IOWA ADMINISTRATIVE BULLETIN

Published Biweekly VOLUME XLVII August 6, 2025 NUMBER 3 Pages 735 to 1173

CONTENTS IN THIS ISSUE

Pages 942 to 1170 include **ARC 9451C** to **ARC 9482C**

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]
- Notice, State licensed warehouses and warehouse operators, ch 90 **ARC 9452C** 942
- Notice, Licensed grain dealers, ch 91 **ARC 9453C** 943
- Notice, Grain indemnity fund—board organization, operations and claims; civil penalties, rescind chs 93, 94; adopt ch 92 **ARC 9454C** 945
- Filed Emergency, State licensed warehouses and warehouse operators, ch 90 **ARC 9455C** 985
- Filed Emergency, Licensed grain dealers, ch 91 **ARC 9456C** 1008
- Filed Emergency, Grain indemnity fund—board organization, operations and claims; civil penalties, rescind chs 93, 94; adopt ch 92 **ARC 9457C** 1023

ALL AGENCIES
- Agency identification numbers 747
- Citation of administrative rules 738
- Schedule 746

APPEAL BOARD, STATE[543]
MANAGEMENT DEPARTMENT[541]"umbrella"
- Notice, General provisions, ch 1 **ARC 9460C** . . . 947
- Notice, Tort claims, ch 2 **ARC 9461C** 949
- Notice, General claims, ch 3 **ARC 9464C** 952
- Notice, Budget appeals, ch 4 **ARC 9465C** 954
- Notice, Uniform rules, ch 5 **ARC 9462C** 959
- Notice, Public records and fair information practices; agency procedure for rule making, rescind chs 6, 7 **ARC 9463C** 963

COLLEGE STUDENT AID COMMISSION[283]
EDUCATION DEPARTMENT[281]"umbrella"
- Regulatory Analysis, Uniform policies, ch 10 . . . 749
- Regulatory Analysis, Health care professional recruitment program, rescind ch 14 752
- Regulatory Analysis, Health care award program, rescind ch 26 754

DELAYS
- 70-day delay, Inspections and Appeals Department[481] Definitions, licenses, registrations, permits, practice of pharmacy, controlled and precursor substances, distribution and drug supply chain, drugs in emergency medical services programs, Iowa prescription monitoring program, board of pharmacy operations, chs 550 to 557 1173
- 70-day delay, Pharmacy Board[657] Agency realignment, rescind chs 1 to 3, 6, 7, 10 to 23, 25 to 37, 39 to 43, 100 1173

ECONOMIC DEVELOPMENT AUTHORITY[261]
- Regulatory Analysis, Business incentives for growth (BIG) program, ch 69 756

Notice, Debarment from participation in authority programs and transactions, ch 2 **ARC 9458C** 965

ENVIRONMENTAL PROTECTION COMMISSION[567]
NATURAL RESOURCES DEPARTMENT[561]"umbrella"
Filed, Private sewage disposal systems, ch 69 **ARC 9467C** 1031

EXECUTIVE DEPARTMENT
Executive order number 13 1171

HUMAN SERVICES DEPARTMENT[441]
Regulatory Analysis, Enrollment and reenrollment, ch 76 769
Amended Notice, Family planning program, ch 87 **ARC 9466C** 968
Filed, Healthy and well kids in Iowa (hawki) program, ch 86 **ARC 9468C** 1063

INSPECTIONS AND APPEALS DEPARTMENT[481]
Filed, Licensure of nursing home administrators—provisional license or appointment, 980.2(3), 980.4 to 980.7 **ARC 9469C** 1078
Filed, Discipline for hearing aid specialists, ch 2063 **ARC 9470C** 1080
70-day delay, Definitions, licenses, registrations, permits, practice of pharmacy, controlled and precursor substances, distribution and drug supply chain, drugs in emergency medical services programs, Iowa prescription monitoring program, board of pharmacy operations, chs 550 to 557 1173

INSURANCE DIVISION[191]
INSURANCE AND FINANCIAL SERVICES DEPARTMENT[181]"umbrella"
Regulatory Analysis, Insurance producer licenses and limited licenses, ch 10. 784
Regulatory Analysis, Continuing education for insurance producers, ch 11 800
Regulatory Analysis, Consent for prohibited persons to engage in the business of insurance, ch 13 807
Regulatory Analysis, Life insurance policies, ch 30 813
Regulatory Analysis, Life insurance companies—variable annuities contracts, ch 31 819
Regulatory Analysis, Variable life insurance model regulation, ch 33 825
Regulatory Analysis, Gender-blended minimum nonforfeiture standards for life insurance, ch 42 840
Regulatory Analysis, Annuity mortality tables for use in determining reserve liabilities for annuities, ch 43 844
Regulatory Analysis, Smoker/nonsmoker mortality tables for use in determining minimum reserve liabilities and nonforfeiture benefits, ch 44. . . . 852
Regulatory Analysis, Viatical and life settlements, ch 48 856
Regulatory Analysis, Regulation of navigators, ch 85 869
Regulatory Analysis, Sales of cemetery merchandise, funeral merchandise and funeral services, ch 100. 877
Regulatory Analysis, Burial sites and cemeteries, ch 101. 897
Regulatory Analysis, Iowa retirement facilities, ch 102 903

IOWA FINANCE AUTHORITY[265]
Regulatory Analysis, HOME investment partnerships program, ch 39 908
Notice, Debarment from participation in authority programs and transactions, ch 5 **ARC 9459C** 979

MANAGEMENT DEPARTMENT[541]
Regulatory Analysis, Requests for access to records—fees, 8.3(5) 914

PHARMACY BOARD[657]
PUBLIC HEALTH DEPARTMENT[641]"umbrella"
70-day delay, Agency realignment, rescind chs 1 to 3, 6, 7, 10 to 12 1173

PUBLIC HEALTH DEPARTMENT[641]
Regulatory Analysis, State-funded family medicine obstetrics fellowship program; medical residency training state matching grants program; center for rural health and primary care; Iowa needs nurses now infrastructure account, rescind chs 106, 108, 110, 111 917

PUBLIC HEARINGS
Summarized list 739

PUBLIC SAFETY DEPARTMENT[661]
Filed, State building code—factory-built structures, ch 16 **ARC 9471C** 1082
Filed, Fire marshal administration; general fire safety requirements; requirements for specific occupancies; fire safety requirements for hospitals and health care facilities; smoke alarms/detectors; carbon monoxide alarm, rescind chs 200, 201, 202, 205, 210, 211; adopt ch 201 **ARC 9472C** 1101
Filed, State building code—administration, ch 300 **ARC 9473C** 1117
Filed, State building code—general provisions, accessibility of buildings and facilities available to the public, energy conservation in construction; sustainable design standards; weather safe rooms; state historic building code, rescind chs 301 to 303, 310, 315, 350; adopt ch 301 **ARC 9474C** 1123
Filed, State building code—manufactured housing support and anchorage systems, ch 322 **ARC 9475C** 1146
Filed, Temporary emergency use of factory-built structures—commercial use, ch 323 **ARC 9476C** 1153

REAL ESTATE COMMISSION[193E]
Professional Licensing and Regulation Bureau[193]
INSURANCE AND FINANCIAL SERVICES DEPARTMENT[181]"umbrella"
Filed, Definitions, 2.1 **ARC 9481C** 1156
Filed, Brokerage agreements, 11.1 to 11.3, 11.5, 11.6 **ARC 9477C** 1158
Filed, Disclosure of relationships—brokerage agreements, compensation negotiation, 12.2 to 12.7 **ARC 9478C** 1163
Filed, Prelicense and continuing education—brokerage agreements, 16.4(2), 16.5(1), 16.6 **ARC 9480C** 1166

REVENUE DEPARTMENT[701]
Regulatory Analysis, Dishonored payment for alcoholic liquor; disputed beer barrel and wine gallonage taxes, 1000.28, 1000.32 919

SECRETARY OF STATE[721]
Filed, NIST special publications—dates certain, 29.4(11), 43.9(2) **ARC 9482C** 1167
Filed, Fees—mark applications, assignments, cancellations, 40.5(13) **ARC 9479C** 1169

TRANSPORTATION DEPARTMENT[761]
Notice, City requests for closure of primary road extensions, rescind ch 151 **ARC 9451C** 983

WORKFORCE DEVELOPMENT DEPARTMENT[871]
Regulatory Analysis, Placement, rescind ch 54 923
Regulatory Analysis, Youth affairs, rescind ch 56 925
Regulatory Analysis, Work force investment program, rescind ch 57 927
Regulatory Analysis, Iowa job training partnership program, rescind ch 58 929
Regulatory Analysis, Mentor advisory board, rescind ch 59 931
Regulatory Analysis, Strategic workforce development fund, rescind ch 61 933
Regulatory Analysis, Workforce development fund, ch 64 935
Regulatory Analysis, Employment agency licensing, ch 78 938

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 Telephone: 515.281.6048 Email: Jack.Ewing@legis.iowa.gov
Publications Editing Office (Administrative Code) Telephone: 515.281.3355 Email: AdminCode@legis.iowa.gov

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).

NOTICE: The Administrative Code Editor is evaluating the value of publishing this list of public hearings in the Iowa Administrative Bulletin. Public hearing information can also be found in each individual document as required by Iowa Code chapter 17A.

If publication of this list is useful to you, please email your feedback to: jack.ewing@legis.iowa.gov.

APPEAL BOARD, STATE[543]

Red tape review, adopt chs 1 to 5; rescind chs 6, 7 IAB 8/6/25 **ARC 9460C**	Room G14 Iowa Capitol Building Des Moines, Iowa	August 29, 2025 9 to 10 a.m. September 5, 2025 9 to 10 a.m.

COLLEGE STUDENT AID COMMISSION[283]

Uniform policies, ch 10; health care professional recruitment program, rescind ch 14; health care award program, rescind ch 26 IAB 8/6/25 **Regulatory Analyses**	Room B50 Grimes State Office Building Des Moines, Iowa	August 26, 2025 9 a.m.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Registration information for online participation may be found at:
opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Length of service awards program grant fund, ch 21 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 3:30 to 3:45 p.m.
Nuisance property and abandoned building remediation assistance, ch 22 IAB 7/23/25 **ARC 9423C**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 2 to 2:15 p.m. August 14, 2025 9 to 9:15 a.m.
Red tape review, rescind chs 31, 43, 44, 75, 117, 165, 171, 212 to 214, 400, 401 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 9 to 9:15 a.m.
Business incentives for growth (BIG) program, ch 69 IAB 8/6/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 26, 2025 9:45 to 10 a.m.
Targeted jobs withholding tax credit program, ch 71 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 2:45 to 3 p.m.
International trade financial assistance, ch 72 IAB 7/23/25 **ARC 9425C**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 2:15 to 2:30 p.m. August 14, 2025 9:15 to 9:30 a.m.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

Registration information for online participation may be found at: opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Site development program, ch 77 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 2:30 to 2:45 p.m.
Small business innovation research and technology transfer outreach program (America's seed fund), ch 106 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	August 12, 2025 3:15 to 3:30 p.m.

ENVIRONMENTAL PROTECTION COMMISSION[567]

Rules of practice in contested cases; contracts for services and public improvements; waivers from administrative rules, chs 7, 8, 13 IAB 7/23/25 **Regulatory Analysis**	Via Google Meet A meeting registration link will be provided prior to the hearing	August 15, 2025 12 noon

HUMAN SERVICES DEPARTMENT[441]

Enrollment and reenrollment, ch 76; family planning program, ch 87 IAB 8/6/25 **Regulatory Analysis**, **ARC 9466C**	Microsoft Teams Meeting ID: 217 057 970 823 5 Passcode: M3ue7ZD7	August 26, 2025 2 to 2:30 p.m.
Refugee cash assistance—time limit for eligibility, 60.7 IAB 7/23/25 **Regulatory Analysis**	Microsoft Teams Meeting ID: 248 416 779 229 0 Passcode: Qq9Qh2zT	August 12, 2025 2:30 to 3 p.m.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Occupational therapists—occupational therapy licensure compact, 804.2, 804.4 to 804.410 IAB 7/9/25 **ARC 9393C**	6200 Park Avenue Des Moines, Iowa Via Google Meet: meet.google.com/mjt-afhh-drh Or dial: (US) +1 513.373.4084 PIN: 733 482 841# More phone numbers: tel.meet/mjt-afhh-drh?pin=2594041957103	August 11, 2025 11 to 11:30 a.m.
Sign language interpreters and transliterators—license reactivation, 961.6 IAB 7/23/25 **Regulatory Analysis**	6200 Park Avenue Des Moines, Iowa Information on virtual participation will be available on the Department website prior to the hearing	August 12, 2025 9 a.m.

INSURANCE DIVISION[191]

Red tape review, chs 10, 11, 13, 30, 31, 33, 42 to 44, 48, 85, 100 to 102 IAB 8/6/25 **Regulatory Analyses**	Suite 100 1963 Bell Avenue Des Moines, Iowa	August 28, 2025 10 a.m.

IOWA FINANCE AUTHORITY[265]

Water quality financial assistance program, rescind ch 33 IAB 7/23/25 **Regulatory Analysis**	1963 Bell Avenue, Suite 200 Des Moines, Iowa Registration information: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	August 12, 2025 9 to 9:15 a.m.
HOME investment partnerships program, ch 39 IAB 8/6/25 **Regulatory Analysis**	1963 Bell Avenue, Suite 200 Des Moines, Iowa Registration information: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	August 26, 2025 9:15 to 9:30 a.m.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates—sheriffs, deputy sheriffs, protection occupations, 4.6 IAB 7/23/25 **ARC 9414C** (See also **ARC 9417C**)	IPERS 7401 Register Drive Des Moines, Iowa Microsoft Teams link Meeting ID: 296 556 813 294 5 Passcode: 5By2Ct7t	August 19, 2025 10:30 to 11 a.m.

MANAGEMENT DEPARTMENT[541]

Requests for access to records—fees, 8.3(5) IAB 8/6/25 **Regulatory Analysis**	Room G14 Iowa Capitol Building Des Moines, Iowa	August 28, 2025 11 a.m.

NATURAL RESOURCE COMMISSION[571]

Rules of practice in contested cases; contracts for services and public improvements; waivers from administrative rules, chs 7, 8, 11 IAB 7/23/25 **Regulatory Analysis**	Via Google Meet A meeting registration link will be provided prior to the hearing	August 15, 2025 12 noon
Deer hunting licenses, 106.1, 106.7(1), 106.10, 106.13(2), 106.14(1), 106.16; wild furbearer trapping and hunting, 108.1, 108.4 IAB 7/23/25 **Regulatory Analyses**	Suite 200 6200 Park Avenue Des Moines, Iowa	August 12, 2025 1 to 2 p.m.

NATURAL RESOURCES DEPARTMENT[561]

Special nonresident deer and turkey licenses, ch 12 IAB 7/23/25 **ARC 9426C**	Suite 200 6200 Park Avenue Des Moines, Iowa	August 12, 2025 1 p.m. August 13, 2025 9:30 a.m.

PUBLIC HEALTH DEPARTMENT[641]

Iowa care for yourself (IA CFY) program; outpatient diabetes education programs; Iowa get screened: colorectal cancer program; central registry for brain and spinal cord injuries, rescind chs 8 to 10, 21; local boards of health, ch 77; local public health services, ch 80; child protection center grant program, ch 94 IAB 7/23/25 **ARCs 9411C**, **9418C**, **9419C**, **9420C**, **9421C**, **9422C**, **9424C**	Microsoft Teams Meeting ID: 217 132 462 862 9 Passcode: b6zT9kQ6 Microsoft Teams Meeting ID: 255 108 374 658 5 Passcode: jm98TX2J	August 12, 2025 10 to 10:30 a.m. August 12, 2025 2 to 2:30 p.m.
Brain injury services program, ch 56; tobacco use prevention and control community partnership initiative, rescind ch 151 IAB 7/23/25 **Regulatory Analyses**	Microsoft Teams Meeting ID: 248 416 779 229 0 Passcode: Qq9Qh2zT	August 12, 2025 2:30 to 3 p.m.
State-funded family medicine obstetrics fellowship program; medical residency training state matching grants program; center for rural health and primary care; Iowa needs nurses now infrastructure account, rescind chs 106, 108, 110, 111 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams Meeting ID: 217 057 970 823 5 Passcode: M3ue7ZD7	August 26, 2025 2 p.m.
Love our kids grant; Iowa physician orders for scope of treatment; tobacco use prevention and control funding process, rescind chs 141, 145, 152 IAB 7/23/25 **Regulatory Analyses**	Microsoft Teams Meeting ID: 276 031 988 433 4 Passcode: XF73a5Ye	August 13, 2025 2 to 2:30 p.m.

PUBLIC SAFETY DEPARTMENT[661]

Ignition interlock devices, ch 158 IAB 7/23/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa	August 12, 2025 8 to 8:30 a.m.

REAL ESTATE COMMISSION[193E]

Seller property condition disclosure, 14.1(7) IAB 7/23/25 **Regulatory Analysis**	6200 Park Avenue Des Moines, Iowa Information on virtual participation will be available on the Department website prior to the hearing	August 12, 2025 11:30 to 11:50 a.m.

REVENUE DEPARTMENT[701]

GovConnectIowa, 6.4, 7.3 IAB 7/23/25 **Regulatory Analysis**	Via videoconference call www.meet.google.com/mdb-zetw-hmo	August 12, 2025 3 to 3:30 p.m.
Device excise tax, ch 235 IAB 7/23/25 **Regulatory Analysis**	Via videoconference call meet.google.com/ufi-cbwg-cnx	August 12, 2025 9:30 to 10:30 a.m.
Dishonored payment for alcoholic liquor; disputed beer barrel and wine gallonage taxes, 1000.28, 1000.32 IAB 8/6/25 **Regulatory Analysis**	Via videoconference call meet.google.com/kky-ijyt-mqw	August 26, 2025 11 a.m. to 12 noon

TRANSPORTATION DEPARTMENT[761]

City requests for closure of primary road extensions, rescind ch 151 IAB 8/6/25 **ARC 9451C**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 737 937 923#	August 26, 2025 9 to 9:30 a.m.
	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 185 787 020#	August 26, 2025 2:30 to 3 p.m.
Motor vehicle and towable recreational vehicle dealers, manufacturers, distributors and wholesalers, ch 425 IAB 7/23/25 **ARC 9415C**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 696 758 339#	August 13, 2025 10:30 to 11 a.m.
	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 945 359 095#	August 13, 2025 1:30 to 2 p.m.
License issuance, ch 605 IAB 7/23/25 **ARC 9416C**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 632 188 825#	August 13, 2025 11 to 11:30 a.m.
	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 761 826 488#	August 13, 2025 2 to 2:30 p.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Placement, rescind ch 54 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 275 535 538 261 1 Passcode: zX7gi2Xm Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 810 814 813#	August 26, 2025 9:30 a.m.
Youth affairs, rescind ch 56 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 254 664 975 752 8 Passcode: Nw7NF9M5 Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 352 122 926#	August 26, 2025 10 a.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871](cont'd)

Work force investment program, rescind ch 57 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 220 354 044 389 6 Passcode: rj9Mr26G Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 517 366 600#	August 26, 2025 10:30 a.m.
Iowa job training partnership program, rescind ch 58 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 246 336 272 508 3 Passcode: YL7vw2HC Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 318 801 259#	August 26, 2025 11 a.m.
Mentor advisory board, rescind ch 59 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 217 805 887 897 Passcode: KT2Uv9MM Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 634 345 319#	August 26, 2025 11:30 a.m.
Strategic workforce development fund, rescind ch 61 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 221 963 719 106 4 Passcode: tG6Md6L8 Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 435 989 85#	August 26, 2025 1 p.m.
Iowa industrial new jobs training program, ch 62 IAB 7/23/25 **ARC 9427C**	Microsoft Teams Meeting ID: 282 650 369 682 3 Passcode: aC6qW97c Microsoft Teams Meeting ID: 284 889 447 351 5 Passcode: 75JH764B	August 12, 2025 9 a.m. August 12, 2025 1 p.m.
Iowa jobs training program, ch 63 IAB 7/23/25 **ARC 9428C**	Microsoft Teams Meeting ID: 290 459 627 749 1 Passcode: Re9Wz7vC Microsoft Teams Meeting ID: 245 725 561 268 2 Passcode: HH9KH3iJ	August 12, 2025 9:30 a.m. August 12, 2025 1:30 p.m.
Workforce development fund, ch 64 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 275 535 538 261 1 Passcode: zX7gi2Xm Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 810 814 813#	August 26, 2025 9 a.m.
Apprenticeship training program, ch 65 IAB 7/23/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 267 650 151 956 8 Passcode: oW2ab3Yr Dial in by phone +1 469.998.6043 Find a local number Phone conference ID: 423 072 455#	August 12, 2025 9 a.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871](cont'd)

Future ready Iowa registered apprenticeship development fund, ch 66 IAB 7/23/25 **Regulatory Analysis**	Microsoft Teams link Passcode: kN6p2kU3 Dial in by phone +1 469.998.6043 Find a local number Phone conference ID: 310 304 405#	August 12, 2025 9:30 a.m.
Future ready Iowa expanded registered apprenticeship opportunities program, ch 67 IAB 7/23/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 275 693 284 155 Passcode: ik9Su2ET Dial in by phone +1 469.998.6043 Find a local number Phone conference ID: 618 256 681#	August 12, 2025 10 to 10:30 a.m.
Accelerated career education (ACE) program, ch 68 IAB 7/23/25 **ARC 9429C**	Microsoft Teams Meeting ID: 238 626 862 890 8 Passcode: Fu6om9CJ	August 12, 2025 10 to 10:30 a.m.
	Microsoft Teams Meeting ID: 280 788 267 706 1 Passcode: pb7vQ3Sh	August 12, 2025 2 to 2:30 p.m.
Innovative businesses internship program, ch 69 IAB 7/23/25 **ARC 9430C**	Microsoft Teams Meeting ID: 289 845 226 535 1 Passcode: sK9yD6uH	August 12, 2025 10:30 to 11 a.m.
	Microsoft Teams Meeting ID: 218 205 140 618 0 Passcode: oi6Hn7Se	August 12, 2025 2:30 to 3 p.m.
STEM internship program, ch 75 IAB 7/23/25 **ARC 9431C**	Microsoft Teams Meeting ID: 251 206 622 363 9 Passcode: Yv6NY2WR	August 12, 2025 11 to 11:30 a.m.
	Microsoft Teams Meeting ID: 239 679 804 574 0 Passcode: Sv34VV3H	August 12, 2025 3 to 3:30 p.m.
Employment agency licensing, ch 78 IAB 8/6/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 237 875 027 562 2 Passcode: bQ68vp9e Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 753 603 984#	August 26, 2025 1:30 p.m.

