

**NATURAL RESOURCE COMMISSION[571]**

**Adopted and Filed**

**Rulemaking related to leases and permits**

The Natural Resource Commission (Commission) hereby rescinds Chapter 17, “Barge Fleeting Regulations,” and adopts a new Chapter 17, “Leases and Permits,” Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 455A.5(6)“a” and 461A.4(1)“b.”

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 461A.4, 461A.18, 461A.25 and 462A.32.

*Purpose and Summary*

Chapter 17 is a consolidation of prior Chapters 17, 18, and 19. The new chapter does the following:

1. Regulates the practice of barge fleeting in order to protect public and private rights and interest in Iowa’s public waters under the Commission’s jurisdiction (prior Chapter 17).
2. Provides a lease fee structure for public use of state-owned lands under Commission jurisdiction. These lands are occasionally encroached upon by members of the public, sometimes inadvertently and other times for a specific permitted purpose. The fee structure compensates the public for the occupation of state-owned land through a lease (prior Chapter 18).
3. Regulates the removal of sand and gravel from state-owned property under Commission jurisdiction. This is accomplished via a permitting and fee system that compensates the public for the commercialization of public resources and ensures that waterways do not suffer permanent damage and remain ecologically intact, and that public recreational use is not adversely affected (prior Chapter 19).

Consolidating these chapters will simplify the rules by eliminating language that is common to multiple chapters. This consolidation is consistent with Executive Order 10 (January 10, 2023) and the five-year review of rules in Iowa Code section 17A.7(2). The subjects of these chapters are logically grouped together because they all involve permitting activities on, or the leasing of, state-owned lands and waters.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 27, 2023, as **ARC 7242C**. Public hearings were held on January 23 and January 30, 2024, at 12 noon via video/conference call. No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Commission on April 11, 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*

This rulemaking is subject to the waiver provisions of 571—Chapter 11. 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 June 5, 2024.

The following rulemaking action is adopted:

ITEM 1. Rescind 571—Chapter 17 and adopt the following **new** chapter in lieu thereof:

CHAPTER 17  
LEASES AND PERMITS

**571—17.1(461A) Purpose.** The purpose of these rules is to regulate the practices of leasing of state-owned land, barge fleeting, and permitting of sand and gravel removal in order to protect public and private rights and interests in public waters of the state of Iowa under the jurisdiction of the commission; to protect public health, safety, and welfare; and to protect fish and wildlife habitat.

**571—17.2(461A) Definitions.** For the purposes of this chapter, the following definitions apply:

“*Commission*” means the natural resource commission.

“*Deadman*” means an anchor buried in the upland adjacent to a fleeting area.

“*Department*” means the department of natural resources.

“*Director*” means the director of the department of natural resources or the director’s designee.

“*Dolphins*” means a closely grouped cluster of piles driven into the bed of a waterway and tied together so the group acts as a unit to withstand lateral forces from vessels or other floating objects.

“*Fleeting area*” means an area within defined boundaries used to provide barge mooring service and to accommodate ancillary harbor towing under care of a fleet operator. The term does not include momentary anchoring or tying off of tows in transit and under care of the line haul towboat.

“*Lease*” means a lease as authorized under Iowa Code section 461A.25.

“*Material*” means any size particle of sand, gravel, or stone.

“*Mooring barge*” means a barge held in place by anchors or spuds and used to moor other barges during their stay in the fleeting area.

“*Mooring cell*” means a sheet pile structure, usually filled with earth, stone, or concrete, used to hold barges or other vessels in place.

“*Permit*” means an agreement authorized under Iowa Code section 461A.53.

“*Person*” means any individual, firm, partnership, joint venture, joint stock company, association, public or private corporation, municipality, cooperative, estate, trust, receiver, executor, administrator, or fiduciary and any representative appointed by order of any court or otherwise acting on behalf of others.

“*Riparian rights*” means the legal rights that assure the owner of land abutting a stream or lake access to or use of the water.

