the request. If the request to reopen the investigation is denied, the complainant, utility, or consumer advocate has 14 days from the issuance of the denial to request that the board open a formal complaint proceeding pursuant to subrule 6.5(1).

199—6.5(476) Initiating formal complaint proceedings.

6.5(1) *Request for formal proceeding based upon a proposed resolution.* If the consumer advocate, complainant, or public utility does not agree with the proposed resolution, a request for a formal complaint proceeding may be made in writing within 14 days of the issuance of the proposed resolution. The request for a formal proceeding shall be considered as filed on the date of the United States Postal Service postmark, the date of email, the date of filing in the board's electronic filing system, or the date of in-person delivery to the board's customer service bureau. The request shall include the file number of the informal complaint. The request shall explain why the proposed resolution should be modified or rejected and shall propose an alternate resolution. All parties to the informal complaint shall be provided copies of the request for a formal proceeding. Any other party to the informal complaint investigation may submit a response to the request for a formal proceeding within ten days of the date the request was submitted to the board.

6.5(2) *Request for formal complaint proceeding.* Upon receipt of a request for a formal complaint proceeding, the board shall issue an order either granting or denying the request.

199—6.6(476) Applicable procedures. When the complaint is docketed as a formal proceeding, the procedures set forth in 199—Chapter 7 will apply.

199—6.7(476) Record. The written complaint and all information obtained during the informal investigation shall be uploaded into the electronic filing system formal complaint docket and be made part of the record in the formal complaint proceeding. The information from the informal complaint investigation shall be redacted pursuant to requirements in 199—Chapter 7.

199—6.8(476) Special procedures for complaints alleging unauthorized changes in telecommunications services. Notwithstanding the deregulation of a communications service or facility pursuant to Iowa Code section 476.1D, complaints alleging an unauthorized change in telecommunications service (more information is contained in the "Unauthorized changes in telecommunications service" rule in 199—Chapter 22) will be processed pursuant to this chapter with the following additional or substituted procedures:

6.8(1) Upon receipt of the complaint and with the customer's acknowledgment, a copy of the complaint or a notification of receipt of a telephone or other oral complaint will be forwarded to the executing service provider and the preferred service provider as a request for a change in the customer's service to the customer's preferred service provider, unless the service has already been changed to the preferred service provider.

6.8(2) The complaint or notification of receipt of a telephone or other oral complaint will also be forwarded to the alleged unauthorized service provider. That entity shall file a response to the complaint within 20 days of the date the complaint or notification of receipt of a telephone or other oral complaint was forwarded. The response must include proof of verification of the customer's authorization for a

UTILITIES DIVISION[199](cont'd)

change in service or a statement that the unauthorized service provider does not have such proof of verification.

6.8(3) If the alleged unauthorized service provider includes with its response alleged proof of verification of the customer's authorization for a change in service, the response will be forwarded to the customer. The customer will have ten days to challenge the verification or otherwise reply to the service provider's response.

6.8(4) As a part of the informal complaint proceedings, board staff may issue a proposed resolution to determine the potential liability, including assessment of damages, for unauthorized changes in service among the customer, the previous service provider, the executing service provider, and the submitting service provider, and any other interested person. In all cases, the proposed resolution shall allocate responsibility among the interested persons on the basis of their relative responsibility for the events that are the subject matter of the complaint. For purposes of this rule and in the absence of unusual circumstances, the term "damages" means charges directly relating to the telecommunications services provided to the customer that have appeared or may appear on the customer's bill. The term "damages" does not include incidental, consequential, or punitive damages.

6.8(5) If the complainant, the service provider, consumer advocate, or any other interested person directly affected by the proposed decision is dissatisfied with the proposed resolution, a request for formal complaint proceedings may be filed. A request for formal complaint proceedings will be processed by the board pursuant to rule 199—6.5(476) et seq.

If no request for formal complaint proceedings is received by the board within 14 days after issuance of the proposed resolution, the proposed resolution will be deemed binding upon all persons notified of the informal proceedings and affected by the proposed resolution. Notwithstanding the binding nature of any proposed resolution as to the affected persons, the board may at any time and on its own motion initiate formal proceedings that may alter the allocation of liability.