Schedule for Rulemaking—2025

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

PLEASE NOTE:

Filing deadlines for publication cycles unaffected by holidays have been changed from Friday to Thursday. 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 business day 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 business days in advance of the deadline. The first possible notice submission deadline noted above may not allow sufficient time for this. **Agencies should plan accordingly.**

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

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]
CHIEF INFORMATION OFFICER, OFFICE OF THE[129]
OMBUDSMAN[141]
CIVIL RIGHTS, OFFICE OF[161]
INSURANCE AND FINANCIAL SERVICES DEPARTMENT[181]
  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 COMMISSION[199]
CORRECTIONS DEPARTMENT[201]
  Parole Board[205]
CULTURAL AFFAIRS DEPARTMENT[221]
  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]
  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]
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]
  Medicine Board[653]
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]
COMMUNICATIONS NETWORK, 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, State[877]

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 10
"Uniform Policies"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178
State or federal law(s) implemented by the rulemaking: Executive Order 10

Public Hearing

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

August 26, 2025 9 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

David Ford, Bureau Chief
Bureau of Iowa College Aid
400 East 14th Street
Des Moines, Iowa 50319
Email: david.ford@iowa.gov

Purpose and Summary

The Commission plans to rescind and adopt a new Chapter 10 pursuant to Executive Order 10. Proposed Chapter 10 consolidates uniform policies and definitions that are referenced in other chapters under the purview of the Bureau of Iowa College Aid.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

In general, the proposed rulemaking does not impose requirements that would add administrative burden beyond the provisions already established in law.

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

Utilizing this chapter to provide all uniform policies and definitions allows the Bureau of Iowa College Aid to more fully achieve the requirements stipulated under Executive Order 10.

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 rulemaking does not impose measurable costs beyond those imposed by law.

- **Qualitative description of impact:**

Utilizing this chapter allows the Bureau of Iowa College Aid to more fully achieve the requirements stipulated under Executive Order 10.

3. **Costs to the State:**

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

Not applicable.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to have any effect on State revenues.

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

Utilizing this chapter allows the Bureau of Iowa College Aid to more fully achieve the requirements stipulated under Executive Order 10.

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

This is the least restrictive approach to fully achieving the requirements of Executive Order 10.

6. **Alternative methods considered by the agency:**

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

No other methods were seriously considered by the Commission since rulemaking is the most efficient method of meeting the requirements of Executive Order 10.

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

Utilizing this chapter allows the Bureau of Iowa College Aid to more fully achieve the requirements stipulated under Executive Order 10.

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 is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 283—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10
UNIFORM POLICIES

283—10.1(256) Purpose. This chapter describes uniform definitions and policies that apply to programs administered by the college student aid commission.

283—10.2(256) Definitions.

"Financial metric" is the means by which the commission ranks the relative financial need of an applicant for financial assistance. The calculated financial metric shall be evaluated annually on the basis of a confidential statement of family finances filed on a form designated by the commission. The commission has adopted the use of the Free Application for Federal Student Aid (FAFSA), a federal

form developed by the U.S. Department of Education, which is used to determine the financial metric. Relative need will be ranked based on the applicant's financial metric provided by the U.S. Department of Education. The FAFSA must be received by the processing agent by the date specified by the commission. A negative financial metric is the equivalent of zero.

"Financial need" is the difference between the applicant's cost of attendance, as defined in Title IV of the federal Higher Education Act of 1965, as of July 1, 2025, and the applicant's financial metric and other available financial assistance at the eligible institution.

"Full-time" means enrollment in at least 12 semester credit hours, or the equivalent, that are part of a program of study. Credits that a student receives through "life experience credit" and "credit by examination" are not eligible for funding. Only coursework required for the student's eligible program of study can be used to determine enrollment status for state award calculations.

"Iowa resident" means a person who:

1. If attending an Iowa regent university, Iowa private college or university, or Iowa barber or cosmetology college, meets the criteria used by the state board of regents to determine residency for tuition purposes as described in rule 681—1.4(262) and, if the person qualifies for residency only as described in 681—paragraph 1.4(2)*"b,"* meets the following additional criteria:

- Is a veteran or qualifying military person domiciled in the state of Iowa who is not dependent upon a parent for financial support;
- Is a dependent veteran or qualifying military person whose parent is domiciled in the state of Iowa; or
- Is the spouse, domestic partner, or dependent child of a veteran or qualifying military person who is domiciled in the state of Iowa; or

2. If attending an Iowa community college, meets the criteria defined by the Iowa department of education to determine residency for community college tuition purposes as defined in 281—subrule 21.2(11) and, if the person qualifies for residency only as described in 281—subparagraph 21.2(11)*"b"*(5), meets the following additional criteria:

- Is a veteran of uniformed service or a national guard member domiciled in the state of Iowa who is not dependent upon a parent for financial support;
- Is a dependent veteran of uniformed service or a national guard member whose parent is domiciled in the state of Iowa; or
- Is the spouse, domestic partner, or dependent child of a veteran of uniformed service or a national guard member who is domiciled in the state of Iowa.

"Part-time" means enrollment that includes 3 to 11 semester credit hours, or the equivalent, that are part of a program of study. Credits that a student receives through "life experience credit" and "credit by examination" are not eligible for funding. Only coursework required for the student's eligible program of study can be used to determine enrollment status for state award calculations.

"Program of study" means a course of study that is eligible for federal student aid programs and leads to a teaching license or an undergraduate diploma, certificate, or degree.

"Satisfactory academic progress" is determined by the eligible institution, the standards of which meet the criteria for participation in federal student aid programs and are published on the eligible institution's website.

283—10.3(256) Policies. A student who is in default on a Stafford Loan, SLS Loan, PLUS Loan, or Perkins/National Direct/National Defense Student Loan or who owes a repayment on any Title IV grant assistance or state award shall be ineligible for assistance under the program. The student regains eligibility under this rule by providing documentation to the eligible institution that the student has regained eligibility under Title IV of the Higher Education Act of 1965 as of July 1, 2025.

These rules are intended to implement Iowa Code chapter 256.

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 14
"Health Care Professional Recruitment Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.223
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.223

Public Hearing

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

August 26, 2025 9 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

David Ford, Bureau Chief
Bureau of Iowa College Aid
400 East 14th Street
Des Moines, Iowa 50319
Email: david.ford@iowa.gov

Purpose and Summary

The Health Care Professional Recruitment Program (Iowa Code section 256.223) was repealed on July 1, 2025, by 2025 Iowa Acts, House File 972, so there is no further benefit of Chapter 14.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Iowans will not bear any costs related to the rescission of Chapter 14.

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

Iowa residents may benefit from the rescission of Chapter 14 since the rescission will eliminate information on a loan repayment program that no longer exists.

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 rescission of Chapter 14 has no impact on costs.

- **Qualitative description of impact:**

The rescission of Chapter 14 has no impact on costs.

3. **Costs to the State:**

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

The rescission of Chapter 14 has no impact on costs.

- **Anticipated effect on State revenues:**

The rescission of Chapter 14 is not anticipated to have an impact on State revenues.

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

The benefit of rescinding Chapter 14 is eliminating obsolete information since Iowans can neither apply for nor receive the loan repayment award.

The cost of inaction would be confusion and unnecessary inquiries about the loan repayment program and the application process, both of which no longer exist.

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

Rescinding Chapter 14 is the most efficient approach under Executive Order 10.

6. **Alternative methods considered by the agency:**

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

No other methods were seriously considered since the method proposed is the most cost-efficient approach and eliminates potential confusion among Iowans seeking out loan repayment funding.

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

The alternative methods were rejected because they would lead to informational burdens on students, families, Iowans in the workforce, and the Commission.

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 is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **283—Chapter 14**.

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 26
"Health Care Award Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.224
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.224

Public Hearing

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

August 26, 2025 9 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

David Ford, Bureau Chief
Bureau of Iowa College Aid
400 East 14th Street
Des Moines, Iowa 50319
Email: david.ford@iowa.gov

Purpose and Summary

The Health Care Award Program (Iowa Code section 256.224) was repealed on July 1, 2025, by 2025 Iowa Acts, House File 972, so there is no further benefit of Chapter 26.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Iowans will not bear any costs related to the rescission of Chapter 26.

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

Iowa residents may benefit from the rescission of Chapter 26 since the rescission will eliminate information on a program that no longer exists.

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 rescission of Chapter 26 has no impact on costs.

- **Qualitative description of impact:**

The rescission of Chapter 26 has no impact on costs.

3. **Costs to the State:**

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

The rescission of Chapter 26 has no impact on costs.

- **Anticipated effect on State revenues:**

The rescission of Chapter 26 is not anticipated to have an impact on State revenues.

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

The benefit of rescinding Chapter 26 is eliminating obsolete information since Iowans can neither apply for nor receive the award.

The cost of inaction would be confusion and unnecessary inquiries about the program and the application process, both of which no longer exist.

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

Rescinding Chapter 26 is the most efficient approach under Executive Order 10.

6. **Alternative methods considered by the agency:**

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

No other methods were seriously considered since the method proposed is the most cost-efficient approach and eliminates potential confusion among Iowans seeking out funding.

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

The alternative methods were rejected because they would lead to informational burdens on students, families, Iowans in the workforce, and the Commission.

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 is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **283—Chapter 26**.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 69
"Business Incentives for Growth (BIG) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A, 15.503, and 15.505

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15, subchapter II, part 33, and section 15A.1

Public Hearing

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

August 26, 2025 9:45 to 10 a.m.	1963 Bell Avenue Des Moines, Iowa Information about joining the hearing via Microsoft Teams is available at opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Economic Development 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

The Authority proposes to adopt a new Chapter 69 to implement Iowa Code chapter 15, subchapter II, part 33, as enacted by 2025 Iowa Acts, Senate File 657. Chapter 69 describes the policies and procedures applicable to the Business Incentives for Growth (BIG) program.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Businesses interested in applying for or receiving assistance through the program will bear the costs of this proposed rulemaking.

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

Businesses interested in applying for or receiving assistance through the program will benefit from this proposed rulemaking.

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:**

Businesses interested in applying for assistance may require staff time to complete an application. Businesses that are awarded tax incentives or financial assistance may similarly incur costs to

administer an award. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers.

- **Qualitative description of impact:**

The program provides a financial incentive to businesses relocating to Iowa from another state or expanding within the State.

3. **Costs to the State:**

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

Authority staff time is required to review and approve applications, draft and execute program contracts, authorize utilization tax incentives, disburse financial assistance, monitor compliance with award terms, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The proposed rules have no anticipated impact on State revenues. The Authority is directed to administer the program by Iowa Code chapter 15, subchapter II, part 33, as enacted by 2025 Iowa Acts, Senate File 657.

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

Only the entities that will potentially benefit from the program bear the costs of this proposed rulemaking. The costs to the State to administer the program are proportional to the activities supported by the program.

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 for administering the program.

6. **Alternative methods considered by the agency:**

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

The Authority did not consider any other methods.

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

The Authority did not consider any other methods.

Small Business Impact

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

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

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

This proposed rulemaking impacts only small businesses seeking financial assistance. The rules regarding compliance and reporting requirements are no more stringent than necessary to implement

the purposes of the program. The rules do not establish schedules or deadlines. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 261—Chapter 69:

CHAPTER 69
BUSINESS INCENTIVES FOR GROWTH (BIG) PROGRAM

261—69.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Authority" means the economic development authority created in Iowa Code section 15.105.

"Award date" means the date the board approved an application for financial assistance or tax incentives.

"Base employment level" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Benefits" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Board" means the same as defined in Iowa Code section 15.102.

"Business" means a sole proprietorship, partnership, corporation, or other business entity organized for profit under the laws of the state of Iowa or another state, under federal statutes, or under the laws of another country.

"Community" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Contract end date" means the date on which the agreement entered into pursuant to Iowa Code section 15.506 ends.

"Created job" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Data center business" means the same as defined in Iowa Code section 423.3(95).

"Eligible business" means a business that meets the requirements of Iowa Code section 15.504 as enacted by 2025 Iowa Acts, Senate File 657.

"Financial assistance" means the same as defined in Iowa Code section 15.511 as enacted by 2025 Iowa Acts, Senate File 657.

"Full-time equivalent position" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Laborshed area" means the geographic area surrounding an employment center from which the employment center draws its commuting workers as defined by the department of workforce development.

"Laborshed wage" means the wage level represented by those wages within two standard deviations from the mean wage within the laborshed area in which the eligible business is located, calculated pursuant to rule 261—69.9(15), using the most current covered wage and employment data available from the department of workforce development for the laborshed area.

"Program" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Project" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Project completion date" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Project completion period" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Qualifying investment" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Qualifying wage threshold" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Retained job" means the same as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657.

"Retention-only project" means a project that involves only retained jobs.

"Tax incentive" means a sales and use tax refund approved pursuant to Iowa Code section 15.507 as enacted by 2025 Iowa Acts, Senate File 657; a qualifying investment tax credit approved pursuant to Iowa Code section 15.508 as enacted by 2025 Iowa Acts, Senate File 657; or a combination of both.

"Total project cost" means the total cost incurred by an eligible business to complete a project, including but not limited to qualifying investment, as identified in an agreement entered into pursuant to Iowa Code section 15.506 as enacted by 2025 Iowa Acts, Senate File 657.

261—69.2(15) Eligibility requirements.

69.2(1) *Community approval.* Community approval of the project by ordinance or resolution is required as specified in Iowa Code section 15.504 as enacted by 2025 Iowa Acts, Senate File 657.

69.2(2) *Eligible businesses.*

a. For the purposes of determining whether a business is an eligible business type pursuant to Iowa Code section 15.504(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657, "retail business" means any business primarily engaged in the business of sale at retail of tangible personal property or taxable services in this state or online. "Sale at retail" means the same as defined in Iowa Code section 423.1(46). A business obligated to collect sales or use tax under Iowa Code chapter 423 may be an ineligible retail business.

b. A service business is not eligible for the program unless a significant proportion of its sales, as determined by the authority, are outside this state.

c. A business shall provide evidence that the business's primary operations are in a qualifying industry pursuant to Iowa Code section 15.504(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657. Such evidence may include but is not limited to whether the business has a North American industry classification system (NAICS) number aligned with the relevant industries as determined by the authority. Businesses with other NAICS numbers will be required to document to the authority's satisfaction that the business is primarily engaged in an applicable industry identified in Iowa Code section 15.504(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657, based on factors including but not limited to sources of revenue and customer base.

d. A business shall demonstrate it is not a data center business that is ineligible for the program pursuant to Iowa Code section 15.504(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657.

69.2(3) *Relocations and reductions in operations.* The authority will determine whether a business is ineligible due to a relocation or reduction in operations pursuant to Iowa Code section 15.504(1)*"c"* as enacted by 2025 Iowa Acts, Senate File 657.

69.2(4) *Determination of sufficient benefits.* The business shall offer a sufficient package of benefits to each full-time equivalent position included in the business's base employment level and to each full-time equivalent position at the project location until the contract end date. The benefits package provided shall meet the criteria established by the board. The board will periodically approve such criteria to reflect the most current benefits package typically offered by employers. The criteria established by the board may include but not be limited to premium percentages to be paid by the business, deductible amounts, and other such criteria as determined necessary to the evaluation of benefits offered by a business.

69.2(5) *Violations of law.* The authority will address violations of law as described in Iowa Code section 15.504(1)*"e"* as enacted by 2025 Iowa Acts, Senate File 657.

69.2(6) *Sufficient economic impact.* The business shall demonstrate that the project has a sufficient economic impact as described in Iowa Code section 15.504(2)*"b"* as enacted by 2025 Iowa Acts, Senate File 657.

69.2(7) *Created and retained jobs.* The jobs created or retained by a business shall pay the applicable wages as established in rule 261—69.9(15).

69.2(8) *Applicant's past or current performance.* If an applicant received a prior award or other benefit through any program administered by the authority, the authority and board will consider the applicant's past or current performance under the prior award or benefit.

69.2(9) *Results of due diligence review.* The authority will complete a due diligence review, including but not limited to lien searches, reports of violations, pending or resolved litigation, and other relevant information about the applicant. A business may be ineligible based on the results of the review.

69.2(10) *Other factors.* The authority shall consider any applicable additional factors pursuant to Iowa Code section 15.504(2) as enacted by 2025 Iowa Acts, Senate File 657.

69.2(11) *Ineligible projects.*

a. The following activities are presumed by the authority to lack sufficient economic impact to accomplish the goals of the program and are not eligible for the program pursuant to Iowa Code section 15.504(2)*"b"* as enacted by 2025 Iowa Acts, Senate File 657.

(1) Facility maintenance, and

(2) Replacement or upgrades of equipment occurring in the normal course of business.

b. A project representing solely acquisition of a business as a going concern that does not include creation or retention of jobs and qualifying investment at the acquired business facility is not eligible for the program. A qualified project that occurs following acquisition of a business as a going concern may be eligible for the program.

c. If the qualifying investment for a project includes long-term lease costs, the project is not eligible for the program unless the proposed lease is for a term of at least ten years.

69.2(12) *Project initiation.* An eligible business shall not initiate its project prior to board approval of the business's application for the program unless the business establishes that a delay in initiating the project would result in undue hardship or that extenuating circumstances necessitate initiating the project prior to approval of the business's application. Whether an undue hardship or extenuating circumstance exists will be determined by the authority.

a. Any one of the following may indicate that a project has been initiated:

(1) The start of construction of new or expanded buildings;

(2) The start of rehabilitation of existing buildings;

(3) The purchase or leasing of existing buildings; or

(4) The installation of new machinery and equipment or new computers to be used in the operation of the business's project.

b. The following shall not indicate a project has been initiated:

(1) The purchase of land or signing of an option to purchase land;

(2) Earthmoving or other site development activities not involving actual building construction, expansion or rehabilitation; or

(3) Acquisition of a business as a going concern.

c. Any costs incurred prior to the award date are not eligible qualifying investment expenses.

261—69.3(15) Application process and review.