“*State-owned lands and waters*” means lands and waters acquired by the state by fee title and sovereign lands and waters.

“*Watercraft*” means any vessel that through the buoyant force of water floats upon the water and is capable of carrying one or more persons.

**571—17.3(461A) Application for lease or permit.** An applicant for, or a renewal of, a lease or permit shall submit an application to the department on forms provided by the department.

**571—17.4(461A) Lease and permit approval.** If the director determines that there is not a material issue concerning whether the application complies with applicable criteria in these rules, a lease will be presented to the commission for further consideration. Upon approval of the commission, the lease will be presented to the executive council for final consideration. Permits will be signed by the director or designee.

**571—17.5(461A) Fee adjustments.** Beginning January 1, 2024, and on each subsequent January 1, the lease or permit fee shall be adjusted on a cumulative basis by the percentage of the Consumer Price Index annual rate for the previous year for the Midwest Urban Region, published by the U.S. Department of Labor, Bureau of Labor Statistics. This change in fee will be applied when leases or permits are created or renewed.

**571—17.6(461A) Renewals of leases or permits.** The permit or lease holder shall request renewal of the lease or permit no less than six months prior to its expiration or risk loss of operator's right to the area. The appropriate application fee must accompany the application documents. A lease or permit shall remain in force during the processing of an application for renewal, including any appeals process.

**571—17.7(461A) Disputes concerning leases.** Contested case procedures are not applicable to disputes concerning leases under this chapter, except as set forth in rule 571—17.8(461A) and subrule 17.10(9). A commission decision whether or not to recommend a lease or a particular condition of a lease is final agency action, subject to the right of an applicant or other affected person to file with the director a written request for reconsideration by the commission. The director must receive the request for reconsideration within 30 days after the commission's decision on a proposed lease. A commission decision to recommend a lease will be forwarded to the executive council of Iowa for approval after 30 days following the commission's decision unless the director has been notified of a written request for reconsideration or the filing of a petition for judicial review of the commission's recommendation.

**571—17.8(461A) Termination for cause.** Permits or leases may be terminated by the director at any time if a permit or lease holder fails to fulfill the obligations under the permit or lease in a timely and proper manner, or if a permit or lease holder violates any of the terms and conditions of the permit or lease. Termination proceedings shall be in compliance with Iowa Code chapter 17A and 571—Chapter 7. Upon termination or expiration of the permit or lease, the permit or lease holder shall immediately stop all operations and remove all equipment from the lands and waters covered by the permit or lease within a time frame designated in the notice of termination. In the event of failure of the permit or lease holder to remove all equipment from the premises within such time period, the director shall have the right to remove the equipment at the expense of the permit or lease holder.

**571—17.9(461A) Lease fees for state-owned property, riverbed, lakebed, and waterfront lands.** The following guidelines are for the purpose of expediting the administration of applications for lease and use of land under the jurisdiction of the natural resource commission, excepting those lands leased for agricultural purposes, commercial concession agreements, and agreements covering the removal of sand, gravel, and other natural materials.

**17.9(1) Annual lease fee.** Beginning January 1, 2024, the fee for leases shall be \$0.0600 per square foot. Leases deemed commercial by the commission will have a minimum lease value of \$300, and those deemed nonprofit or noncommercial by the commission will have a minimum lease value of \$150.

**17.9(2) Administration fee.** All nonfleeting leases shall be assessed a one-time charge of 18 percent to cover the department's cost of inspecting lease sites, reviewing applications, preparing leases, and administering the lease program.

**17.9(3) Exceptions to standard lease fee.** When persons apply for permission to convert or have converted state property under the jurisdiction of the commission to personal use and the commission

determines that leasing is an appropriate alternative to removal or that the above rates are not appropriate, the annual lease fee shall be determined by the commission. When determining the fee, the commission may consider availability of the property for public use, the type of personal use being made of the property, appraisal, effect on the natural resources and other items appropriate for the area involved.