6.8(6) No entity may commence any actions to rebill, directly bill, or otherwise collect any disputed charges for a change in service until after board action on the complaint is final. If final board action finds that the change in service was unauthorized and determines the customer should pay some amount less than the billed amount, the service provider is prohibited from rebilling or taking any other steps whatsoever to collect the difference between the allowed charges and the original charges.

These rules are intended to implement Iowa Code sections 476.2, 476.3, 476.103 and 546.7.

[Filed 1/26/24, effective 3/27/24]

[Published 2/21/24]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/21/24.

ARC 7636C

UTILITIES DIVISION[199]

Adopted and Filed

Rulemaking related to interstate natural gas pipelines

The Utilities Board hereby rescinds Chapter 12, "Interstate Natural Gas Pipelines and Underground Storage," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 476.2 and chapter 479A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 479A.

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Purpose and Summary

Chapter 12 was intended to publish state and federal authorizations in regard to interstate natural gas pipelines in the Iowa Administrative Code. The Board is rescinding Chapter 12 because its provisions are duplicative of language contained in Iowa Code chapter 479A. Consequently, the intended benefits of Chapter 12 can be achieved through the provisions of Iowa Code chapter 479A alone.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 15, 2023, as **ARC 7110C**. Public hearings were held on December 5, 2023, at 10:30 a.m. and December 12, 2023, at 9 a.m. in the Board Hearing Room, 1375 East Court Avenue, Des Moines, Iowa.

The public hearings were attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Interstate Power and Light Company; and Black Hills/Iowa Gas Utility Company, LLC, d/b/a Black Hills Energy (“Black Hills Energy”). All oral comments received were in support of the proposed rescission of Chapter 12. The Board received written comments from OCA and Black Hills Energy, and each expressed its support for the rescission of Chapter 12.

No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on January 10, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

No waiver provision is included in the amendments because the Board has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in this chapter.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on March 27, 2024.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **199—Chapter 12**.

[Filed 1/25/24, effective 3/27/24]

[Published 2/21/24]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 2/21/24.

ARC 7637C**UTILITIES DIVISION[199]****Adopted and Filed****Rulemaking related to utility records**

The Utilities Board hereby rescinds Chapter 18, “Utility Records,” Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 476.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 476.31 and 546.7.

Purpose and Summary

Chapter 18 is intended to ensure the Board has a methodology to review any necessary records that may pertain to the rules or policies of rate-regulated public utilities and the rates or charges for utility services. This chapter allows all interested persons to know what is expected and how to locate the necessary records of those required to keep such records.

On January 18, 2024, the Board issued an order adopting amendments. The order is available on the Board’s electronic filing system, efs.iowa.gov, under Docket No. RMU-2023-0018.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on November 29, 2023, as **ARC 7123C**. Public hearings were held on December 19, 2023, at 2 p.m. and January 3, 2024, at 9 a.m. in the Board Hearing Room, 1375 East Court Avenue, Des Moines, Iowa.

The public hearings were attended by the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Interstate Power and Light Company; Black Hills/Iowa Gas Utility Company, LLC, d/b/a Black Hills Energy, and ITC Midwest LLC. Comments relied upon written comments filed by OCA.

The Board received written comments from OCA, ITC Midwest LLC, and the Iowa Communications Alliance. Written comments supported the proposed Chapter 18; however, there were also no objections to the suggestions of Iowa Communications Alliance (removing the definition of “FCC”) or OCA’s comments.

Changes from the Notice have been made to remove the definition of “FCC rules” since it is not used in this chapter and to make minor grammatical changes such as revising “electric utilities subject to rate regulation” to “rate-regulated electric utilities” to be more succinct and clear. The phrase “in accordance with 199—Chapter 16, uniform systems of accounts—gas rules” was also updated throughout the rules to “in accordance with the ‘Uniform systems of accounts—electric rules’ rule in 199—Chapter 16” for clarity, along with a few other nonsubstantive changes.

Adoption of Rulemaking

This rulemaking was adopted by the Board on January 18, 2024.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

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Waivers

No waiver provision is included in the proposed amendments because the Board has a general waiver provision in rule 199—1.3(17A,474,476) that provides procedures for requesting a waiver of the rules in Chapter 18.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on March 27, 2024.