69.3(1) *Application.* Businesses applying for the program shall utilize a standardized application developed by the authority and submit the application to the authority electronically.

69.3(2) *Community participation.* The application shall include an ordinance or resolution of the community's governing body approving the project. If applicable, the application shall also include documentation of any incentives or assistance to be provided by the community for the project.

69.3(3) *Water conservation and waste reduction plan.*

a. To determine whether a water conservation and waste reduction plan is required pursuant to Iowa Code section 15.505(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657, the authority will consider the following factors:

(1) The total anticipated water consumption for the project.

(2) The total capacity of applicable water provider facilities that will serve the project compared to the total anticipated water consumption for the project.

(3) Any information provided by the applicable water provider about its ability or inability to accommodate the anticipated water consumption for the project.

(4) Any information provided by the department of natural resources about the ability or inability of the applicable water provider to accommodate the anticipated water consumption for the project.

(5) Any other factors relevant to water consumption and wastewater management at the project facility.

b. If required, the water conservation and waste reduction plan required by Iowa Code section 15.505(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657, shall be submitted to the authority as an attachment to the standardized application developed by the authority. The plan should be developed by an employee or third-party provider with sufficient professional expertise to determine the anticipated water consumption and wastewater discharge for the project. The plan shall describe the impact of the project on the applicable water provider and the community or communities served by the applicable water provider and any measures to be taken by the business to mitigate its water consumption or wastewater discharge.

69.3(4) *Applicability of wage requirements.* The qualifying wage threshold applicable to a project is the threshold in effect on the date the fully completed project application is received by the authority. If such an application is received but not acted upon by the board before the qualifying wage thresholds are updated, the thresholds in effect on the date the application was received will remain in effect for a period of three months after the month the thresholds were updated. The authority shall have sole discretion to determine whether an application is fully completed. Qualifying wage thresholds will be calculated and applied as described in rule 261—69.9(15).

69.3(5) *Job requirements.* If applicable, the created job and retained job requirements applicable to a project, identified as described in rule 261—69.8(15), will be established at the time of application. Job requirements will be based on the base employment level as of the date the application was fully completed and submitted to the authority and the eligible business's job projections and will be utilized to determine the amount of tax incentives and financial assistance.

69.3(6) *Investment requirements.* The investment requirements applicable to a project will be established at the time of application. Investment requirements are based on an eligible business's estimates of total project costs and qualifying investment and will be utilized to determine the amount of tax incentives and financial assistance. For the purposes of determining whether an expenditure is a qualifying investment as defined in Iowa Code section 15.503 as enacted by 2025 Iowa Acts, Senate File 657, the following are considered a capital investment in depreciable assets for use in the operation of an eligible business: machinery and equipment used in the manufacturing process, computer hardware, and furniture and fixtures. The following will not be considered a capital investment in depreciable assets for use in the operation of an eligible business: any other machinery and equipment, racking or shelving, computer software, and research and development.

69.3(7) *Board approval and notice.*

a. Authority staff will review applications to ensure program eligibility requirements are satisfied. Authority staff may request additional information from the business or may use other resources to obtain the needed information. The authority or board may engage outside reviewers to complete technical, financial, or other reviews of applications beyond the expertise of the board and authority staff. Negotiation of the terms of, and the aggregate value of, tax incentives and financial assistance will occur following review of an application by authority staff and will be based on the factors identified in rule 261—69.4(15).

b. Complete and eligible applications and supporting documentation will be submitted to the board for its consideration. Authority staff will submit a report to the board that summarizes the project. The report will include recommendations from authority staff on the terms of, and the aggregate value of, tax incentives and, if applicable, financial assistance based on the factors identified

in rule 261—69.4(15) or any other elements of the proposed award. Staff may provide the board additional information or documentation as determined by staff. The board may offer an award that differs from that requested or recommended by authority staff. Meeting eligibility requirements does not guarantee that tax incentives or financial assistance will be offered or provided in the manner sought by the applicant.

c. The due diligence committee of the board established pursuant to 261—Chapter 1 will review applications and make recommendations regarding the size and conditions of awards. The board may accept or reject recommendations from the due diligence committee.

d. If the board approves an award, an applicant will be notified in writing, including any conditions and terms of the approval.

69.3(8) *Application fee.* An applicant for the program shall pay an application fee of one half of one percent of the total amount of tax incentives and financial assistance recommended pursuant to subrule 69.3(7)*"b,"* not to exceed $10,000, at the time an application is submitted to the board for its consideration. If the application fee has not been paid at the time of the board's approval of an application, the board may condition its approval on payment of the fee, including specifying the date by which the fee must be paid. If the board approves a total amount of tax incentives and financial assistance that is more or less than the amount recommended by authority staff, the fee will be adjusted accordingly. The fee may be refunded if the award is declined or rescinded within 180 days of approval. If the award is declined or rescinded more than 180 days after approval, the fee will not be refunded.

261—69.4(15) Award amounts and terms.

69.4(1) In negotiating the terms of, and the aggregate value of, tax incentives or financial assistance, the authority will consider a variety of factors, including but not limited to the following.

a. Economic impact. The extent to which an eligible business's proposed project demonstrates economic impact on the state based on the factors identified in Iowa Code section 15.504(2)*"b"* as enacted by 2025 Iowa Acts, Senate File 657.

b. Level of need. The following factors will determine the authority's assessment of need:

(1) Whether the business can raise only a portion of the debt and equity necessary to complete the project. The existence of a gap between the financing required and the committed financing indicates that tax incentives or financial assistance may be needed to fill the gap.

(2) Whether the likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project. The existence of such a condition indicates that the project's risks may outweigh its rewards and that tax incentives or financial assistance may be needed to reduce the project's risks.

(3) Whether the business is deciding between an Iowa site and a site in another state for its project and the cost of completing the project at the out-of-state site is demonstrably lower. Such a condition indicates that tax incentives or financial assistance may be needed to equalize the cost differential between the two sites. The authority will attempt to quantify the cost differential between the sites.

c. Quality of the jobs. The extent to which the jobs involved in the project are considered higher quality jobs pursuant to factors including but not limited to wages; quality of benefits; requirements for specialized skills, education, or both; whether the jobs or applicable industry are expected to have low turnover of employees; and whether the jobs expose employees to minimal occupational hazards.

d. Created jobs. In addition to the number of created jobs, the authority may consider:

(1) The number of created jobs that meet or exceed the qualifying wage threshold relative to the total number of created jobs.

(2) The number of created jobs relative to an eligible business's base employment level.

(3) The number of created jobs relative to the population and employment levels of the community in which the project is located.

e. Community contributions. Whether and to what extent the community in which the project is located is contributing to the success of the project through incentives or assistance.

69.4(2) Eligible businesses that do not propose to create any jobs, including eligible businesses that propose retention-only projects, will receive lower award amounts compared to eligible businesses that propose to create jobs. The authority may establish award terms specific to projects that do not propose to create jobs.

69.4(3) Eligible businesses that propose a qualifying investment that includes long-term lease costs must demonstrate sufficient economic impact by proposing to create jobs.

69.4(4) Only projects that demonstrate extensive economic impact will be awarded the maximum amounts of tax incentives allowed pursuant to Iowa Code section 15.505(3)*"a"* as enacted by 2025 Iowa Acts, Senate File 657.

69.4(5) In addition to the considerations in subrules 69.4(1) through 69.4(4), award negotiations may be impacted by the available amount of investment tax credits allocated pursuant to Iowa Code section 15.119(2) as amended by 2025 Iowa Acts, Senate File 657, or the amount of financial assistance available pursuant to Iowa Code section 15.111 as enacted by 2025 Iowa Acts, Senate File 657.

261—69.5(15) Tax incentives. The authority may approve a business to receive any combination of applicable tax incentives allowed through the program pursuant to Iowa Code section 15.507 or 15.508 as enacted by 2025 Iowa Acts, Senate File 657. An approved business shall not claim a tax incentive in excess of the amount specified in an agreement entered into pursuant to Iowa Code section 15.506 as enacted by 2025 Iowa Acts, Senate File 657.

69.5(1) *Property tax exemption.* If a community approves an exemption from taxation pursuant to Iowa Code section 15.510 as enacted by 2025 Iowa Acts, Senate File 657, the community shall provide the authority and the local assessor with a copy of the resolution adopted by the community's governing body that indicates the estimated value and duration of the authorized exemption.

69.5(2) *Investment tax credit—treatment of rent.* The annual base rent paid to a third-party developer by an approved business may be considered new investment for the purpose of an investment tax credit approved pursuant to Iowa Code section 15.508 as enacted by 2025 Iowa Acts, Senate File 657. Annual base rent may be included as new investment for a period equal to the term of the lease agreement but not to exceed the maximum term specified in a contract entered into with the authority. For the purposes of this subrule, "annual base rent" means the business's annual lease payment minus taxes, insurance and operating or maintenance expenses.

69.5(3) *Investment tax credit—amortization and claims.* The five-year amortization of a qualifying investment tax credit issued pursuant to Iowa Code section 15.508 as enacted by 2025 Iowa Acts, Senate File 657, shall begin no earlier than the year the credit is issued. Each amortized portion of the credit shall be claimed in the tax year it becomes available except to the extent an overpayment is credited to the immediately succeeding tax year.

261—69.6(15) Financial assistance. The authority may award financial assistance pursuant to Iowa Code sections 15.111 and 15.511 as enacted by 2025 Iowa Acts, Senate File 657. Awards of financial assistance shall be entirely at the discretion of the board.

261—69.7(15) Agreements and compliance.

69.7(1) *Execution.* Successful applicants will be required to execute an agreement with the authority within 180 days of the award date. The time limit for execution may be extended by the authority director for an additional 180 days for good cause shown. Upon expiration of the time limit, including any extensions approved pursuant to this subrule, the board may approve additional extensions or rescind the award.

69.7(2) *Requirements.* An agreement shall meet all requirements of and be administered pursuant to Iowa Code section 15.506 as enacted by 2025 Iowa Acts, Senate File 657.

69.7(3) *Jobs.* If applicable, an agreement will specify the number of jobs the business has pledged to create in addition to the base employment level and the number of retained jobs. An agreement may specify that a business has pledged additional jobs or pledged wage requirements that differ from the qualifying wage threshold as a condition to receipt of an award or receipt of a specific amount or form of tax incentives or financial assistance. Job obligations will be established and monitored pursuant to rule 261—69.8(15).

69.7(4) *Investment.* An agreement will describe the project and specify the total project cost and qualifying investment the business proposes to make.

69.7(5) *Project completion date.* An agreement will specify the project completion date and the applicable requirements that must be met by the project completion date.

69.7(6) *Contract end date.*

a. The authority will establish an initial contract end date based on the estimated completion date of an eligible business's project. The contract end date may be amended based on actual completion of the project pursuant to subrule 69.7(10). The agreement will specify the applicable requirements that must continue to be met until the contract end date.

b. The total contract length will be at least two years. The total contract length will be determined based on factors including but not limited to the total amount of tax incentives or financial assistance provided and the form of tax incentives or financial assistance provided.

c. An agreement may be terminated early by mutual agreement of the parties. The amount of tax incentives or financial assistance available may be reduced if the contract is terminated early.

69.7(7) *Conditions to disbursement.* An agreement will specify the conditions to disbursement of financial assistance or issuance of tax incentives, including but not limited to compliance with the requirements of Iowa Code section 15A.1(3)*"b"* regarding solid and hazardous waste.

69.7(8) *Monitoring and reports.* The authority shall ensure that program recipients comply with contracts entered into pursuant to this rule. An agreement will specify the reports a program recipient must submit to the authority and due dates for such reports. Reports shall be provided in the form and content acceptable to the authority.

a. Recipients shall report annually to the authority about the status of the project, including but not limited to employment, wages, benefits, project costs, investment, and compliance with the contract. The authority will use the data it collects in the authority's annual report to the general assembly pursuant to Iowa Code section 15.107B.

b. Recipients shall submit a report to the authority following the project completion date and the contract end date to verify compliance with the agreement.

c. On-site or remote monitoring may be conducted during the contract term as deemed appropriate by the authority.

69.7(9) *Default.* An agreement will specify events of default and the remedies available to the authority.

a. Financial assistance. If the authority determines that a recipient is in default, the authority may seek recovery of all financial assistance funds plus interest; assess penalties; negotiate alternative repayment schedules; initiate, suspend or discontinue collection efforts; and take other appropriate action as the board deems necessary. Negotiated settlements, write-offs or discontinuance of collection efforts are subject to approval by the board. If the authority or board refers defaulted contracts to outside counsel for collection, then the terms of the agreement between the authority and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

b. Tax incentives. If the authority determines that a recipient is in default, the eligible business may be required to repay tax incentives pursuant to Iowa Code section 15.506(1)*"b"* as enacted by 2025 Iowa Acts, Senate File 657. The repayment amount is subject to applicable interest and penalties as determined by the department of revenue. If the business is an entity that has elected pass-through taxation status for income tax purposes, the department of revenue may undertake collection efforts against members, individuals or shareholders to whom the tax incentives were passed through.

c. Calculation of repayment due or reduction.

(1) Job shortfall. If a business does not meet its job requirements, the repayment amount or reduction of tax incentives or financial assistance shall be the same proportion as the amount of the job shortfall. For example, if the business creates 50 percent of the jobs required, the business shall repay 50 percent of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 50 percent.

(2) Investment shortfall. If a business does not meet the requirements for total project cost or qualifying investment, the repayment amount or reduction of tax incentives or financial assistance shall be the same proportion as the amount of the shortfall in applicable required investment. For example, if the business meets 75 percent of the amount of required qualifying investment, the business shall repay 25 percent of the amount of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 25 percent. If a business has a shortfall in both total project cost and qualifying investment, the repayment amount or reduction shall be the same proportion as the greater of the two shortfalls.

(3) Job and investment shortfalls. If a business has a shortfall in both investment and job requirements, the repayment amount or reduction shall be the same proportion as the greater of the two shortfalls. For example, if a business creates 50 percent of the required jobs and meets 75 percent of the required qualifying investment, the business shall be required to repay 50 percent of the amount of the tax incentives or financial assistance received, or tax incentives or financial assistance will be reduced by 50 percent.

(4) Benefits. Notwithstanding any other provision in this subrule, if a business fails to comply with the benefit requirements of the agreement, the business shall be required to repay all of the tax incentives or financial assistance received, or tax incentives or financial assistance will be fully revoked.

(5) Minimum eligibility. Notwithstanding any other provision in this subrule, if a business fails to maintain eligibility for the program, the business shall repay all of the tax incentives or financial assistance received, or tax incentives or financial assistance will be fully revoked.

d. Notice of default. The authority will notify a business of an event of default as described in the agreement. If the community in which the project is located provided a property tax exemption pursuant to Iowa Code section 15.510 as enacted by 2025 Iowa Acts, Senate File 657, the authority will also notify the community of an event of default as described in the agreement.

69.7(10) *Amendments.* Agreement amendments must comply with Iowa Code chapter 15, subchapter II, part 33, as enacted by 2025 Iowa Acts, Senate File 657, and this chapter. Participating businesses may submit requests for amendments to authority staff.

a. Except as provided in paragraph 69.7(10)*"b,"* no request to amend an agreement may be approved unless it has been reviewed by the due diligence committee established pursuant to 261—Chapter 1, the due diligence committee has recommended approving the request to amend the agreement and the board approves the request to amend the agreement.

b. Authority staff may approve nonsubstantive changes, including but not limited to the following:

(1) Recipient name, address and similar changes.

(2) Collateral changes that do not materially and substantially impact the authority's security.

(3) Line-item budget changes that do not reduce overall total project costs or qualifying investment.

(4) Loan repayment amounts or due dates that do not extend the final due date of a loan.

(5) Changes to tax credit amortization schedules.

(6) Extension of a project completion date or contract end date of up to 12 months.

261—69.8(15) Job counting.

69.8(1) *Overview.* The authority will count created and retained jobs using a base employment analysis comparing the base employment level to employment on another date. The business's base employment level will be established at the time of application for the program. The number of jobs

the business has pledged to create shall be in addition to the base employment level. Retained jobs may be included in the base employment level as established at the time of approval.

69.8(2) *Base employment level.*

a. Base employment level will include the number of full-time equivalent positions employed at the project location. If the project occurs at more than one physical location, the business's base employment level will include the total number of full-time equivalent positions working at the identified locations. Base employment level may include the business's full-time equivalent positions as identified by the authority that are based in this state but are not based at the project location.

b. If a business receives multiple awards for projects at the same location, including through the program or through the high quality jobs program administered pursuant to Iowa Code chapter 15, subchapter II, part 13, the base employment level will be calculated by using the payroll document from the oldest award that is open. Job obligations from each new award will be added to this base employment level.

c. The authority will collect payroll documents to calculate and verify the base employment level used in each award. Payroll documents must include a name or employee identification number and the hourly rate of pay for all full-time equivalent positions.

d. If the base employment level includes retained jobs, the authority will require a business to verify that a job is at risk. Such verification may include the signed statement of an officer of the business, documentation that the business is actively exploring other sites for the project, or any other information the authority may reasonably require during the application review process to establish that a job is at risk.

69.8(3) *Verification.* At the project completion date and until the contract end date, payroll documents will be used to calculate and verify compliance with job obligations. The person who submits the documents must, under penalty of perjury, verify that the information contained in the documents is true and correct.

69.8(4) *Full-time equivalent positions.*

a. Only an individual filling a full-time equivalent position will be considered an employee of the business for the purpose of establishing the base employment level, retained jobs, or created jobs. The authority will not consider "job sharing" or any other means of aggregation or combination of hours worked by more than one natural person in counting jobs. The authority will verify that full-time equivalent positions constitute the employment of one person for:

(1) Eight hours per day for a five-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or

(2) The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time work for the kind of service an individual performs for an employing unit, provided that the number of hours per week is at least 32 hours per week for 52 weeks per year, including paid holidays, vacations, and other paid leave.

b. If employees at the facility do not typically work 40 hours per week, the business will be required to provide documentation outlining what the business considers a full-time workweek and how the business's interpretation fits within the norms of its industry standards. Whether to accept this interpretation is within the sole discretion of the authority.

69.8(5) *Contract employees.* A business's leased or contract employee may be included in the base employment level, as a created job, or as a retained job only if the following requirements are met:

a. The business receiving the tax incentives or financial assistance has a legally binding contract with a third-party provider to provide the leased or contract employee.

b. The contract between the third-party provider and the business specifically requires the third-party provider to pay the wages and benefits at the levels required and for the time period required by the authority as conditions of the award to the business.

c. The contract between the third-party provider and the business specifically requires the third-party provider to submit payroll records to the authority, in the form and content and as frequently as required by the authority, for purposes of verifying that the business's job creation/retention and benefit requirements are being met.

d. The contract between the third-party provider and the business specifically authorizes the authority, or its authorized representatives, to access the third-party provider's records related to the funded project.

e. The business receiving the tax incentives or financial assistance agrees to be contractually liable to the authority for the performance or nonperformance of the third-party provider.

69.8(6) *Remote employees.* Employees in a position with a reasonable connection to a project location who work remotely may be included in the base employment level, as a created job, or as a retained job as established by the authority at the time of application. To determine whether employees who work remotely should be included, the authority will consider a business's policies on establishing remote work locations for employees, reporting structures, percentage of time worked at the project location, and the distance of employees' remote work locations from the project location. Only employees who work remotely within a defined geographic area established by the authority will be included. Whether an employee who works remotely is included in the base employment level, as a created job, or as a retained job pursuant to this subrule shall be solely within the discretion of the authority.

261—69.9(15) Wage requirements. Created or retained jobs shall meet the qualifying wage threshold requirements as established pursuant to this rule and as indicated in an agreement entered into pursuant to Iowa Code section 15.506 as enacted by 2025 Iowa Acts, Senate File 657. Jobs that do not meet the qualifying wage threshold requirements will not be counted toward a business's job creation or job retention obligations unless, pursuant to subrule 69.7(3), an agreement specifies that a business has pledged additional jobs or pledged wage requirements that differ from the qualifying wage threshold as a condition to receipt of an award or receipt of a specific amount or form of tax incentives or financial assistance.

69.9(1) If the business is creating jobs, the business shall demonstrate that the jobs will pay at least 100 percent of the laborshed wage by the project completion date and until the contract end date. If the business is retaining jobs, the business shall demonstrate that the jobs will pay at least 120 percent of the laborshed wage from the award date until the contract end date. The authority may establish a higher qualifying wage threshold requirement for a specific project if the quality of jobs is a significant factor in negotiating the award pursuant to rule 261—69.4(15).