**571—17.10(461A) Barge fleeting regulations.** The purpose of this rule is to regulate the practice of barge fleeting in order to protect public and private rights and interest in public waters of the state of Iowa under the jurisdiction of the commission.

**17.10(1) Applicability.** This rule is applicable to all public waters under the jurisdiction of the commission except that portion of the Mississippi River conveyed to certain cities by 1945 Iowa Acts, chapter 249; 1961 Iowa Acts, chapter 299; or special charters enacted by the Legislature in 1856 and 1857. This rule regulates the use of those waters for barge fleeting, including the installation of structures, physical site modification such as dredging, and operation of fleeting equipment and maneuvering of barges within the fleet.

**17.10(2) Barge fleeting leases.** A person shall not assert any exclusive privilege to conduct barge fleeting and mooring service for hire, or not for hire, and shall not prevent or obstruct any lawful use of navigable waters under the jurisdiction of the commission except within a fleeting area leased by the executive council of Iowa or at a loading or off-loading facility necessary to carry on commerce, provided the facility is constructed in compliance with Iowa department of transportation, U.S. Army Corps of Engineers, and all other applicable permits and regulations.

**17.10(3) Restricted areas.** Leases shall not be issued for a fleeting area in the following locations unless the department, subject to the approval of the commission, determines that fleeting in such areas is not contrary to the purpose of these rules as stated in rule 571—17.1(461A):

*a.* A site subject to unusual hazards including but not limited to high wind, strong current, violent ice movement, and hydraulic surges during the time fleeting operations are proposed to be carried out.

*b.* A site receiving high use for recreation, sport fishing, or commercial fishing, unless the fleeting area can be placed or structured to be compatible with such uses.

*c.* A site immediately adjacent to industries or other facilities, which, together with fleeting operations, present a substantial risk of fire, explosion, water pollution, or other serious safety hazards.

*d.* A site where fleeting area activities would restrict or interfere with or have a substantial adverse effect on the use and enjoyment of an area owned by federal, state, or local government, including but not limited to public parks, game refuges, forests, or recreation areas used for access to docks, slips, harbors, marinas, boat launching ramps or unique biological or physical features of the river valley itself.

*e.* A site immediately adjacent to or over a dam, sill, lock, breakwater, revetment, navigation aid, or wing dam.

*f.* A site within established navigation channels for commercial or recreational vessels.

*g.* A site within the approach area for a lock portion of a dam structure.

*h.* A site adjacent to bridges or vessel approach areas to bridges.

**17.10(4) Prohibited areas.** Leases shall not be issued for a fleeting area in the following locations:

*a.* A site that will have a substantial adverse effect on fish or wildlife (mussels, fish spawning, waterfowl, or furbearer) habitat due to dredging, propeller wash or other activity related to fleeting.

*b.* A site that would have an adverse impact on documented threatened and endangered species.

*c.* A site adjacent to national monuments or registered landmarks.

**17.10(5) Riparian rights.** A fleeting area shall not be leased in any location that would interfere with the rights and privileges of the riparian property owner except with written permission of the riparian property owner.

**17.10(6) Standards.** The following standards shall apply to operation of fleeting areas:

*a.* A fleeting lease shall be construed to do no more than give the operator the right to designate and improve an area to be utilized for fleeting. The lease creates no interest, personal or real, in the real estate below the ordinary high-water mark except as provided in the lease.