The following rulemaking action is adopted:

ITEM 1. Rescind 199—Chapter 18 and adopt the following **new** chapter in lieu thereof:

CHAPTER 18
UTILITY RECORDS

199—18.1(476) Definitions. The following terms, when used in this chapter, have the meanings shown below:

“*FERC rules*” means the rules and regulations of the Federal Energy Regulatory Commission under the Federal Power Act and Natural Gas Act as published in the CFR.

“*NARUC guidelines*” means the guidelines published by the National Association of Regulatory Utility Commissioners.

“*RUS rules*” means the rules and regulations of the Rural Utilities Service of the United States Department of Agriculture, 7 CFR Part 1767, applicable to electric and telephone borrowers of the RUS under the terms of their mortgages to the RUS.

199—18.2(476) Location of records. All records kept pursuant to any rules of the board, or necessary for the administration thereof, shall be kept or made accessible within this state unless otherwise authorized by the board, including:

18.2(1) The utility's tariffs.

18.2(2) A record of the telephone number and business location of the utility's administrative, technical, and operating personnel within the state.

18.2(3) The most recent inspection report.

18.2(4) The most recent rate case filing.

18.2(5) Annual reports for the past five years.

18.2(6) Shareholder's reports for the past five years.

18.2(7) Form IG-1 (gas utilities).

18.2(8) Form IE-1 (electric utilities).

18.2(9) Information regarding the location of other books, records, and accounts to be maintained or made accessible pursuant to statute or rule.

199—18.3(476) Availability of records. All records kept pursuant to any rules of the board that are of a general corporate nature or otherwise pertain to the utility's operations as a whole shall be made available for examination by the board during normal business hours, unless otherwise authorized by the board. Upon receipt by a utility of a formal request in writing from the board for records or information pertaining to records required by any board rule, the utility shall provide the requested information to the

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board within 15 days of receiving the written request from the board unless the utility files an objection to the request or a request for an extension of time within seven days of the utility's receipt of the information request. The objection or request for extension of time shall be filed in writing and state the concise grounds for relief. If the board finds that the objection or request for extension of time does not have merit, the information originally requested shall be provided immediately upon receiving notice of the board's decision.

199—18.4(476) Electric utilities other than rural electric cooperatives.

18.4(1) *Units of property.* Rate-regulated electric utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Electric Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.4(2) *Preservation of records.* All electric utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of Part 125 of the FERC rules, 18 CFR Part 125, Preservation of Records of Public Utilities and Licensees, as issued on August 15, 2000. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

199—18.5(476) Rural electric cooperatives.

18.5(1) *Units of property.* Rural electric cooperatives (RECs) subject to rate regulation by the board shall adopt the RUS rules contained in 7 CFR Part 1767 published May 27, 2008. The REC shall maintain sufficient records to support additions to plant, retirement units, and replacements of electric plant, in accordance with 7 CFR Section 1767.10, Definitions; 7 CFR Section 1767.15, General Instructions; 7 CFR Section 1767.16, Electric Plant Instructions; and 7 CFR Section 1767.20, Plant Accounts.

18.5(2) *Preservation of records.* RECs shall preserve the records of their operations in accordance with the provisions of the RUS rules contained in RUS Bulletin 180-2, Record Retention Recommendations for RUS Electric Borrowers, issued June 26, 2003.

199—18.6(476) Gas utilities.

18.6(1) *Units of property.* Rate-regulated gas utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Gas Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.6(2) *Preservation of records.* All gas utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of FERC rules, 18 CFR Part 225, Preservation of Records of Natural Gas Companies, as issued August 15, 2000. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

199—18.7(476) Water, sanitary sewage, and storm water drainage utilities.

18.7(1) *Units of property.* Rate-regulated water, sanitary sewage, and storm water drainage utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Water Plant in accordance with the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16.

18.7(2) *Preservation of records.* All water, sanitary sewage, and storm water drainage utilities subject to regulation by the board shall preserve the records of their operations in accordance with the provisions of the NARUC guidelines: Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, revised October 2007 edition. Regulated water, sanitary sewage, and storm water drainage utilities shall further ensure the preservation of records of associated companies, whether

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or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

These rules are intended to implement Iowa Code sections 476.31 and 546.7.

[Filed 1/26/24, effective 3/27/24]

[Published 2/21/24]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/21/24.