69.9(2) The authority will update the qualifying wage thresholds annually each fiscal year. The thresholds will take effect on September 1 of each fiscal year and remain in effect until August 31 of the following fiscal year. If the authority determines that the laborshed wage of a laborshed area would increase by more than one dollar per hour, the authority may limit the increase to the qualifying wage threshold for that laborshed area for that annual update to one dollar per hour or may reflect the full amount of an increase.

69.9(3) The authority will calculate the laborshed wage as follows:

a. The most current covered wage and employment data available from the department of workforce development will be used.

b. The wage will be computed as a mean wage figure and represented in terms of an hourly wage rate.

c. Only the wages paid by employers for jobs performed within the first two zones of a laborshed area will be included.

d. The wages paid by employers in the following categories will be excluded from the calculation: government, retail trade, health care and social assistance, and accommodations and food service. The wages paid by employers in all other categories will be included in the calculation.

e. To the extent that a laborshed area includes zip codes from states other than Iowa, the wages paid by employers in those zip codes may be included if the department of workforce development has finalized a data-sharing agreement with the state in question and has received the necessary data.

f. Only those wages within two standard deviations of the mean wage will be included.

69.9(4) The authority may establish a qualifying wage threshold requirement lower than those designated pursuant to subrule 69.9(1) if a business located in the county experiences a layoff or a closure that has a significant impact on a community within the county.

a. Factors the authority will consider in determining whether a layoff or closure has a significant impact on a community within the county include but are not limited to total number of employees impacted, percentage of the applicable laborshed impacted, number of employees impacted as a percentage of population, current unemployment rate, and unemployment rate including the employees affected by a layoff or closure.

b. A city or county shall request the designation of a county as an area that has experienced a significant impact pursuant to this subrule in writing. Such requests are subject to approval by the board. Requests may be made simultaneously with a project application that would qualify for a lower qualifying wage threshold requirement pursuant to this subrule if the request is approved.

69.9(5) The authority will update the list of areas qualifying for a lower wage threshold designated pursuant to subrule 69.9(4) according to the same schedule as the qualifying wage thresholds are updated pursuant to subrule 69.9(2). Designations of such areas will apply in the same manner as wage thresholds are applied as described in subrule 69.3(4).

69.9(6) To determine the wages paid to the employees of an eligible business, the authority will include only monetary compensation, represented in terms of an hourly rate, paid by an employer to an employee for work or services provided, typically on a weekly or biweekly basis. The wage will not include nonregular forms of compensation, such as bonuses, unusual overtime pay, commissions, stock options, pensions, retirement or death benefits, unemployment benefits, life or other insurance, or other fringe benefits.

These rules are intended to implement Iowa Code chapter 15, subchapter II, part 33, as enacted by 2025 Iowa Acts, Senate File 657, and section 15A.1.

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 76
"Enrollment and Reenrollment"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 249A

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 249A and 514I and 42 CFR §435 and 42 CFR §457

Public Hearing

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

August 26, 2025 2 p.m.	Microsoft Teams Meeting ID: 217 057 970 823 5 Passcode: M3ue7ZD7

Public Comment

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

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10.

The proposed chapter specifies the process for enrolling and reenrolling in the Iowa Medical Assistance or "Medicaid" program and addresses related matters.

Eligible individuals must be enrolled for the date on which services are provided in order for payment to be made for the services received.

Initial enrollment must be based on an application submitted to the Department (including for hawki benefits), an application from the Federally Facilitated Marketplace (FFM), an express lane eligibility determination, a Supplemental Security Income (SSI) eligibility determination, a transmittal from the federal Social Security Administration for Medicare savings programs, or a presumptive eligibility determination as described in rules 441—76.2(249A) through 441—76.7(249A).

In addition to the elimination of restrictive terms and language duplicative of the Iowa Code or federal regulations, this proposed rulemaking implements changes necessitated by the federal Patient Protection and Affordable Care Act of 2010.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this rulemaking.

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

Iowans who want to enroll or reenroll in the Medicaid program will benefit from the guidance in this proposed chapter.

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

- **Quantitative description of impact:**

As of the most recently available data, almost 700,000 individuals are enrolled in medical assistance programs. Each year, the Department receives an average of nearly 225,000 applications for medical assistance, which includes both individual and household submissions. Recent program activity reflects that annually there are approximately 139,000 individuals approved for medical assistance at the time of application. Over the same period, the Department generally completes more than one million eligibility approval actions, including both initial approvals and redeterminations that result in continued or transitioned coverage. Additionally, nearly 122,000 eligibility determinations annually result in ineligibility, encompassing both application denials and terminations of existing coverage.

- **Qualitative description of impact:**

The Department does not expect any adverse impact as a result of the proposed rulemaking.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs to implement this proposed chapter.

- **Anticipated effect on State revenues:**

This rulemaking has no effect on State revenues.

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

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

This rulemaking is required under Executive Order 10.

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?

This rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 76 and adopt the following **new** chapter in lieu thereof:

CHAPTER 76
ENROLLMENT AND REENROLLMENT

441—76.1(249A) Definitions. The following definitions apply to this chapter in addition to the definitions in rule 441—75.1(249A).

"Act" or *"the Act"* means the federal Social Security Act, and all references herein are as amended to August 1, 2025.

"Authorized representative" means an individual or organization authorized by a competent applicant or member, authorized by a responsible person acting for an incompetent applicant or member pursuant to subrule 76.9(2), or with other legal authority to represent the applicant or member in the application process, the review of eligibility and other ongoing communications with the department.

"Business hours" or *"HHS business hours"* means the hours between 8 a.m. and 4:30 p.m. Central Time, during a weekday (Monday through Friday), excluding public holidays.

"Code of Federal Regulations" or *"CFR"* means the United States Code of Federal Regulations. All references to the CFR herein are as amended to August 1, 2025, unless another effective date is specified.

"Electronic account" means a web-based account established by the department for an applicant or member for communication between the department and the applicant member.

"Electronic case record" means an electronic file that includes all information collected and generated by the department regarding each individual's Medicaid eligibility and enrollment.

"Federally Facilitated Marketplace" or *"FFM"* means the health insurance marketplace established by the United States Secretary of Health and Human Services for states that choose not to set up their own marketplace or that do not get approval for one pursuant to 42 U.S.C. §18041.

"Federally Facilitated Marketplace referral" or *"FFM referral"* means an application submitted at healthcare.gov that requests help paying for health insurance. These applications are screened by the FFM and, if found to be potentially eligible for Iowa Medicaid or hawki, are transmitted via an electronic data file to the department for a final Medicaid/hawki determination.

"Health insurance marketplace" means a health insurance marketplace established pursuant to 42 U.S.C. §18031.

"Medicare savings program" refers to the limited Medicaid coverage groups that provide payment of Medicare premiums, coinsurance, and deductibles for low-income elderly or disabled individuals. Those groups are:

1. Qualified disabled and working people (QDWP) pursuant to 42 U.S.C. §1396a(a)(10)(E)(ii);
2. Qualified Medicare beneficiaries (QMB) pursuant to 42 U.S.C. §1396a(a)(10)(E)(i);
3. Specified low-income Medicare beneficiaries (SLMB) pursuant to 42 U.S.C. §1396a(a)(10)(E)(iii); and
4. Expanded specified low-income Medicare beneficiaries (ESLMB) pursuant to 42 U.S.C. §1396a(a)(10)(E)(iv).

"Presumptive provider" means an organization approved by the department to conduct and authorize presumptive eligibility determinations as described in subrule 76.7(1).

"Qualified entity" means an individual, under the supervision and authority of a presumptive provider, approved by the department to conduct and authorize presumptive eligibility determinations.

"Responsible person" means an individual recognized by the department pursuant to subrule 76.9(1) as acting for an applicant or member who is unable to act on the applicant's or member's own behalf because the applicant or member is a minor or is incompetent, incapacitated, or deceased.

"SSA" means the federal Social Security Administration.

"Supplemental Security Income" or *"SSI"* is a federally administered program established by Title XVI of the Social Security Act to provide supplemental income to individuals who have attained the age of 65 or are blind or disabled.

"United States Code" or *"U.S.C."* means the general and permanent laws of the United States. All references to U.S.C. herein are as amended to August 1, 2025, unless another effective date is specified.

"WIC" is the Special Supplemental Nutrition Program for Women, Infants, and Children established pursuant to 42 U.S.C. §1786.

441—76.2(249A) Application for medical assistance. This rule describes the process of applying for medical assistance from the department. Applications for Medicaid must be made as provided in this rule.

76.2(1) *Application with the department or qualified entity.*

a. Who can file. An application may be filed by:

(1) The applicant;

(2) An adult in the applicant's household, as described in 42 CFR §435.603(f), or family, as described in 26 CFR §1.36B-1(d), including:

1. A spouse as defined in rule 441—75.1(249A);

2. A parent of an applicant child, as defined in rule 441—75.1(249A), including either parent of an unborn child;

3. A caretaker of an applicant child, when the caretaker meets the requirements of rules 441—75.1(249A) and 441—75.51(249A); or

4. A tax-filer who claims the applicant as a dependent;

(3) An authorized representative described in subrule 76.9(2); or

(4) A responsible person described in subrule 76.9(1).

b. How and where to file.

(1) An application may be filed online on the department's website or www.healthcare.gov; at any local HHS office; or at any HHS outstation at a disproportionate share hospital, federally qualified health center in Iowa, or other facility in Iowa where outstationing activities are provided. Applications may be submitted in person, by mail, by telephone at 1.855.889.7985, or by email or fax to a local HHS office. Addresses, email addresses, and fax numbers of local HHS offices are available on the department's website.

(2) An application may also be filed at the office of a qualified entity pursuant to subrule 76.7(2), a WIC office, a maternal health clinic, or a well-child clinic.

c. Form. Applications for Medicaid, including Medicaid applications for foster care and subsidized adoption, may be submitted on forms prescribed by the department.

d. Minimum application requirements. Initial applications must contain a legible name and address and must be signed under penalty of perjury, pursuant to 42 CFR §435.907(f). At least one person listed in paragraph 76.2(1)*"a"* must sign the application. Electronic (including telephonically recorded) signatures and handwritten signatures (transmitted via any electronic means) are acceptable. An application that does not include a legible name, address, and signature under penalty of perjury will not be considered a valid application and will be rejected without a determination of eligibility.

76.2(2) *Date of filing.*

a. An application is considered filed on the date a valid application is received in any place of filing specified in paragraph 76.2(1)*"b."*

b. Reserved.

c. The date of filing and effective date for applications received by a qualified entity for purposes of a presumptive Medicaid eligibility determination are further described in subrule 76.7(5).

d. The department will honor the application date of any application filed at the FFM that is subsequently transmitted to the department for an eligibility determination as described in rule 441—76.3(249A).

76.2(3) *Decision.* The department will notify the applicant of the eligibility decision pursuant to 441—Chapter 16.

441—76.3(249A) Referrals from the FFM. Upon receipt of an FFM referral indicating that an application has been screened and that the applicant has been found to be potentially eligible for Medicaid or hawki, the department will treat the application as if it had been received directly by the department pursuant to rule 441—76.2(249A).

441—76.4(249A) Express lane eligibility. For purposes of the initial enrollment of a child in medical assistance, the department will use express lane procedures as allowed by 42 U.S.C. §1396a(e)(13) and as described in this rule.

76.4(1) For purposes of initial enrollment, the department will rely on a determination of the child's eligibility for the Supplemental Nutrition Assistance Program (SNAP) pursuant to 441—Chapter 65 as establishing that a child under the age of 19 meets all eligibility requirements established in 441—subrule 75.3(2) except for citizenship or alienage requirements unless:

a. The child's household already includes other persons receiving Medicaid based on the use of the modified adjusted gross income (MAGI) methodology, or

b. The child was previously granted express lane eligibility and the household has not had at least a two-month break in SNAP eligibility since that time.

76.4(2) To obtain express lane enrollment for a child, the child's household must request medical assistance for the child on forms prescribed by the department. The department will send forms to the household when a child eligible for express lane enrollment is approved for SNAP pursuant to 441—Chapter 65. An adult member of the child's household or a child receiving SNAP benefits as head of household must sign the form and return it to the department within 30 calendar days of issuance.

76.4(3) As a condition of express lane enrollment, the child must meet the citizenship or alienage requirements of rule 441—75.11(249A).

76.4(4) The month of application for express lane enrollment is the month of the child's SNAP effective date. Express lane eligibility begins on the first day of the month of the child's SNAP effective date.

76.4(5) After the initial express lane enrollment, all redeterminations of medical assistance eligibility will be made without reliance on any SNAP eligibility determination.

76.4(6) Retroactive enrollment is available pursuant to subrule 76.13(3) for any of the three months before the month of the child's SNAP effective date. The retroactive eligibility determination must be made without regard to SNAP eligibility.

441—76.5(249A) Enrollment through SSI. Upon receipt of a referral from the SSA indicating that an individual has been approved for SSI, the department will treat the referral as an application for medical assistance and will process the application as if received directly by the department. The SSI recipient may be required to provide additional information when necessary to determine Medicaid eligibility. The SSI recipient may be required to attend an interview to clarify information.

441—76.6(249A) Referral for Medicare savings program. Referrals received from the SSA pursuant to 42 U.S.C. §1320b-14(c)(3) when the individual has indicated that the individual wants to apply for the Medicare savings program will be treated by the department as an application for the Medicare savings program and will be processed as if the application were received directly by the department. The date of the individual's application with SSA will be the application date for benefits under the Medicare savings program. When requested to do so, the applicant must complete a Medicare Savings Programs Additional Information Request form to provide additional information needed to determine Medicare savings program eligibility.

441—76.7(249A) Presumptive eligibility. Persons may be temporarily and immediately enrolled in Medicaid based on a presumptive eligibility determination by a qualified entity at a presumptive provider pursuant to this rule.

76.7(1) *Presumptive provider.* A presumptive provider is an organization approved by the department to conduct and authorize presumptive eligibility determinations. A provider organization that seeks to be authorized to make presumptive Medicaid eligibility determinations shall do all of the following:

a. Complete the required self-directed policy and system training.

b. Apply to the department using the Application for Initial/Recertification to Be a Presumptive Provider form.

c. Read the Memorandum of Understanding with a Presumptive Provider for Presumptive Medicaid Eligibility Determinations form and agree in writing to its terms.

d. Comply with the requirements outlined in Iowa's Medicaid state plan.

e. Meet the definition of "qualified provider" pursuant to 42 U.S.C. §1396r-1.

f. Meet the definition of "qualified entity" in the following federal regulations for the category of persons covered:

(1) For children under the age of 19, as described in 42 CFR §435.118, the provider must meet the requirements of paragraphs (1) through (10) of the definition of "qualified entity" in 42 CFR §435.1101;

(2) For pregnant women, as described in 42 CFR §435.116, the provider must meet the requirements of 42 U.S.C. §1396r-1(b)(2);

(3) For parents and caretakers, as described in 42 CFR §435.110, the provider must meet the requirements in 42 CFR §435.1103(b);

(4) For persons aged 19 through 64, as described in 42 CFR § 435.119, the provider must meet the requirements in 42 CFR §435.1103(b);

(5) For former foster care children, as described in 42 CFR §435.150, the provider must meet the requirements in 42 CFR §435.1103(b);

(6) For persons needing breast or cervical cancer treatment (BCCT), as described in 42 U.S.C. §1396r-1b(b)(2); and

(7) For all of the categories of persons covered in subparagraph 76.7(1)*"f"*(1) through *"f"*(6), a qualifying hospital must meet the requirements in 42 CFR §435.1110(b).

g. Be recertified annually by doing the following:

(1) Complete the required self-directed policy and system training;

(2) Complete the Application for Initial/Recertification to Be a Presumptive Provider form; and

(3) Re-attest to the terms of the Provider Memorandum of Understanding by signing in writing.

76.7(2) *Qualified entity.*

a. An individual that seeks to be authorized to make presumptive Medicaid eligibility determinations under the supervision and authority of a presumptive provider shall do all of the following:

(1) Complete the required self-directed policy and system training.

(2) Complete the Qualified Entity Medicaid Presumptive Eligibility Portal (MPEP) Access Request.

(3) Read the Provider Memorandum of Understanding and agree in writing to its terms.

(4) Obtain confirmation of acceptance by the department that the individual is determined by the department to be capable of making presumptive Medicaid eligibility determinations.

b. In addition to the requirements in paragraph 76.7(2)*"a,"* a qualified entity for BCCT must also have either:

(1) Been named lead agency for a county or regional local breast and cervical cancer early detection program under a contract with the department; or

(2) A cooperative agreement with the department under the Centers for Disease Control and Prevention National Breast and Cervical Cancer Early Detection Program established under Title XV

of the Public Health Service Act as amended to August 1, 2025, to receive reimbursement for providing breast or cervical cancer screening or diagnostic services to participants in the care for yourself breast and cervical cancer early detection program.

c. Only employees of the presumptive provider may be given the authority to make presumptive eligibility determinations.

d. Qualified entities are required to be recertified annually by doing the following:

(1) Complete the required self-directed policy and system training;

(2) Complete the Qualified Entity Medicaid Presumptive Eligibility Portal Recertification form; and

(3) Re-attest to the terms of the Provider Memorandum of Understanding in writing.

76.7(3) *How and where to file.* An applicant for presumptive Medicaid shall complete an application with a qualified entity in one of two ways:

a. Provide information in person to the qualified entity that enters the applicant's information into the MPEP system; or

b. Complete a paper application provided by the qualified entity that enters the applicant's information into the MPEP system.

76.7(4) *Signature.* An individual listed in paragraph 76.2(1)*"a"* must sign the completed paper application or a printed version of the completed MPEP application. A copy of the signed application must be maintained by the qualified entity.

76.7(5) *Date of filing and effective date of coverage.*

a. For purposes of determining the application date of filing for an ongoing eligibility determination, a paper application is valid only if it contains the applicant's legible name, address, and signature under penalty of perjury and must be date-stamped on the date it is received by the qualified entity. The date of filing as described in paragraph 76.2(2)*"a"* is used for purposes of determining the effective date of coverage for ongoing eligibility but does not determine the effective date of coverage for presumptive Medicaid.

b. The effective date of coverage for presumptive Medicaid is the date on which a qualified entity completes the presumptive eligibility determination within the MPEP system.

c. The applicant must provide to the qualified entity all information necessary to make a presumptive eligibility determination in the MPEP system.

76.7(6) *Notice and appeal rights.* The qualified entity shall inform the applicant of the eligibility decision as soon as possible but no later than two working days after the date the determination is made by the qualified entity. Timely and adequate notice requirements and appeal rights of the Medicaid program, including those outlined in 42 CFR Part 431, subpart E; Iowa Code chapter 17A; 441—Chapter 7; and 441—Chapter 16, do not apply to determinations of presumptive eligibility under this rule.

76.7(7) *Full medical assistance eligibility determination.* All presumptive eligibility applications will be given the option within the MPEP system to also receive a full determination of eligibility for Medicaid or hawki.

441—76.8(249A) Applicant and member responsibilities.

76.8(1) *Accurate information.* Clients, and those individuals acting on behalf of clients, are responsible for giving complete and accurate information needed to establish eligibility.

76.8(2) *Additional information or verification needed to determine eligibility.* An applicant or member will not be required to provide additional verifications if attested income meets the department's standards for reasonable compatibility and if the department can verify all other required information through an EDS. If attested income does not meet the department's standards for reasonable compatibility or if the department is not able to verify other required information through an EDS, the department will send the applicant or member a written request for the additional information or verification. The applicant or member must provide the additional information or

verification by the requested due date or such application may be denied or Medicaid or hawki benefits may be discontinued.

76.8(3) *Time frames for providing information or verification.* Clients have ten calendar days from the date on the written request by the department to provide additional information or verification requested. If the tenth calendar day falls on a weekend or state holiday, the individual will have until the end of business hours on the next business day to provide the information or verification. The information or verification is considered provided on the date it is received by the department.

76.8(4) *Extensions.* The applicant or member may request an extension for a reasonable period of time when the applicant or member is making every effort but is unable to secure the required information or verification.