*b.* Improvements in fleeting areas shall be limited to items such as construction of dolphins, mooring cells, deadmen, mooring barge anchors, and other similar methods of ensuring retention of

barges if approved by the department. Improvements shall be constructed in a manner consistent with engineering standards of the U.S. Army Corps of Engineers. Structures associated with barge fleeting leases will be covered by the fees of the barge fleeting lease.

c. Fleeting activities within leased fleeting areas shall be limited to barge mooring service, ancillary harbor towing and minor barge repair or servicing. No washing or cleaning of barges is permitted, unless conducted in compliance with the requirements of Iowa Code chapter 455B, the washing activities will not have a substantial adverse effect on fish or wildlife (mussels, fish spawning, waterfowl, or furbearer) habitat, and the department specifically approves the cleaning activity.

d. Barges shall not be moored to trees or other natural features of an area except with the approval of the riparian property owner or during an emergency.

e. Barge fleeting shall be conducted in a manner that minimizes bank erosion attributable to the fleeting operation.

f. Leased fleeting areas may be used for navigation and recreational pursuits such as boating and fishing only to the extent that such use does not interfere with fleeting activities. Other waterway users shall not obstruct barge fleeting activities within leased fleeting areas.

g. The right of entry of barges into a fleeting area may be refused by:

(1) The operator.

(2) The department, after conferring with the operator, when there is an imminent hazard to the public interest or to public health, safety or welfare.

h. The operator shall, at all times, be responsible for the safety and security of the barges in the fleeting area and shall take reasonable precautions to eliminate hazards to boaters or other persons in the fleeting area.

i. Lights or other warning devices as required by state and federal navigation regulations shall mark moored or fledged barges.

j. The operator shall notify the department of the current name, address, and day and evening telephone numbers of the individual directly responsible for supervising the fleeting area who is to be notified in case of emergency.

k. A lease issued under this chapter may not be exercised until all other necessary permits or approvals have been issued by local, state or federal agencies having jurisdiction over the lease area.

**17.10(7) Application review and approval.** The following process applies to barge fleeting lease applications:

a. Upon receipt of a barge fleeting lease application that complies with the requirements of rule 571—17.3(461A), the department will review the application to determine whether the application complies with applicable criteria in these rules. In order to determine such compliance, the applicant may be required, at the applicant's expense, to provide the department with anchor design criteria, underwater surveys, and dives necessary to determine compliance.

b. Upon determination that an application complies with applicable criteria in these rules, the department staff shall give notice of receipt of the application through publication of one public notice that will be published in a newspaper as defined in Iowa Code section 618.3 where the proposed fleeting area is located or other approved outlets. The notice shall briefly describe the location and nature of the proposed fleeting area, identify the department rules that are pertinent to the application, state whether the application is a new lease or renewal, and provide that a hearing will be scheduled if the director determines that there is a material issue concerning whether the application complies with applicable criteria in these rules. The notice shall allow interested persons 30 days from the date of publication to submit comments or a request for hearing, and shall state that a request for hearing must be supported by documentation of potential adverse effects of the proposed fleeting facility on an affected or aggrieved person. Notice will also be sent by first-class ordinary mail or an equivalent method of service to the directors of the Iowa department of transportation and the Iowa department of economic development, the Iowa secretary of agriculture, the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, and the U.S. Coast Guard.

**17.10(8) Barge fleeting lease fees.** The following fees shall be paid to the department by applicants and lessees:

a. An annual lease fee based on the dimensions of the area leased as a fleeting area. Beginning January 1, 2024, the rate for the annual lease fee shall be \$4.38 per 100 square feet.

b. A fee of \$1,000 for the cost of review, issuance, and administration of a lease is required at the time of application for a new or renewal lease.

**17.10(9) Nonuse.** Failure by an operator to substantially exercise the rights granted in a lease issued under this chapter within a period of two years from the issuance of the lease shall render the lease null and void unless extended by the department. Failure by an operator to substantially exercise the rights granted in a lease issued under this chapter for any period of two consecutive years shall create a rebuttable presumption that the operator intends to abandon and forfeit the lease and shall be cause for a review of the lease by the department. The operator may request a contested case proceeding in accordance with Iowa Code chapter 17A and 571—Chapter 7.

**571—17.11(461A) Sand and gravel permits.** This rule provides the procedures for obtaining a permit for removal of sand and gravel from state-owned lands and waters under the jurisdiction of the department and the rules associated with the holding of a permit.