76.8(5) *Interviews.* Applicants and members who are being evaluated on the basis of the MAGI methodology will not be required to attend an interview. Applicants and members who are being evaluated on a basis other than the MAGI methodology may be required to attend an interview to clarify information or to resolve conflicting information. The department will not require an in-person interview as part of the application process.

76.8(6) *Failure to comply.* An application will be denied or assistance will be discontinued if:

a. The applicant or member does not attend a required interview, pursuant to subrule 76.8(5), or

b. The department does not receive one of the following by the due date indicated on the written request for additional information in accordance with subrules 76.8(2) through 76.8(4):

(1) The information, verification, or a statement that reasonably explains the discrepancy;

(2) An authorization for the department to obtain the information or verification; or

(3) A request for an extension of the due date.

441—76.9(249A) Responsible persons and authorized representatives.

76.9(1) *Responsible person.* If an applicant or member is unable to act on the applicant's or member's own behalf because the applicant or member is a minor or is incompetent, incapacitated, or deceased, a responsible person may act for the applicant or member.

a. Except as provided in paragraph 76.9(1)*"d,"* when the applicant or member is incompetent, incapacitated, or deceased, the responsible person shall be a family member, friend or other person who has knowledge of the applicant's or member's financial affairs and circumstances and has a personal interest in the applicant's or member's welfare.

b. Except as provided in paragraph 76.9(1)*"d,"* when the applicant or member is unable to act on the applicant's or member's own behalf solely because the applicant or member is a minor, the responsible person shall be an adult in the child's household or family as described in paragraph 76.2(1)*"a."*

c. The responsible person shall assume the applicant's or member's position and responsibilities during the application process or for ongoing eligibility. The responsible person may designate an authorized representative pursuant to subrule 76.9(2) to represent the applicant or member. However, the designation of an authorized representative does not relieve the responsible person from assuming the applicant's or member's position and responsibilities during the application process or for ongoing eligibility.

d. When there is no person as described in paragraphs 79.6(1)*"a"* through *"c"* to act on behalf of the minor, incompetent, incapacitated, or deceased applicant or member, any individual or organization may be allowed to act as the responsible person if the individual or organization conducts a diligent search and completes the required form, attesting to the individual's or organization's inability to find a responsible person to act on behalf of the minor, incompetent, incapacitated, or deceased applicant or member.

e. The department may require verification of the applicant's or member's incompetence or death and of the responsible person's relationship to the applicant or member.

f. Copies of all correspondence the department would otherwise provide to the applicant or member will be provided to the recognized responsible person.

76.9(2) *Authorized representative.*

a. An individual or organization designated by a competent applicant or member, or by a responsible person recognized pursuant to subrule 76.9(1), or with other legal authority to do so may act on behalf of the applicant or member in the application process, in the review process, or for ongoing eligibility.

b. The designation of an authorized representative by an applicant, member, or responsible person must be in writing and must be signed and dated by the applicant, member, or responsible person. The applicant, member, or responsible person may authorize the representative to complete and sign an application on the applicant's or member's behalf, complete and submit a review form, receive copies of the applicant's or member's notices and other communications from the department, and act on behalf of the applicant or member in all other matters with the department.

c. Legal documentation of authority to act on behalf of the applicant or member under state law, such as a court order establishing legal guardianship or a power of attorney, shall serve in place of a written authorization by the applicant or member.

d. Designations of authorized representatives, legal documentation of authority to act on behalf of the applicant or member, and modifications or terminations of designations or legal authority may be submitted via the department's website, mail, email, or fax or in person.

e. For purposes of this rule, the department will accept electronic, including telephonically recorded, signatures and handwritten signatures (including when transmitted by fax or other electronic means).

f. If the authorization:

(1) Indicates the time period or dates the authorization is to cover, the stated period or dates will be honored until or unless a rescission is submitted to the department as described in subparagraph 76.9(2)*"f"*(2) and may include subsequent applications, if necessary, that relate to the time period or dates indicated on the authorization.

(2) Does not indicate the time period or dates it is to cover, the authorization will be valid until the applicant, member, or responsible person modifies the authorization and notifies the department that the representative is no longer authorized to act on behalf of the applicant or member or until the authorized representative informs the department that the representative no longer is acting in such capacity. Such notice must be in writing and should include the signature of the applicant, member, responsible person, or authorized representative, as appropriate.

g. Copies of all correspondence will be provided to the applicant or member and the authorized representative.

76.9(3) *Additional requirements applicable to all authorized representatives and responsible persons.*

a. An authorized representative or responsible person must agree to maintain, or be legally bound to maintain, the confidentiality of any information regarding an applicant or member provided by the department.

b. A provider or staff member or volunteer of an organization serving as an authorized representative or responsible person must sign an agreement that the provider, staff member, or volunteer will adhere to the regulations in 42 CFR Part 431, Subpart F; 45 CFR §155.260(f) (relating to confidentiality of information); and 42 CFR §447.10 (relating to the prohibition against reassignment of provider claims as appropriate for a health facility or an organization acting on the facility's behalf), as well as other relevant state and federal laws concerning conflicts of interest and confidentiality of information.

c. The authorized representative or responsible person is responsible for fulfilling all responsibilities encompassed within the scope of the authorized representation to the same extent as the individual the authorized representative or responsible person represents.

441—76.10(249A) Right to withdraw the application. The applicant may withdraw the application at any time before the eligibility determination has been made. The applicant may request that the application be withdrawn entirely or request withdrawal for any month covered by the application process except as provided in the medically needy program in accordance with the provisions of rule 441—75.8(249A).

441—76.11(249A) Choice of electronic notifications. The applicant is responsible to indicate whether notices and other communications are to be provided by the department in an electronic format through the individual's electronic account rather than by regular mail. The applicant may change the selection at any time. Notices and other communications provided through the individual's electronic account are deemed to be received upon the sending of an email to the individual notifying the individual of the notice or other communication.

441—76.12(249A) Application not required.

76.12(1) *Adding a new person.*

a. Adding an eligible person. For members whose eligibility is based on the MAGI methodology, a new application is not required when an eligible person is added to an existing Medicaid household. Such a person is considered to be included in the application that established eligibility for the existing household. However, in these instances, the date of application to add a person is the date the change is reported. When it is reported that a person is anticipated to enter the home, the date of application to add the person shall be no earlier than the date the person begins to live in the household or the date of report, whichever is later.

b. Adding a person previously ineligible due to a failure to cooperate. In those instances where a person previously ineligible for Medicaid for failure to cooperate in obtaining medical support or establishing liability for support as described in 441—subrule 75.14(2) is to be granted Medicaid benefits, the earliest month for which that person may be eligible for coverage is the month that the person takes action(s) to meet the cooperation requirements described in 441—subrule 75.14(1) and as determined by child support services.

c. Adding a person previously ineligible due to failure to provide a social security number. In those instances where a person previously ineligible for Medicaid for failure to provide a social security number or proof of application for a social security number as described in rule 441—75.9(249A) is to be granted Medicaid benefits, the person will be granted Medicaid benefits effective the first of the month in which the person becomes eligible by providing a social security number.

76.12(2) *Loss of hawki eligibility.* In those instances where a child loses hawki eligibility and has been determined eligible for Medicaid, with no break in coverage, an application for Medicaid is not required.

76.12(3) *Grace period.*

a. At application. If benefits are denied for failure to provide requested information or verification and the information or verification is provided within 14 calendar days of the effective date of the denial, the department will complete the eligibility determination as though the information were timely received. If the fourteenth calendar day falls on a weekend or state holiday, the applicant shall have until the end of business hours on the next business day to provide the information. The grace period does not apply to late payment of premiums or noncooperation actions.

b. At reinstatement after cancellation (including cancellation at the time of reenrollment). Eligibility for Medicaid may be reinstated without a new application when all information necessary to establish eligibility, including verification of any changes, is provided within 14 calendar days of the effective date of the cancellation. If the fourteenth calendar day falls on a weekend or state holiday, the member shall have until the end of business hours on the next business day to provide the information. The grace period does not apply to late payment of premiums or noncooperation actions.

441—76.13(249A) Initial enrollment.

76.13(1) *Enrollment date.* The department will enroll applicants who have been determined to be eligible in the Medicaid program.

a. First day of the month. The effective date of enrollment is the first day of the month that the application was filed or the first day of the first month for which eligibility has been determined, whichever is later, with the following exceptions:

(1) Presumptive eligibility is effective on the date that presumptive eligibility was determined by a qualified entity for presumptive Medicaid eligibility determinations pursuant to subrule 76.7(5).

(2) Eligibility under the qualified Medicare beneficiary coverage group described in 441—paragraph 75.6(5)*"a"* begins on the first day of the month after the month of decision.

(3) For individuals who are approved for Medicaid and who are eligible for SSI, programs related to SSI, or state supplementary assistance, Medicaid benefits will be effective on the first day of the month for which the individual meets all eligibility requirements, including resource eligibility, as of the first moment of the first day of the month.

(4) The enrollment date for retroactive Medicaid eligibility is determined pursuant to subrule 76.13(3).

b. Care or services prior to enrollment. No payment will be made for medical care or services received prior to the effective date of enrollment.

76.13(2) *Certification for services.* The department will issue a medical assistance eligibility card to persons who have been determined to be eligible for the benefits provided under the Medicaid program, with the following exceptions.

a. Presumptive eligibility. A person who has been determined only presumptively eligible will be issued a Presumptive Medicaid Eligibility Notice of Action form that will include certification information.

b. Emergency Medicaid for noncitizens. An individual who is eligible only for limited emergency Medicaid for noncitizens pursuant to 441—subrule 75.11(4) will be issued a Notice of Action that will include certification information.

76.13(3) *Retroactive enrollment.* Medical assistance will be available for all or any of the three months preceding the month in which an application is filed to persons who meet the requirements described within this subrule.

a. Except as provided in paragraph 76.13(3)*"e,"* retroactive medical assistance will be available for the months a person was pregnant, an infant (under the age of 1), a child under 19 years of age, or a resident of a nursing facility licensed under Iowa Code chapter 135C during any of the three months preceding the month in which an application is filed and who also meets the following conditions:

(1) Has medical bills for covered care or services received during the three-month retroactive period; and

(2) Would have been eligible for medical assistance in the month services were received if the application for medical assistance had been made in that month.

b. The applicant need not be eligible in the month of application to be eligible in any of the three months prior to the month of application.

c. Retroactive medical assistance will be made available when an application has been made on behalf of a deceased person if the conditions in paragraph 76.13(3)*"a"* are met.

d. Persons enrolled in Medicaid based on receipt of SSI benefits who wish to apply for Medicaid benefits for the three months preceding the month of application shall complete a form provided by the department.

e. Exceptions to retroactive enrollment. This subrule does not apply to the following persons who are otherwise eligible for retroactive enrollment:

(1) Persons whose citizenship status has not been verified even if they are eligible during a 90-day reasonable opportunity period.

(2) Persons determined eligible only under presumptive Medicaid benefits.

(3) Persons eligible for Medicaid only under the qualified Medicare beneficiary program.

(4) Persons eligible only under the home- and community-based waiver services program.

441—76.14(249A) Reenrollment. The department will review all conditions of eligibility for the purpose of determining continued enrollment in Medicaid pursuant to 441—Chapter 75.

76.14(1) *Reenrollment frequency.*

a. The department will conduct eligibility reviews for members whose eligibility is based on the MAGI methodology once every 12 months and no more frequently than once every 12 months, except as provided by rule 441—76.15(249A) and paragraph 76.14(1)*"b."*

b. The department will conduct eligibility reviews for the following coverage groups as circumstances indicate but no more frequently than once every 12 months:

(1) Transitional Medicaid as described in 441—subrule 75.3(6).

(2) Medicaid for former foster care youth (EMIYA) as described in 441—subrule 75.3(12).

(3) Postpartum Medicaid as described in 441—subrule 75.3(4).

c. The department will conduct eligibility reviews for members whose eligibility is based on non-MAGI methodology once every 12 months and no more frequently than once every 12 months, except as provided in rule 441—76.15(249A) and paragraph 76.14(1)*"b."*

76.14(2) *Reenrollment process.*

a. Reenrollment procedure. Reenrollment will be based on reliable information contained in the member's electronic case record or other more current information available to the department, including but not limited to information through EDS. If the department is able to renew eligibility based on such information, the department must notify the individual of the eligibility determination and the basis of that determination. If any information in that notification form is inaccurate, the member must inform the department through any of the modes permitted for submission of an application under paragraph 76.2(1)*"b"* within 30 days.

b. Members whose eligibility for Medicaid is based on the MAGI methodology. If eligibility cannot be determined based on information in the member's electronic case record or other more current information available to the department, including but not limited to information through EDS, the member will be provided with a prepopulated review form and will have at least 30 days from the date the review form is mailed to complete necessary information, sign, and return the completed review form.

c. Members whose eligibility for Medicaid is in non-MAGI related coverage groups. If eligibility cannot be determined based on information in the member's electronic case record or other more current information available to the department, including but not limited to information through EDS, the member will be provided with a prepopulated review form and will have at least 30 days from the date the review form is mailed to complete necessary information, sign, and return the completed review form.

d. Failure to reenroll. Enrollment will end when information or documentation necessary to complete the determination of continued eligibility pursuant to subrules 76.8(2) through 76.8(4) is not returned before the end of the enrollment period. The department will notify the member of the disenrollment pursuant to 441—Chapter 16. Individuals whose eligibility ends must reapply unless the individual satisfies the requirements of subrule 76.12(3) or paragraph 76.14(2)*"e."*

e. Reconsideration period.

(1) For all coverage groups, except those specified in subparagraph 76.14(2)*"e"*(2), the department will reconsider the eligibility of an individual who is terminated for failure to submit the applicable review form as described in paragraph 76.14(2)*"b"* or *"c"* or for failure to provide necessary information in a timely manner and without requiring an application if the individual subsequently submits a review form within 90 days after the effective date of termination. The department will also reconsider eligibility as described in this subparagraph if the member provides an application form. If the ninetieth calendar day falls on a weekend or state holiday, the member shall have until the end of business hours on the next business day to provide the review form. The eligibility effective date will go back to the first day of the first month of ineligibility only if all other

eligibility criteria are met for that month. Eligibility for subsequent months within the reconsideration period can still be determined even if the applicant remains ineligible for the initial reconsideration month(s), but eligibility will not be granted any earlier than the month in which all eligibility criteria are met.

(2) For qualified Medicare beneficiaries (QMB), the provisions in subparagraph 76.14(2)*"e"*(1) apply, except that the review form as described at lettered paragraph 76.14(2)*"b"* or *"c"* will be acted upon and treated like an application and the eligibility effective date will be determined pursuant to subparagraph 76.13(1)*"a"*(2).

f. Interview required. An individual whose eligibility is not based on the MAGI methodology may be required to attend an interview to clarify information or to resolve conflicting information. The department will not require an in-person interview as part of the process.

441—76.15(249A) Report of changes. As a continuing condition of enrollment for Medicaid, applicants and current members shall report changes in circumstances as required in this rule.

76.15(1) A change in circumstance that may affect the eligibility of applicants and members must be reported within ten days of the date the change occurred. Changes required to be reported are described in this subrule.

a. In coverage groups for which Medicaid eligibility is determined using the MAGI methodology, any change in the following must be reported:

(1) Income from all sources.
(2) Members of the household.
(3) School attendance.
(4) Mailing or living address.
(5) Receipt of a social security number.
(6) Health insurance premiums or coverage.
(7) Alien or citizenship status.
(8) Federal income tax filing status or claimed dependents for federal tax purposes.

b. In coverage groups for which Medicaid eligibility is not determined using the MAGI methodology, any change in the following must be reported.

EXCEPTION: Persons actually receiving SSI benefits are exempted from these reporting requirements unless the persons have a trust or are applying for or are receiving home- and community-based waiver services.

(1) Income from all sources.
(2) Resources.
(3) Members of the household.
(4) Recovery from disability.
(5) Mailing or living address.
(6) Health insurance premiums or coverage.
(7) Medicare premiums or coverage.
(8) Receipt of social security number.
(9) Gross income of the community spouse or of the dependent children, parents, or siblings of the institutionalized or community spouse who are living with a community spouse when a diversion is made to the community spouse or family, as those terms are defined in rule 441—75.1(249A).
(10) Income and resources of parents and spouses when income and resources are used in determining Medicaid eligibility, client participation, or spenddown.
(11) Residence in a medical institution for other than respite care for more than 15 days for home- and community-based waiver services recipients.

c. Individuals in the breast and cervical cancer coverage group are required to report changes in their health insurance coverage and changes in their living or mailing address.

d. Individuals receiving Medicaid based on the receipt of Title IV-E-funded foster care, based on an adoption assistance agreement, or based on a guardianship assistance agreement are required to

report changes in health insurance coverage, when their living or mailing address changes, upon receipt of a social security number, and upon termination of the adoption assistance agreement.

e. Individuals receiving state-only funded Medicaid are required to report any change in the following:

(1) Income from all sources.
(2) Mailing or living address.
(3) Receipt of a social security number.
(4) Health insurance coverage.
(5) Alien or citizenship status.

76.15(2) Failure to report. When a change is not reported as required by this rule, any Medicaid expenditures for care or services provided when the member was not eligible will be considered overpayments and subject to recovery from the member.

441—76.16(249A) Action on information received. When a change in circumstance is reported, or when a change in a member's circumstances otherwise comes to the attention of the department, its effect on eligibility will be evaluated and eligibility will be redetermined regardless of whether the report of change was required by rule 441—76.15(249A). When the department has information about an anticipated change in a member's circumstances that may affect eligibility, eligibility will be redetermined at the appropriate time based on such change.

76.16(1) After assistance has been approved, except as provided in subrules 76.16(2) and 76.16(3) or as otherwise stated in 441—Chapter 75 or this chapter, action based on a change reported during a month will be effective the first day of the next calendar month unless timely notice of adverse action is required as specified in rule 441—16.2(17A).

76.16(2) When a request is made to add a new person to the Medicaid household and that person meets the eligibility requirements, assistance will be acted upon pursuant to rule 441—76.12(249A).

76.16(3) When the reported change causes a change in coverage from a Medicare Savings Program coverage group described in 441—subrule 75.6(5) to coverage under Medicaid for employed people with disabilities (MEPD) as described in 441—subrule 75.6(6), the reported change will be effective the first day of the calendar month that the change was reported.

76.16(4) When the change creates ineligibility, eligibility under the current coverage group will be canceled and an automatic redetermination of eligibility will be completed in accordance with rule 441—76.17(249A).

441—76.17(249A) Timeliness requirements for conducting automatic redeterminations of eligibility. Whenever a Medicaid member no longer meets the eligibility requirements of the current coverage group, the department will automatically redetermine eligibility for other Medicaid coverage groups unless the reason for ineligibility is due to not meeting the requirements in rule 441—76.8(249A). If the reason for ineligibility under the initial coverage group pertained to a condition of eligibility that applies to all coverage groups, no further redetermination will be required. When the redetermination is completed, the member will be notified of the decision in writing. The redetermination process will be completed as follows:

76.17(1) *Information received by the tenth of the month.* If information that creates ineligibility under the current coverage group is received by the department by the tenth of the month, the redetermination process will be completed by the end of that month unless the provisions of rule 441—76.14(249A) apply. The effective date of cancellation for the current coverage group will be the first day of the month following the month in which the information is received, pursuant to rule 441—76.16(249A).

76.17(2) *Information received after the tenth of the month.* If information that creates ineligibility under the current coverage group is received by the department after the tenth of the month, the redetermination process will be completed by the end of the following month unless the provisions of rule 441—76.14(249A) apply. The effective date of cancellation for the current coverage

group will be no earlier than the first day of the first month following the month in which the information is received, pursuant to rule 441—76.16(249A), but no later than the second month following the month in which the information is received.

76.17(3) *Change in federal law.* If a change in federal law affects the eligibility of large numbers of Medicaid members and the United States Secretary of Health and Human Services has extended the redetermination time limits, in accordance with 42 CFR §435.1003, the redetermination process will be completed within the extended time limit and the effective date of cancellation for the current coverage group will be no later than the first day of the month following the month in which the extended time limit expires.

These rules are intended to implement Iowa Code chapter 249A.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 10
"Insurance Producer Licenses and Limited Licenses"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 522B.18
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 515K and 522B

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 10 sets out the requirements, procedures and fees relating to the qualifications, licensure and appointment of insurance producers.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs of the proposed rulemaking.

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

Consumers and purchasers of insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed rulemaking streamlines Chapter 10 and eliminates unnecessary burdens on licensees.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking aligns with current laws and industry standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 10 and adopt the following **new** chapter in lieu thereof:

INSURANCE PRODUCERS

CHAPTER 10
INSURANCE PRODUCER LICENSES AND LIMITED LICENSES

191—10.1(515K,522B) Purpose and authority.

10.1(1) The purpose of these rules is to set out the requirements, procedures and fees relating to the qualification, licensure and appointment of insurance producers.

10.1(2) These rules are authorized by Iowa Code section 505.8 and are intended to implement Iowa Code chapters 252J, 272D, 515K and 522B.

191—10.2(515K,522B) Definitions. In addition to the definitions in rule 191—1.1(502,505), the following definitions apply:

"Appointment" means a notification filed with the division or its designated vendor that an insurer has established an agency relationship with a producer. A company filing such a request must verify that the producer is licensed for the appropriate line(s) of authority.

"Birth month" means the month in which a producer was born.

"CSRU" means child support recovery unit.

"Individual" means a private or natural person, as distinguished from a partnership, corporation or association.

"Insurance" means any of the lines of insurance listed in rule 191—10.7(522B).

"License number" means the National Insurance Producer Registry (NIPR) national producer number (NPN) issued to all licensees whose license records exist in the state producer licensing database (SPLD). For purposes of this definition, "state producer licensing database (SPLD)" means the national database of producers maintained by the National Association of Insurance Commissioners (NAIC), its affiliates or subsidiaries.

"National Insurance Producer Registry" or *"NIPR"* means the nonprofit affiliate of the National Association of Insurance Commissioners (NAIC). The NIPR's website is www.NIPR.com.

"NIPR Gateway" means the communication network developed and operated by NIPR that links state insurance regulators with the entities they regulate to facilitate the electronic exchange of producer information regarding license applications, license renewals, appointments and terminations.

"Nonresident" means a person whose home state is not Iowa.

"Notification" means a written or electronic communication from a producer to the division.

"Producer" or *"insurance producer"* means a person required to be licensed in this state to sell, solicit or negotiate insurance.

"Producer renewal notice" means an electronic communication issued by the division to inform a producer about license renewal.

"Resident" means a person whose home state is Iowa.

"Solicit" or *"solicitation"* means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

"Termination" means that an insurer has ended its agency relationship with a producer.

"Termination for cause" means that an insurer has ended its agency relationship with a producer for one of the reasons set forth in Iowa Code section 522B.11.

191—10.3(515K,522B) Requirement to hold a license.

10.3(1) A person shall not advise an Iowa resident to cancel, not renew, or otherwise change an existing insurance policy unless that person holds an Iowa producer license regarding the line of insurance for which the advice is given. This subrule does not apply to a licensed attorney or certified public accountant who does not sell or solicit insurance.

10.3(2) The license itself does not provide the producer with any authority to represent or commit an insurer.

191—10.4(515K,522B) Licensing of resident producers.

10.4(1) A person whose home state is Iowa and who desires to be licensed as a producer must satisfy the following requirements in addition to those set out in Iowa Code section 522B.5:

a. Submit a completed uniform application;

b. Pass an examination in the line of authority sought; and

c. Submit to a criminal history check pursuant to Iowa Code section 522B.5.

10.4(2) Examinations are conducted by the outside testing service on contract with the division. Applications and fees for examinations and for initial producer licensing will be submitted either to the outside testing service on contract with the division or as directed by the division. Instructions are available on the division's website.

10.4(3) Examination results are valid for 90 days after the date of the test. Failure to apply for licensure within 90 days after the examination is passed shall void the examination results.

10.4(4) Amendments to producer licenses shall be done either by an outside vendor or by the division, as directed by the division. Any licensed producer desiring to become licensed in an additional line of authority must:

a. Submit a completed uniform application form through the NIPR Gateway or as directed by the division, specifying the line(s) of authority requested to be added; and

b. Pass any required examination.

10.4(5) A producer who holds a personal lines authority can obtain property and casualty lines of authority upon successful completion of the commercial insurance subject examination.

10.4(6) To receive a license for excess and surplus lines, the applicant must have successfully completed the excess and surplus lines examination and also have successfully completed either:

a. The examinations for property and casualty lines of authority; or

b. The examinations for personal lines of authority and the commercial insurance subject examination.

10.4(7) To receive a license for the variable products line of authority, the applicant must:

a. Hold an active Iowa insurance license with a life insurance line of authority;

b. Pass the Financial Industry Regulatory Authority (FINRA) examinations necessary to obtain an Iowa securities license; and

c. File an application through the NIPR Gateway or as directed by the division to amend the license to add the variable products line of authority.

10.4(8) The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive a producer license. If an applicant does not provide the additional information requested by the division within 45 days of receipt of the request, the application will expire and the license fee will not be returned.

191—10.5(515K,522B) Licensing of nonresident producers.

10.5(1) A producer for whom Iowa is not the home state who desires to sell, solicit or negotiate insurance in Iowa must satisfy the following requirements to obtain an Iowa nonresident producer license:

a. Be licensed and in good standing in the home state;

b. Submit a proper request for licensure to the division through the NIPR Gateway;

c. Pay the appropriate fee; and

d. Submit to a criminal history check pursuant to Iowa Code section 522B.5A if a state and national criminal history check has not already been completed.

10.5(2) Any licensed nonresident producer desiring to become licensed in an additional line of authority shall submit to the division using the NIPR Gateway a completed application form specifying the line(s) of authority requested to be added.

10.5(3) A license will not be issued to a nonresident producer if the producer's resident state does not issue licenses to Iowa resident producers applying for nonresident producer licenses in that state or if the producer's resident state restricts Iowa resident producers' nonresident activities in that state.

10.5(4) The division may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive a producer license. If an applicant does not provide the additional information requested by the division within 45 days of receipt of the request, the application will expire and the license fee will not be returned.

191—10.6(515K,522B) Issuance of license.

10.6(1) In order to be issued a producer license, a person must meet the requirements of Iowa Code sections 522B.4 and 522B.5, or section 522B.7, and rule 191—10.5(522B) unless otherwise denied licensure pursuant to Iowa Code section 522B.11 or rule 191—10.20(522B). The initial term of a producer license is three years and ends after the last day of the applicant's birth month of the year the license was issued unless the license is revoked or suspended. A license may be continually renewed pursuant to rule 191—10.8(522B) as long as the proper fees are paid and home state continuing education requirements are met. A renewal term is three years. If not renewed, a producer license automatically terminates on the last day of the month of the initial or renewal term.

10.6(2) An individual producer whose license has expired may seek reinstatement or reissuance as set forth in rule 191—10.9(522B) or 191—10.10(522B), as applicable.

10.6(3) The license shall contain the producer's name, address, and license number; date of issuance; date of expiration; and line(s) of authority held and any other information the division deems necessary. The license number shall be the same as the producer's NIPR national producer number (NPN).

10.6(4) If the division issues or renews a producer license and subsequently determines that payment for the license or renewal was returned to the division by a bank without payment, or that the credit card company does not approve, cancels, or refuses amounts charged to the credit card, the license must be immediately suspended until the payments are made and any fees or penalties charged by the division are paid, at which time the license may be reinstated. The individual may request a hearing within 30 days of receipt of the division's notice that the license was suspended.

191—10.7(522B) License lines of authority. In addition to the lines of authority listed in Iowa Code section 522B.6(2), the following lines of authority also are available for issuance in Iowa: crop, surety, and reciprocal (any other line of insurance issued in another state and for which Iowa grants authority to sell, solicit or negotiate in this state).

191—10.8(515K,522B) License renewal.

10.8(1) Upon request by a licensed producer, the division must electronically transmit a producer renewal notice to the producer's last-known electronic mail address as it appears in division records. If the division has received notification that the electronic address of record is no longer valid, no renewal notice will be transmitted.

10.8(2) A producer must apply for license renewal during the 90 days prior to the expiration date of the license. Failure to apply to renew a license and pay appropriate fees prior to the expiration date of the license will result in expiration of the license.

10.8(3) Producer licenses may be renewed electronically through the NIPR Gateway at www.NIPR.com or as directed by the division.

191—10.9(515K,522B) License reinstatement.

10.9(1) A resident producer may reinstate an expired license up to 12 months after the license expiration date by proving that during the applicable continuing education (CE) term the producer met the CE requirements found in 191—Chapter 11 and by paying a reinstatement fee and a license renewal fee. A resident producer who fails to apply for license reinstatement within 12 months of the license expiration date must apply for a new license.

10.9(2) A nonresident producer may reinstate an expired license up to 12 months after the expiration date by submitting a request through the NIPR Gateway and by paying a reinstatement fee and a license renewal fee. A nonresident producer who fails to apply for a license reinstatement within 12 months of the license expiration date or fails to update the nonresident producer's address pursuant to subrule 10.12(3) must apply for license reissuance.

10.9(3) A producer who has surrendered a license that was not in connection with a disciplinary matter and stated an intent to exit the insurance business may file a request to reactivate the license. The request must be received by the division within 90 days of the date the license was placed on inactive status. The request will be granted if the former producer is otherwise eligible to receive the license. If the request is not received within 90 days, the producer must apply for a new license.

10.9(4) A producer whose license was suspended, revoked, forfeited in connection with a disciplinary matter, or forfeited in lieu of compliance is not eligible for reinstatement under this rule and must follow the procedures in rule 191—10.10(522B).

191—10.10(515K,522B) Reinstatement or reissuance of a license after suspension, revocation or forfeiture in connection with disciplinary matters; and forfeiture in lieu of compliance.

10.10(1) *Terminology.*

a. As used in this rule:

"Reinstatement" means the reinstatement of a suspended license.

"Reissuance" means the issuance of a new license following the revocation of a license, the suspension and subsequent termination of a license, or the forfeiture of a license in connection with a disciplinary matter, including but not limited to proceedings pursuant to rule 191—10.21(252J,272D).

b. Disciplinary matters include but are not limited to being the subject of an investigation, complaint, or pending administrative action in this or any other state.

c. This rule does not apply to the reinstatement of an expired license or the issuance of a new license that is not in connection with a disciplinary matter.

10.10(2) *Application required.* Any producer whose license has been revoked or suspended by order or who forfeited a license in connection with a disciplinary matter must apply to the commissioner for reinstatement or reissuance in accordance with the terms of the order of revocation or suspension or the order accepting the forfeiture and submit to a criminal history check as required pursuant to Iowa Code section 522B.5A.

a. All proceedings for reinstatement or reissuance must be initiated by the applicant, who shall file with the commissioner an Iowa Insurance Producer Application for Reinstatement or Reissuance After Disciplinary Action. An applicant is not eligible for reinstatement or reissuance until the applicant has satisfied the other prescribed requirements of rule 191—10.4(522B), including the timing requirements of subrule 10.4(3). An applicant may also have to submit a new or renewal producer application through the NIPR Gateway and pay any associated fee.

b. An application for reinstatement or reissuance must allege facts that, if established, will be sufficient to enable the commissioner to determine that the basis of revocation, suspension, or forfeiture of the applicant's license no longer exists and must disclose whether the producer has engaged in any conduct that is listed as a cause for licensing action under Iowa Code section 507B.4 or 522B.11(1) that was not included in the order for suspension, revocation, or forfeiture.

c. An application for reinstatement or reissuance must allege sufficient facts to enable the commissioner to determine that it will be in the public interest for the application to be granted. The commissioner may determine it is not in the public interest if the producer has engaged in any conduct that is listed as a cause for licensing action under Iowa Code section 507B.4 or 522B.11(1) that was not included in the order for suspension, revocation, or forfeiture.

d. The burden of proof to establish such facts shall be on the applicant.

e. A producer may request reinstatement of a suspended license prior to the end of the suspension term; however, reinstatement will not be effected until the suspension period has ended.

f. Unless otherwise provided by law, if the order of revocation, suspension, or acceptance of forfeiture did not establish terms upon which reinstatement or reissuance may occur, or if the license was forfeited, an initial application for reinstatement or reissuance is not permissible until at least one year has elapsed from the date of the order of the suspension (notwithstanding paragraph 10.10(2)*"e"*), revocation, or acceptance of the forfeiture of a license.

g. The period of suspension shall continue, regardless of any specified suspension end date, until such time as the producer's license is reinstated by order.

10.10(3) *Proceedings.* All proceedings upon the application for reinstatement or reissuance, including matters preliminary and ancillary thereto, shall be held in accordance with Iowa Code chapter 17A. Such application shall be docketed in the original case in which the license was suspended, revoked, or forfeited if a case exists.

10.10(4) *Order.* An order of reinstatement or reissuance must be a written decision that incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner's designee deems appropriate, which may include one or more of the types of disciplinary sanctions provided by Iowa Code section 522B.11. The producer's license will be reinstated or reissued on the date of the order unless the order specifies a different date. The order is a public record and may be disseminated in accordance with Iowa Code chapter 22.

10.10(5) *Voluntary forfeiture.* A submission of voluntary forfeiture of a license must be made in writing as prescribed by the commissioner. Forfeiture of a license is effective upon the submission unless a contested case proceeding is pending at the time of the submission. If a contested case proceeding is pending, the forfeiture becomes effective when and upon such conditions as required by order of the commissioner. A forfeiture made during the pendency of a contested case proceeding is considered a disciplinary action and must be published in the same manner as is applicable to any other form of disciplinary order.

10.10(6) *Reinstatement in relation to expiration date.* If a producer's ordered suspension period ends prior to the producer's license expiration date and the producer applies for reinstatement prior to the license expiration date, the commissioner must reinstate the license as soon as practicable but no earlier than the end of the suspension period if the division determines the license should be reinstated after a complete review.

10.10(7) *Suspension beyond expiration date.* When a producer's license is suspended beyond the producer's license expiration date, whether due to an ordered suspension time period or failure to apply for reinstatement prior to expiration as stated in subrule 10.10(6), the license terminates on the license expiration date and the producer must apply for reissuance pursuant to subrule 10.10(2).

10.10(8) *Application denial or additional action.* The commissioner is not prohibited from denying an application for reinstatement or reissuance or bringing an additional immediate action if the producer has engaged in any additional violation of Iowa Code section 507B.4 or 522B.11(1) or otherwise failed to meet all of the applicable requirements.

191—10.11(522B) Temporary licenses. An Iowa resident may apply for a temporary license pursuant to Iowa Code section 522B.10. The applicant must submit a written request to the division that includes the reason for the request and the length of time for which the temporary license is requested. Temporary licenses will be issued for 90 days, with extensions allowed, but in no event for longer than 180 days, pursuant to Iowa Code section 522B.10.

191—10.12(515K,522B) Change in name, address or state of residence.

10.12(1) If a producer's name is changed, the producer must file notification with the division, as instructed on the division's website, within 30 days of the name change. The notification must include:

a. The producer's prior name;

b. The producer's license number;

c. The producer's new name; and

d. A copy of a legal document with proof of the name change.

10.12(2) If a resident or nonresident producer's address is changed, the producer must file notification with the division through the NIPR Gateway at www.NIPR.com, unless the division instructs otherwise, within 30 days of the address change. The notification must include the producer's:

a. Name;

b. License number;

c. Previous address; and

d. New address.

10.12(3) A nonresident producer who moves from one state to another state or an Iowa resident producer who moves to another state and wishes to retain an Iowa producer license must file a change of address with the division and provide a certification from the new resident state within 30 days of the change of legal residence. If the new resident state is actively participating in the producer database, a letter of certification is not required. A nonresident licensed producer who moves to Iowa and wishes to retain the nonresident's producer license must file a change of address with the division within 90 days of the change of legal residence.

10.12(4) Issuance of an Iowa nonresident producer license is contingent on proper licensure in the nonresident producer's home state. Termination of the producer's resident license will be deemed termination of the Iowa nonresident producer license unless the producer files a change of address within 30 days of the termination of the resident license.

10.12(5) If a producer has provided an email address to the division, the division may send information to the producer through the email address rather than through the mail.

191—10.13(515K,522B) Reporting of actions.

10.13(1) A producer must report to the division any actions required to be reported by Iowa Code section 522B.16.

10.13(2) A producer must report to the division all CSRU or centralized collection unit of the department of revenue actions taken under or in connection with Iowa Code chapter 252J or 272D and all court orders entered in such actions.

10.13(3) Failure to file reports required by this rule is a violation of this chapter and will subject producers to penalty pursuant to rule 191—10.20(522B).

191—10.14(515K,522B) Commissions and referral fees.

10.14(1) An insurer or a producer may pay a nominal fee for referrals if the same fee is paid for each referral whether or not the referral results in an insurance transaction.

10.14(2) An insurer or a producer shall not charge an additional fee for services that are customarily associated with the sale, solicitation, negotiation and servicing of an insurance policy. This prohibition does not apply to assigned risk and commercial property/casualty policies. Any fees or other charges that are assessed to an insurance consumer must be fully disclosed.

10.14(3) A person who is not engaged in any activities in Iowa that require a producer license in Iowa is not required to maintain an active producer license in order to receive override or hierarchy commissions or to receive renewal commissions earned while the producer was actively engaged in activities that required a producer license.

191—10.15(515K,522B) Appointments.

10.15(1) Insurers are required to file and pay for appointments with the division for each producer with which the insurer has an agency relationship. The determination of whether an insurer and a producer have an agency relationship will be made by the division based on the totality of the circumstances surrounding the business relationship. Appointments are not issued for business entities.

10.15(2) Insurers must file and pay for appointments using the NIPR Gateway.

10.15(3) The notice of appointment must be filed within 30 days of the date the insurer and producer execute an agency contract or the first insurance application is submitted to the insurer.

10.15(4) Appointment fees are set forth in rule 191—10.26(522B).

10.15(5) When a company loses its identity in a new company by merger, acquisition, or otherwise, the new company must contact the division to arrange for reappointment of the producers to the remaining company.

10.15(6) Insurance companies must file the name, address, and electronic address of a contact person for the company to whom the billing statements will be sent. Insurance companies must notify the division if there is a change of the person appointed as the contact person or if a change of the address of such contact occurs. If an insurance company fails to notify the division of such a change, the insurance company must pay a $100 fee.

191—10.16(515K,522B) Appointment renewal.

10.16(1) On or about December 1 of each year, the division or its designee will deliver reminders to insurance companies that appointment renewals are imminent. Appointments must be renewed electronically via the NIPR Gateway at www.NIPR.com.

10.16(2) On or about January 2 of each year, a list of the producers currently appointed with each insurance company and a billing statement will be provided to each insurance company via the NIPR Gateway. The billing statement must not be altered, amended or used for appointing or terminating producers.

10.16(3) Payment is due on or before March 1.

10.16(4) Failure to pay renewal appointment fees by March 15 will result in termination of a company's appointments. Appointments that are terminated due to nonpayment of renewal fees may be reappointed using the NIPR Gateway.

10.16(5) Insurance companies must file the name, address, and electronic address of a contact person for the company, to whom the appointment renewals will be sent. Insurance companies must notify the division if a change of the address of such contact occurs. If an insurance company fails to notify the division of such a change of address, the insurance company must pay a $100 fee.

191—10.17(515K,522B) Appointment terminations.

10.17(1) When an insurance company terminates its relationship with a producer, the company must notify the division using the NIPR Gateway. The termination must be filed within 30 days of the date the insurer terminated its agency relationship with the producer. The company must also notify the producer that the producer's appointment has been terminated.

10.17(2) There is no fee for the filing of an appointment termination.

10.17(3) The division may adopt special procedures for the filing of termination requests for a group of affiliated insurance companies that comprise a holding company.

10.17(4) When an insurer terminates an appointment for cause pursuant to Iowa Code section 522B.14, the notification of termination may be filed according to subrule 10.17(1). The supporting documents required by Iowa Code section 522B.14 must be submitted to the division within ten days of the filing of the notification. The documents must include a certification by an officer or authorized representative of the insurer.

191—10.18(515K,522B) Licensing of a business entity.

10.18(1) *Application.* A business entity may apply for an Iowa insurance license. For purposes of this rule, upon approval of an application by the division, the business entity will be classified as a producer and is subject to all standards of conduct and reporting requirements applicable to producers.