**17.11(1) Permit applications.** Applications for permits must be accompanied by an application for a sovereign lands permit pursuant to 571—Chapter 13. Applications will be accepted at any time throughout the year. The permit for sand and gravel will run concurrently with the sovereign lands permit. If more than one application for a permit site is received, issuance will be determined by written sealed bids. Bids shall be based on royalty rates. Bids submitted with a royalty rate less than the current rate will not be accepted. The permit shall be issued to the applicant submitting the highest royalty rate bid.

**17.11(2) Application fee.** The applicant for a sand and gravel permit shall submit a fee of \$100 for the cost of inspection and issuance of each permit.

**17.11(3) Insurance.** Prior to issuance of permits, approved applicants shall provide the department a certificate of insurance, covering the entire permit term, to jointly and severally indemnify and hold harmless the state of Iowa and its agencies, officials, and employees from and against all liability, loss, damage or expense that may arise in consequence of issuance of the permit.

**17.11(4) Surety bonds.** Prior to issuance of permits, approved applicants shall provide to the department a surety bond in the amount of \$5,000 covering the term of the permit. The surety bond shall guarantee payment to the state of Iowa for all material removed under the permit within 60 days after expiration of the permit, unless the permit holder renews the permit within 30 days of said expiration date, and for the recovery of any costs associated with reclamation or other environmental mitigation required as a condition of issued permits.

**17.11(5) Permit conditions and operating procedures.** The following shall apply to all sand and gravel permits:

a. Permits require a sovereign lands permit and will run concurrently with that sovereign lands permit.

b. The size and configuration of permit sites shall be as designated by the director. The maximum continuous length of a river or stream covered by each permit shall be 4,500 lineal feet.

c. Removal operations authorized by permits shall not be performed within 30 feet of the existing bank or breach the bank at any location along any lake, stream or river unless written permission is obtained from the director prior to performance of such operations.

d. Removal operations authorized by permits shall not obstruct the flow of water to the extent of preventing its ultimate passage to its usual course below the lands and waters covered by the permits and shall not prevent movement of watercraft through such waters.

e. All equipment at permit sites that is on the surface of water or above or under the water shall be marked to be visible 24 hours per day. Any structure or other device below the water must be marked to indicate to watercraft operators where safe passage may occur. All markings shall conform to the uniform waterway marking system and be provided and installed by permit holders.

f. Permit sites may be inspected by the director at any time during the permit term in order to verify compliance with permit terms and conditions, or thereafter until final payment is made under a

terminated permit. Permit holders shall keep a daily record of the amount of material removed in the manner described by the director. All such records shall be open to inspection by the director at all times.

g. Permit holders shall furnish an itemized statement of material removal operations to the director within ten days after the last day of each calendar month. Statements shall also be filed in months when no materials are removed. Reporting procedures may be modified on a case-by-case basis at the discretion of the director, to accommodate differences in material removal or operation methods. However, reporting periods shall not be greater than one-month intervals. Permit holders shall notify the department ten days prior to the initial start of removal operations or whenever the previous monthly statement indicated no materials were removed. Each cubic yard of sand, gravel, and stone removed under permits shall be considered to weigh 3,000 pounds. Statements shall be submitted on forms furnished by the department and shall indicate the following:

- (1) Hours of removal operations performed each day on lands and waters covered by the permit.
- (2) Tons of material removed from the lands and waters covered by the permit each day.
- (3) Tons of material, from all sources, stockpiled at the operations site at the end of the month.

h. Royalty payments. Permit holders shall make royalty payments on a monthly basis for all material removed from permit sites within ten days after the last day of each calendar month. Monthly royalty payments shall be calculated using the tonnage of material removed as reported on the monthly statement. The royalty rate shall be \$0.2500 cents per ton or the rate determined by sealed bids.

These rules are intended to implement Iowa Code sections 461A.4, 461A.18, 461A.25, 461A.52, 461A.53, 461A.55 to 461A.57, and 462A.32.

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