10.18(2) *Requirements.*

a. To qualify for such a license, the business entity must:

(1) File a completed NAIC uniform business entity application through the NIPR Gateway or as directed by the division;

(2) Designate one officer, owner, partner, or member of the business entity, which person is a producer licensed by the division, as the person who will have full responsibility for the conduct of all business transactions of the business entity or of producers affiliated with the business entity;

(3) For a nonresident business entity, submit an appropriate request through the NIPR Gateway; and

(4) Pay the license fee.

b. The designated responsible producer must maintain an active Iowa producer license. If the license of the designated responsible producer terminates or lapses for any reason, the business entity must supply the division with a substitute designated responsible producer within ten days. If the business entity does not provide a substitute, the division must immediately terminate the license, and the entity must submit a new application and pay the appropriate license fee.

10.18(3) *License term.* A business entity license issued under this rule is effective for three years and one month, including the year of application, beginning on the first day of the month of the business entity's formation date and ending with the last day of the month of the business entity's formation date. By arrangement with the division, a business entity may choose a different month for its license term.

10.18(4) *License renewal.* Upon request by a business entity, the division must electronically transmit a renewal notice to the electronic mail address of the business entity on file with the division on or before the first day of the month preceding the renewal month. The renewal fee must be received by the division or its designated vendor on or before the license expiration date. All business entities must renew their licenses through the NIPR Gateway or as otherwise directed by the division.

10.18(5) *Business address.*

a. Business entities licensed under this rule must maintain a current business address with the division. If a business entity's address is changed, notification from the designated responsible producer must be submitted to the division within 30 days of the address change, stating:

(1) Name of the business entity;

(2) License number;

(3) Previous address; and

(4) New address.

b. The notification may be sent by electronic mail through the NIPR Gateway at www.NIPR.com, unless the division instructs the producer otherwise.

10.18(6) *Business name.* A business entity licensed under this rule must keep the division informed of its business name. If a business entity changes the name under which it is operating, notification from the designated responsible producer must be submitted to the division within 30 days of the name change. The notification may be sent through the NIPR Gateway, if available, or as instructed on the division's website.

191—10.19(522B) Use of senior-specific certifications and professional designations in the sale of life insurance and annuities.

10.19(1) *Purpose.* The purpose of this rule is to set forth standards to protect consumers from misleading and fraudulent marketing practices with respect to the use of senior-specific certifications and professional designations in the solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product.

10.19(2) *Scope.* This rule applies to any solicitation, sale or purchase of, or advice made in connection with, a life insurance or annuity product by a producer.

10.19(3) *Authority.*

a. This rule is promulgated under the authority of Iowa Code chapters 507B and 522B.

b. Nothing in this rule limits the division's authority to enforce existing provisions of law.

10.19(4) *Prohibited uses of senior-specific certifications and professional designations.*

a. It is an unfair and deceptive act or practice in the business of insurance within the meaning of Iowa Code chapter 507B for a producer to use a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that the producer has special certification or training in advising or servicing seniors in connection with the solicitation, sale or purchase of a life insurance or annuity product or in the provision of advice as to the value of or the advisability of purchasing or selling a life insurance or annuity product, either directly or indirectly through publications or writings, or by issuing or promulgating analyses or reports related to a life insurance or annuity product.

b. The prohibited use of senior-specific certifications or professional designations includes but is not limited to the following:

(1) Use of a certification or professional designation by an insurance producer who has not actually earned or is otherwise ineligible to use such certification or designation;

(2) Use of a nonexistent or self-conferred certification or professional designation;

(3) Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training or experience that the producer using the certification or designation does not have; and

(4) Use of a certification or professional designation that was obtained from a certifying or designating organization that:

1. Is primarily engaged in the business of instruction in sales or marketing;

2. Does not have reasonable standards or procedures for assuring the competency of its certificants or designees;

3. Does not have reasonable standards or procedures for monitoring and disciplining its certificants or designees for improper or unethical conduct; or

4. Does not have reasonable continuing education requirements for its certificants or designees in order to maintain the certificate or designation.

c. There is a rebuttable presumption that a certifying or designating organization is not disqualified solely for purposes of subparagraph 10.19(4)*"b"*(4) when the certification or designation issued from the organization does not primarily apply to sales or marketing and when the organization or the certification or designation in question has been accredited by:

(1) The American National Standards Institute (ANSI);

(2) The National Commission for Certifying Agencies; or

(3) Any organization that is on the U.S. Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes."

d. In determining whether a combination of words or an acronym standing for a combination of words constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing seniors, factors to be considered shall include:

(1) Use of one or more words such as "senior," "retirement," "elder," or like words combined with one or more words such as "certified," "registered," "chartered," "adviser," "specialist," "consultant," "planner," or like words in the name of the certification or professional designation; and

(2) The manner in which those words are combined.

e. Financial services regulatory agency.

(1) For purposes of this rule, a job title within an organization that is licensed or registered by a state or federal financial services regulatory agency is not a certification or professional designation unless it is used in a manner that would confuse or mislead a reasonable consumer, when the job title:

1. Indicates seniority or standing within the organization; or

2. Specifies an individual's area of specialization within the organization.

(2) For purposes of paragraph 10.19(4)*"e,"* "financial services regulatory agency" includes but is not limited to an agency that regulates insurers, insurance producers, broker-dealers, investment advisers, or investment companies as defined under the Investment Company Act of 1940.

191—10.20(515K,522B) Violations and penalties.

10.20(1) A producer who sells, solicits or negotiates insurance, directly or indirectly, in violation of this chapter is deemed to be in violation of Iowa Code section 522B.2 and is subject to the penalties provided in Iowa Code section 522B.17.

10.20(2) A person who sells, solicits or negotiates insurance, directly or indirectly, who is not properly licensed as a producer is subject to the penalties provided in Iowa Code chapter 507A and section 522B.17.

10.20(3) Any company or company representative who aids and abets a producer in the above-described violation is deemed to be in violation of Iowa Code section 522B.2 and is subject to the penalties provided in Iowa Code section 522B.17.

10.20(4) The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a producer's license or may levy a civil penalty in accordance with Iowa Code section 522B.17, or any combination of actions, for any action listed in Iowa Code section 522B.11 and any one or more of the following causes:

a. Submitting to the division or to the outside testing service on contract with the division a payment to the division by credit card that the credit card company does not approve, or canceling or refusing amounts charged to a credit card by the outside testing service on contract with the division where services were received by the producer;

b. Failing to report any administrative action or criminal prosecution taken against the producer or failure to report the termination of a resident producer license;

c. Acting as a producer through persons not licensed as producers; or

d. Taking any action to circumvent the spirit of these rules and the Iowa insurance statutes or any other action that shows noncompliance with the requirements of Iowa Code chapter 522B or these rules.

10.20(5) If a producer fails to provide to the division any notification required either by Iowa Code chapter 522B or by this chapter, including but not limited to notification of a change of address, notification of change of name, or notification of administrative action or criminal prosecution as required by rules 191—10.12(522B) and 191—10.13(522B), within the required time, the producer must pay a late fee of $100 for each notification unless otherwise ordered pursuant to Iowa Code section 522B.6(7) or 522B.17. A business entity that fails to make a notification to the division as required by rule 191—10.18(522B) within the required time must pay a late fee of $100 for each notification unless otherwise ordered pursuant to Iowa Code section 522B.6(7) or 522B.17.

10.20(6) In the event that the division denies a request to renew a producer license or denies an application for a producer license, the commissioner must provide written notification to the producer or applicant of the denial or failure to renew, including the reason therefor. The producer or applicant may request a hearing within 30 days of receipt of the notice to determine the reasonableness of the division's action. The hearing must be held within 30 days of the date of the receipt of the written demand by the applicant, unless otherwise agreed to by the producer, and be held pursuant to 191—Chapter 3.

10.20(7) The commissioner may suspend, revoke, or refuse to issue the license of a business entity if the commissioner finds, after hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers or managers acting on behalf of the entity and neither was the violation reported to the insurance division nor was corrective action taken.

191—10.21(252J,272D,515K) Suspension for failure to pay child support or state debt.

10.21(1) The commissioner must deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license upon receipt of a certificate of noncompliance from the CSRU according to the procedures in Iowa Code chapter 252J or upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in Iowa Code chapter 272D. In addition to the procedures set forth in Iowa Code chapters 252J and 272D, this rule applies.

10.21(2) Upon receipt of a certificate of noncompliance, the commissioner must issue a notice to the producer that the division will, unless the certificate of noncompliance is withdrawn, deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license 30 days after the mailing of the notice. Notice must be sent to the producer's last-known address by restricted certified mail, return receipt requested, or in accordance with the division's rules for service.

10.21(3) The notice must contain the following items:

a. A statement that the commissioner intends to deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license in 30 days unless the certificate of noncompliance is withdrawn;

b. A statement that the producer must contact the agency that issued the certificate of noncompliance ("the issuing agency") to request a withdrawal;

c. A statement that the producer does not have a right to a hearing before the division but that the producer may file an application for a hearing in district court pursuant to Iowa Code section 252J.9 or 272D.9, as applicable;

d. A statement that the filing of an application with the district court will stay the proceedings of the division; and

e. A copy of the certificate of noncompliance.

10.21(4) Producers must keep the commissioner informed of all actions taken by the district court or the issuing agency in connection with the certificate of noncompliance. Producers must provide to the commissioner, within seven days of filing or issuance, copies of all applications filed with the district court pursuant to an application of hearing, of all court orders entered in such actions, and of all withdrawals of certificates of noncompliance.

10.21(5) In the event an applicant or licensed producer timely files an application for hearing in district court and the division is notified of such a filing, the commissioner's denial, suspension, or revocation proceedings will be stayed until the division is notified by the district court, the issuing agency, the licensee, or the applicant of the resolution of the application. Upon receipt of a court order lifting the stay or otherwise directing the commissioner to proceed, the commissioner shall continue with the intended action described in the notice.

10.21(6) If the commissioner does not receive a withdrawal of the certificate of noncompliance from the issuing agency or a notice from a clerk of court, the issuing agency, the licensee, or the applicant that an application for hearing has been filed, the commissioner must deny the producer's application for license issuance, renewal, reinstatement, or reissuance; suspend a current license; or revoke a currently suspended license 30 days after the notice is issued.

10.21(7) Upon receipt of a withdrawal of the certificate of noncompliance from the issuing agency, suspension or revocation proceedings must halt and the named producer must be notified that the proceedings have been halted. If the producer's license has already been suspended, the producer must apply for reinstatement and the license must be reinstated if the producer is otherwise in compliance with division rules. If the producer's application for licensure was stayed, application processing must resume. All fees required for license renewal, reinstatement, or reissuance must be paid by producers and all continuing education requirements must be met before a producer license will be renewed or reinstated after a license suspension or revocation pursuant to this chapter.

10.21(8) The commissioner must notify the producer in writing through regular first-class mail, or such other means as the commissioner deems appropriate in the circumstances, within ten days of the effective date of the suspension or revocation of a producer license and must similarly notify the producer when the producer license is reinstated following the commissioner's receipt of a withdrawal of the certificate of noncompliance.

10.21(9) Notwithstanding any statutory confidentiality provision, the division may share information with the CSRU or the centralized collection unit of the department of revenue for the sole purpose of identifying producers subject to enforcement under Iowa Code chapter 252J or 272D.

191—10.22(522B) Administration of examinations.

10.22(1) The division may enter into a contractual relationship with an outside testing service, in compliance with Iowa law, to provide the licensing examinations for all lines of authority that require an examination.

10.22(2) If contracted, the outside testing service must administer all examinations for license applicants.

10.22(3) Any contract to implement subrule 10.22(1) must require the outside testing service to:

a. Update, on a continual basis, the licensing examinations;

b. Ensure that the examinations are job-related;

c. Adequately inform the applicants of the procedures and requirements for taking the licensing examinations;

d. Prepare and administer examinations for all lines listed in Iowa Code section 522B.6(2) and rule 191—10.7(522B), except variable contracts; and

e. Conform to division guidelines and Iowa law, and report to the division on at least a quarterly basis.

191—10.23(515K,522B) Fees.

10.23(1) Fees may be paid by credit card or ACH e-check.

10.23(2) The fee for an examination may be set by the outside testing service under contract with the division and must be approved by the division.

10.23(3) The fee for issuance or renewal of a producer license is $50 for three years.

10.23(4) The fee for issuance or renewal of a business entity license is $50 for three years.

10.23(5) The fee for reinstatement or reissuance of a producer license is $100. In addition, applicable issuance or renewal fees will be assessed.

10.23(6) The fee for an appointment or the renewal of an appointment is $5 for each producer appointed to a domestic company. The fee for appointment or renewal of each producer appointed to a foreign company is the fee charged by the state of domicile.

10.23(7) The division may charge a reasonable fee for the compilation and production of producer licensing records.

10.23(8) The fee for a criminal history check as required pursuant to Iowa Code section 522B.5 is $50.

191—10.24 to **10.50** Reserved.

191—10.51(515K,522A,522E) Limited licenses.

10.51(1) *Limited licenses for vehicle rental companies and counter employees.*

a. Purpose. The purpose of this subrule is to govern the qualifications of and procedures for the licensing of vehicle rental companies and counter employees and to set out the requirements, procedures and fees relating to the qualification and licensure of vehicle rental companies and counter employees.

b. Definitions. For purposes of this subrule, in addition to the definitions in rule 191—1.1(502,505), the definitions of Iowa Code chapter 522A apply.

c. Requirement to hold a license.

(1) A rental company that desires to offer or sell insurance set forth in Iowa Code section 522A.3 in connection with the rental of a vehicle must file a vehicle rental limited license application with the division and, at the discretion of the division, receive a vehicle rental limited license.

(2) A counter employee who desires to offer or sell insurance products must file a vehicle rental counter employee limited license application with the division and, at the discretion of the division, receive a vehicle rental counter employee limited license.

d. Limited license application process for vehicle rental company.

(1) To obtain a limited license, a vehicle rental company must file a completed vehicle rental limited license application with the division and pay a fee of $50 for a license. The vehicle rental limited license application form is available on the division's website.

(2) If the vehicle rental limited license application is approved, the division must issue a vehicle rental limited license. The vehicle rental limited license term is from the date of approval through the third December 31 after the vehicle rental limited license is issued.

e. Limited license application process for counter employees.

(1) An individual may obtain a vehicle rental counter employee limited license only if that individual is employed by a vehicle rental limited licensee.

(2) To obtain a vehicle rental counter employee limited license, an individual must successfully complete an examination and submit to the division a completed vehicle rental counter employee limited license application pursuant to Iowa Code section 522A.3. The vehicle rental counter employee limited license application form is available on the division's website.

(3) If the application is approved, the division must issue a vehicle rental counter employee limited license. Vehicle rental counter employee limited license applications will be deemed approved if not disapproved by the division within 30 days of receipt by the division. The vehicle rental counter employee limited license term is from the date of approval through the third December 31 after the license is issued.

(4) The vehicle rental counter employee limited license will automatically terminate:

1. When the counter employee ceases employment with a vehicle rental limited licensee; or

2. At the end of the term of the vehicle rental counter employee limited license term if the license is not renewed pursuant to this subrule.

f. Duties of vehicle rental limited licensees.

(1) Pursuant to Iowa Code section 522A.3, a vehicle rental limited licensee is responsible for the training, examination and payment of license fees for all individuals it employs for whom the licensee desires to obtain vehicle rental counter employee limited licenses.

(2) A vehicle rental limited licensee must obtain and administer an examination for all vehicle rental counter employee limited license candidates. The content of the examination and the manner of its administration must be approved by the division.

(3) The vehicle rental limited licensee must develop a system for the security of examination content.

(4) The vehicle rental limited licensee must administer the vehicle rental counter employee limited license examination under controlled conditions, approved by the division, that ensure that each candidate completes the examination without outside assistance or interference.

(5) The vehicle rental limited licensee must notify the division of the termination of employment of any of its vehicle rental counter employee limited licensees. The vehicle rental limited licensee must file reports of terminations within 30 days of termination of employment.

g. License renewal.

(1) All vehicle rental limited licenses and vehicle rental counter employee limited licenses must be issued with an expiration date of the December 31 at the end of the license terms and must be renewed before the end of the license terms.

(2) The division will email annually a renewal form to the vehicle rental limited licensee for use in renewing the vehicle rental limited license and all of the vehicle rental counter employee limited licenses that will expire that year.

(3) The vehicle rental limited licensee must complete the renewal form for its license if applicable and for all of the vehicle rental counter employee limited licenses that will expire that year and must return the completed renewal form and applicable fee to the division on or before December 31 of the renewal year or all licenses listed on the renewal form will expire.

(4) The fee for renewal of a vehicle rental limited license is $50, and the fee to renew each vehicle rental counter employee limited license is $50.

h. Limitation on fees. A vehicle rental limited licensee is not required to pay license and renewal fees of more than $1,000 in aggregate in any calendar year.

i. Change in name or address.

(1) Vehicle rental limited licensees must file written notification with the division of a change in name or address within 30 days of the change. This requirement applies to any change in any locations at which the vehicle rental limited licensee is doing business.

(2) Vehicle rental limited licensees must file written notification with the division of changes in names or addresses of vehicle rental counter employee limited licensees. If the change of name is by a court order, a copy of the order shall be included with the notification. The limited licensee must file reports of name and address changes within 30 days of the change.

j. Violations and penalties.

(1) A rental company or counter employee who sells insurance in violation of this rule is in violation of Iowa Code chapter 522A and is subject to the penalties provided in Iowa Code section 522A.3.

(2) A vehicle rental limited licensee or vehicle rental counter employee limited licensee who commits an unfair or deceptive trade practice in violation of Iowa Code chapter 507B, or in violation of administrative rules that implement that chapter, is subject to the penalties provided for in Iowa Code chapter 507B.

10.51(2) *Limited licenses for persons who sell portable electronics insurance.*

a. Purpose. The purpose of this subrule is to govern the qualifications of and procedures for the licensing of persons offering or selling any form of portable electronics insurance in this state pursuant to Iowa Code chapter 522E.

b. Definitions. For purposes of this subrule, in addition to the definitions in rule 191—1.1(502,505), the definitions of Iowa Code chapter 522E apply.

c. Requirement to hold a portable electronics insurance limited license. A person that desires to offer or sell any form of portable electronics insurance in this state must:

(1) Be licensed as an insurance producer pursuant to Iowa Code chapter 522B;

(2) Submit an application to the division and, at the discretion of the division, receive a portable electronics insurance limited license pursuant to Iowa Code sections 522E.2, 522E.3, and 522E.4 and this subrule; or

(3) Be an endorsee in compliance with Iowa Code sections 522E.6 and 522E.7 and this subrule.

d. Application process for portable electronics insurance limited license.

(1) To obtain a portable electronics insurance limited license, a portable electronics vendor must submit to the division a completed portable electronics insurance limited license application and the appropriate fee as required by Iowa Code section 522E.3.

(2) If the application is approved, the division must issue a portable electronics insurance limited license. The portable electronics insurance limited license term is from the date of approval through the third December 31 after the portable electronics insurance limited license was issued.

e. Portable electronics insurance limited license renewal.

(1) All portable electronics insurance limited licenses must be issued for a license period as defined in Iowa Code section 522E.1 and must be renewed triennially.

(2) Not less than 60 days before the end of the license period, the division will email a renewal form to the portable electronics insurance limited licensee.

(3) The portable electronics insurance limited licensee must submit a completed renewal application form online or directed by the division, as required by Iowa Code section 522E.5, on or before the expiration date of the portable electronics insurance limited license, or the licensee's portable electronics insurance limited license will expire and the authority of all endorsees to sell under the portable electronics insurance limited license also will expire.

f. Change in name or address. A portable electronics insurance limited licensee must file written notification with the division of a change in name or address within 30 days of the change. This requirement applies to any change in any location at which the portable electronics insurance limited licensee is doing business.

g. Violations and penalties. A portable electronics vendor or endorsee that sells insurance in violation of this rule is in violation of Iowa Code chapter 522E and is subject to the penalties in Iowa Code chapter 522E.

10.51(3) *Limited licenses for persons who sell travel insurance.* Travel insurance is an authorized limited line of authority in this state. Travel retailers operating under Iowa Code section 522B.3 and registering with a limited lines travel insurance producer are not required to be licensed as an insurance producer.

These rules are intended to implement Iowa Code chapters 252J, 272D, 522A, 522B, and 522E.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 11
"Continuing Education for Insurance Producers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 522B.18
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 505 and 522B

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 11 establishes continuing education requirements for resident and nonresident insurance producers.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers and other licensees will bear the costs of the proposed rulemaking.

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

Consumers and purchasers of insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed rulemaking streamlines Chapter 11 and eliminates unnecessary burdens on licensees.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking aligns with current laws and industry standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
CONTINUING EDUCATION FOR INSURANCE PRODUCERS

191—11.1(505,522B) Statutory authority—purpose—applicability.

11.1(1) These rules are adopted pursuant to the general rulemaking authority of the commissioner in Iowa Code chapters 505 and 522B to establish continuing education requirements for resident and nonresident insurance producers.

11.1(2) The purpose of these rules is to establish requirements by prescribing:

a. The minimum number of continuing education credits that an insurance producer must complete;

b. The procedure and standards that the division will utilize in the approval of continuing education providers and courses;

c. The procedure for establishing that the required continuing education has been completed; and

d. Enforcement criteria and guidelines.

11.1(3) These rules do not apply to:

a. A nonresident producer who resides in a state or district having a continuing education (CE) requirement for insurance producers.

b. A resident producer who holds qualification in the surety or credit lines of authority.

c. Licensed attorneys who are also producers who submit proof of completion of continuing legal education for the appropriate calendar years during the CE term and otherwise comply with the producer license renewal procedures set forth in 191—Chapter 10.

d. A producer who serves full-time in the armed forces of the United States of America on active duty during a substantial part of the CE term and who submits evidence of such service.

e. A resident producer who holds qualification only for a crop insurance line of authority and who complies with subrule 11.3(8).

191—11.2(505,522B) Definitions. In addition to the definitions in rules 191—1.1(502,505) and 191—10.2(522B), the following definitions apply:

"Approved subject" or *"approved course"* means any educational presentation that has been approved by the division.

"Attendance record" means a record on which a CE provider requires attendees of a CE course to sign in at the time of entrance to the course.

"CE" means continuing education as referenced in Iowa Code chapter 522B.

"CE provider" means any individual or entity that is approved to offer continuing education courses in Iowa.

"CE term" means the period of time that begins either on the date when a new producer's insurance license is issued or on the date after the expiration date of an existing producer's license and that ends on the following license expiration date.

"Credit" means continuing education credit. One credit is 50 minutes of instruction or reading material in an acceptable topic.

"Proctored" or *"independently proctored"* means the supervision by a CE provider or disinterested third party over the conduct of a producer while that producer is completing an examination that is part of a self-study CE course.

"Roster" means a listing of all licensed attendees at an approved course and includes the Iowa course number, the National Insurance Producer Registry (NIPR) National Producer Number (NPN), the date the course was completed, and the actual number of credits earned by each producer.

"Self-study course" means an educational program that consists of a self-study manual and comprehensive examination. A self-study course may be an online course.

191—11.3(505,522B) Continuing education requirements for producers.

11.3(1) Every licensed resident producer must complete a minimum of 36 credits for each CE term in courses approved by the division. Three of these credits must be in the subject of ethics. By the end of the last business day of the producer's CE term, the division must receive from the producer proof of completion of the CE courses.

11.3(2) An instructor of an approved subject is entitled to the same credit as a student completing that subject and may receive such credit once during a CE term.

11.3(3) A producer cannot carry over CE credits earned in excess of the producer's CE term requirements from one CE term to the next.

11.3(4) A producer may receive CE credit for self-study courses. A self-study course is considered completed when the examination is received by the CE provider.

a. A producer may receive CE credit for self-study courses that are part of a recognized national designation program as described in subrule 11.5(5).

b. A producer may receive CE credits for self-study courses during a CE term that do not meet the definition of paragraph 11.3(4)*"a"* if the producer:

(1) Submits an affidavit to the CE provider stating that the examination was independently proctored and was completed without any outside assistance, and

(2) Correctly answers at least 70 percent of the questions presented.

11.3(5) A producer cannot receive CE credit for courses taken prior to the issuance of an initial license.

11.3(6) A producer cannot receive CE credit for the same course twice in one CE term. A producer cannot receive CE credit both for the classroom portion and for the examination portion of a national designation program as defined in subrule 11.5(5).

11.3(7) A producer may elect to comply with the CE requirements by taking and passing the appropriate licensing examination for each qualification held by the producer.

11.3(8) A resident producer who only holds qualification for a crop insurance line of authority needs only to demonstrate the following to renew:

a. The producer has completed all training and continuing education requirements imposed by the federal Risk Management Agency, if any; and

b. The producer has completed 18 credits of continuing education, 3 of which must be in the area of ethics.

191—11.4(505,522B) Proof of completion of continuing education requirements.

11.4(1) *Producer duties.*

a. Producers must demonstrate compliance with the CE requirements at the time of license renewal. Procedures for completing the license renewal process are outlined in 191—Chapter 10.

b. Producers must maintain a record of all CE courses completed by keeping the original certificates of completion for four years after the end of the year of attendance.

11.4(2) *Insurer duties regarding federal flood insurance.* An insurer authorized to do business in Iowa must demonstrate to the division, upon the division's request, that producers appointed by the insurer have complied with all continuing education guidelines as established by the National Flood Insurance Program (NFIP).

191—11.5(505,522B) Course approval.

11.5(1) To qualify for approval, a course must be designed to expand technical insurance skills and knowledge obtained prior to initial licensure or to develop new and relevant skills and knowledge.

11.5(2) Any approved active CE provider must submit a request for approval of any course, program of study, or subject for continuing education credit to the division on a National Association of Insurance Commissioners (NAIC) uniform form. If an outside vendor is retained by the division for course reviews, requests for approval must be filed directly with the vendor.

11.5(3) Requests for course approval that do not include all required information will be returned as incomplete.

11.5(4) Except as provided in subrule 11.5(5), requests for approval must be submitted at least 30 days prior to the beginning of the course. A request for renewal of a previously approved course must be submitted at least 30 days prior to the end of the 24-month approval period. Requests received later may be disapproved.

11.5(5) A request for approval of any self-study course that is part of a recognized national designation program may be filed within 60 days after the course is completed. This course will be reviewed and may be approved for up to the number of credits awarded for passage of the national examination in topics that are otherwise approvable under these rules.

11.5(6) An insurance producer who attends a classroom course offered by a college, university or governmental agency that has not been approved by the division may make application for approval of the provider and course for CE credit. The application must be filed within 60 days of attendance at the course and must contain sufficient materials to allow for a thorough evaluation of the provider, course content, and instructor qualifications. To be eligible for CE credit, the course must meet all division guidelines for course approval. All course review fees must be paid by the producer.

11.5(7) A CE course must be offered for a minimum of one credit. Fractional credits will not be awarded. The total credit that may be awarded for a CE course is limited to 36 credits.

11.5(8) Notification will be sent to the CE provider indicating approval or disapproval. Approved courses will be assigned a course number.

11.5(9) The division may deem the approval of a CE course by another state's insurance division as adequate evidence that a course is eligible for approval in Iowa and may award the same number of credits for the course awarded by the other state. The CE provider must submit the NAIC uniform form demonstrating the other state's approval of the CE course.

11.5(10) Within 30 days of course approval, CE providers must inform the division or its vendor, as directed by the division, of the dates and locations that the course will be offered. Failure to timely file the dates and locations subjects the CE provider to penalty and suspension or rescission of course approval.

11.5(11) CE courses approved by the division may be offered for a 24-month period following the date of approval.

191—11.6(505,522B) Topic guidelines.

11.6(1) The following course topics are examples of subjects that will qualify for approval:

a. Rating;
b. Tax laws (specifically related to insurance);
c. Policy contents;
d. Proper uses of products;
e. Ethics;
f. Risk management;
g. Iowa insurance laws and administrative rules;
h. Technical information related to the insurance license;
i. Errors and omissions;
j. Estate planning/taxation;
k. Wills and trusts; and
l. Financial planning.

11.6(2) The following course topics are examples of subjects that will not qualify for approval:

a. Sales;
b. Motivation;
c. Prospecting;
d. Psychology;
e. Communication skills;
f. Prelicense training;
g. Supportive office skills (e.g., typing, filing, computers);
h. Personnel management;
i. Recruiting; and
j. Other subjects not related to the insurance license.

191—11.7(505,522B) CE course renewal. Prior to expiration of the 24-month approval period, a CE provider must apply for renewal of each course with the division or its outside vendor. If a CE provider makes a substantial change to the content of a previously approved course, that course will not be eligible for renewal and must be submitted for a complete review.

191—11.8(505,522B) Appeals. A CE provider may appeal the amount of CE credit awarded by the division for a course. An appeal must be made in writing to the division within 30 days of the receipt by the CE provider of the notice of CE credit awarded for the course. If the division retains an outside vendor for course reviews, a CE provider must first complete an appeal process with the vendor before filing an appeal with the division.

191—11.9(505,522B) CE provider approval.

11.9(1) Any school, insurer, industry association or other organization intending to provide a course, program of study, or subject for continuing education credit must submit an application on a form or in a format prescribed by the division to become an approved CE provider.

11.9(2) To qualify for approval, a CE provider must demonstrate financial and organizational stability and must agree to comply with the administrative and regulatory constraints set forth by the division.

11.9(3) CE provider approval is valid for 24 months.

11.9(4) A CE provider must complete the renewal process to be eligible to continue serving as a CE provider. Failure to complete the renewal process will result in the expiration of the CE provider's approval and all previously approved courses.

11.9(5) If an outside vendor is retained by the division for CE provider reviews, requests for approval will be filed directly with the vendor.

191—11.10(505,522B) CE provider's responsibilities.

11.10(1) A CE provider must ensure that each classroom course is conducted by a qualified and competent instructor.

11.10(2) A CE provider must obtain and maintain an attendance record for each course for at least four years from the end of the year in which the course is offered. Upon request by the division, a CE provider must submit copies of attendance records.

11.10(3) A CE provider of an approved course is responsible for both the attendance of the students and their attention. A CE provider must refuse to award CE credit for time periods when the student was absent.

11.10(4) A CE provider must verify that each examination submitted for a self-study course contains an affidavit following the NAIC CE guidelines from the producer that the examination was independently proctored and that the examination was completed without any outside assistance. A CE provider must refuse to award CE credit to producers who fail to submit a properly completed examination or who fail to correctly answer at least 70 percent of the questions on the examination.

11.10(5) Upon request by the division, a CE provider must videotape a course and such recording must be promptly submitted to the division.

11.10(6) Upon request by the division, a CE provider must provide a copy of all course materials.

11.10(7) If an approved course is canceled, a CE provider must notify the division, or its outside vendor, and registrants at least 48 hours prior to the course date.

11.10(8) CE providers must submit rosters of all course attendees to the division's outside vendor. These reports must be received at the division by the tenth day of the month following the month in which the course is completed. Rosters must be submitted electronically in a manner prescribed by the division.

11.10(9) Once a course is completed, the CE provider must issue a certificate of completion to each person who satisfactorily completes a course. The certificate must be issued within 20 days of course completion and must be signed by either the course instructor or the CE provider's authorized representative. The certificate of completion used by the CE provider must be in a form or format prescribed by the division.

11.10(10) CE providers must report to the division any disciplinary action taken against that CE provider by another state licensing authority.

191—11.11(505,522B) Prohibited conduct—CE providers.

11.11(1) CE providers must not:

a. Advertise, prior to approval, that a course is approved;

b. Prepare and distribute certificates of completion before the course has been conducted;

c. Issue inaccurate or incomplete certificates of completion;

d. Refuse to issue certificates of completion to any participant who satisfactorily completes an approved course, except when subrule 11.10(3) or 11.10(4) applies.

11.11(2) The division may revoke the approval of a continuing education provider or may discipline a continuing education provider, upon a finding that the CE provider:

a. Committed any one or more of the actions prohibited in subrule 11.11(1);

b. Failed to perform any duties required by these rules; or

c. Committed any other action inconsistent with these rules.

11.11(3) If the division finds that a CE provider has violated Iowa laws or these rules, the division must give written notification to the CE provider of the alleged improper conduct and any discipline or sanction imposed. The CE provider may make a written request for a hearing within 30 days of receipt of the notice. The hearing must be held within 30 days of the division's receipt of the written demand by the CE provider unless the parties agree to a later hearing date. The hearing must be conducted pursuant to 191—Chapter 3.

11.11(4) A fine may be imposed against a CE provider if the commissioner finds, after hearing, that the CE provider knew or should have known that it was in violation of this chapter. The division may take any one or more of the following actions upon a finding of a violation of this rule:

a. Require the CE provider to pay a fine not to exceed $1,000 per violation;

b. Require the CE provider to refund the course admission fee to all participants;

c. Require the CE provider to provide a suitable course to replace the course that was found in violation;

d. Withdraw the approval of courses sponsored by such CE provider; or

e. Take other disciplinary action permitted by statute.

191—11.12(505,522B) Outside vendor. The division may enter into a contractual arrangement with a qualified outside vendor to assist the division with any or all continuing education services.

191—11.13(505,522B) CE course audits. The division may audit any CE course. The cost of the audit will be charged to the CE provider. Any discrepancies between the materials submitted for approval to the division and the content found at the audit, or any evidence of noncompliance with these rules, may subject the CE provider or instructor to administrative sanctions, including imposition of fines. Governmental bodies, such as community colleges and universities, shall not be charged for the cost of an audit.

191—11.14(505,522B) Fees and costs.

11.14(1) The fees for approval and renewal of CE providers, CE courses and registration of instructors shall be set by the outside vendor retained by the division and are subject to approval by the division. Course approval fees are nonrefundable.

11.14(2) The division may charge a fee for other services.

These rules are intended to implement Iowa Code chapters 505 and 522B.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 13
"Consent for Prohibited Persons to Engage in the Business of Insurance"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 522B.16B(2)
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 505 and 522B

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 13 regulates consent for prohibited persons to engage in the business of insurance.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs of the proposed rulemaking.

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

Consumers and purchasers of insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed rulemaking streamlines Chapter 13 and eliminates unnecessary burdens on licensees.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking aligns with current laws and industry standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13
CONSENT FOR PROHIBITED PERSONS
TO ENGAGE IN THE BUSINESS OF INSURANCE

191—13.1(505,522B) Purpose and authority. The purpose of these rules is to implement the provisions of 18 U.S.C. Section 1033 and Iowa Code section 522B.16B. The Iowa insurance commissioner has jurisdiction under 18 U.S.C. Section 1033 to grant requests for consent to engage in the business of insurance.

191—13.2(505,522B) Definitions. For the purpose of this chapter, the definitions in rule 191—1.1(502,505) and the following definitions apply:

"Act" means the Violent Crime Control and Law Enforcement Act of 1994, PL 103-322, H.R. 3355; 18 U.S.C. Sections 1033 and 1034.

"Applicant" means any person subject to the provisions of 18 U.S.C. Sections 1033 and 1034 who files an application for consent to engage in the business of insurance.

"Breach of trust" means any criminal act or an element of a criminal act by an applicant, including but not limited to an act that constitutes or involves misuse, misapplication or misappropriation of the following:

1. Anything of value held as a fiduciary, where "fiduciary" includes but is not limited to a trustee, administrator, executor, conservator, receiver, guardian, agent, employee, partner, officer, director or public servant; or
2. Anything of value of any public, private or charitable organization.

"Business of insurance" means the writing of insurance or the reinsuring of risks by an insurer, including all acts necessary or incidental to such writing or reinsuring and the activity of persons who are or who act as officers, directors, agents, or employees of insurers, producers or any other persons authorized to act on behalf of such persons.

"Consent" means the written consent issued by the commissioner for a prohibited person to engage in the business of insurance in Iowa.

"Dishonesty" means any criminal act that includes but is not limited to any offense constituting or involving perjury, bribery, forgery, counterfeiting, false or misleading oral or written statements, deception, fraud, schemes or artifices to deceive or defraud, material misrepresentations or the failure to disclose material facts.

"Felony" means the following:

1. A federal crime for which the maximum authorized punishment exceeds one year of imprisonment; or
2. A crime in any state or country that is identified as a felony in that state or country or, if not identified as a felony in that other state or country, any offense for which the maximum authorized punishment exceeds one year of incarceration.

"Insurer" means any entity whose business activity is the writing of insurance or the reinsuring of risks and includes any person who acts as, or is, an officer, director, agent, producer, or employee of that business.

"License" means any license, registration, certificate of authority or other permit or approval issued or granted by the commissioner.

"Prohibited person" means any person who is a resident of Iowa and who has been convicted of any felony crime involving dishonesty or breach of trust in a state or federal jurisdiction or who has been convicted of any violation of the Act.

"Request for consent" means a completed application, submitted by a prohibited person, that requests the commissioner's consent to allow that prohibited person to engage in or transact, or to continue to engage in or transact, the business of insurance in Iowa.

"State," for the purposes of this chapter, includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa and the Trust Territory of the Pacific Islands.

191—13.3(505,522B) Requirement for prohibited persons to obtain consent.

13.3(1) A prohibited person shall not engage in or transact the business of insurance in the state of Iowa without the consent of the commissioner of insurance of the person's resident state.

13.3(2) A prohibited person who is a resident of Iowa must receive a consent from the commissioner before the division will consider any application or request for a license, certification, certificate of authority, or other permit or approval issued or granted by the division related to engaging in or transacting the business of insurance in Iowa.

13.3(3) A prohibited person engaging in or transacting the business of insurance in Iowa without the consent of the insurance commissioner of the person's resident state is in violation of these rules, is subject to the penalties of this chapter, and risks federal criminal and civil sanctions and penalties.

191—13.4(505,522B) Applications for consent. The prohibited person must file with the division an application for consent as set forth in this rule.

13.4(1) Except as provided in subrule 13.4(2), a prohibited person who is, or seeks to be, employed in any capacity in the business of insurance in Iowa must complete and file an application for consent in a format prescribed by the division.

13.4(2) The commissioner may at any time request additional information from an applicant to support a pending application for consent. Failure to provide such information is grounds for denial of the application.

13.4(3) An application must include:

a. A certified copy of the applicant's criminal history record both from the applicant's state of residence and from the state in which the felony was committed if different from the state of residence. A Record Check Request form may be obtained from the Iowa division of criminal investigation at dps.iowa.gov.

b. A certified copy of all court documents that demonstrate completion and performance of all conditions imposed by the court.

c. An affidavit from the immediate supervisor or potential immediate supervisor for the entity that employs the applicant or that seeks to employ the applicant stating in detail the duties and responsibilities that the applicant will perform and for which the applicant seeks consent.

d. Any other relevant documents or information that the prohibited person would like to have considered.

13.4(4) Upon the occurrence of any event that would change any answer on the application, an amendment must be promptly filed. Failure to file an amendment may result in denial of the request for consent or the immediate suspension or revocation of a previously granted consent.

191—13.5(505,522B) Consideration of applications for consent.

13.5(1) The commissioner shall have the sole discretion to grant or deny an application for consent to engage in or transact the business of insurance.

13.5(2) Each decision of whether to grant consent to engage in or transact the business of insurance to a prohibited person will be handled on a case-by-case basis. Factors to be considered include but are not limited to the following:

a. The nature and severity of the crime;

b. The length of time since the conviction;

c. The injury or loss caused by the prohibited person;

d. Whether the conviction is related to the business of insurance;

e. Whether the prohibited person received a pardon from the authority that convicted the person and whether the pardon was granted due to the innocence of the person;

f. Whether the prohibited person completed parole or probation;

g. Whether a breach of trust or dishonesty was involved;

h. The nature and strength of character reference letters;

i. The person's business and personal records before and after the conviction;

j. Whether and to what extent the person has made material false statements in an application, renewal or other documents filed with the commissioner;

k. Whether and to what extent the person has made material false statements in applications or other documents filed with other agencies of this state or of other states or with federal agencies;

l. Whether the prohibited person's conviction was expunged;

m. Whether or not the person received the conviction in a foreign country; and

n. Any additional relevant factors.

191—13.6(505,522B) Review of application by the division.

13.6(1) The commissioner must consider the following when reviewing a completed application:

a. The information submitted by the applicant;

b. The factors set forth in subrule 13.5(2); and

c. Any mitigating or aggravating circumstances.

13.6(2) At the commissioner's discretion, the commissioner may convene a hearing to receive evidence and testimony about the application.

13.6(3) If the commissioner determines that the applicant does not seem to constitute a significant threat to the public, the commissioner shall issue the consent and specify its scope.

13.6(4) If the commissioner determines that the applicant does seem to constitute a significant threat to the public, the commissioner shall deny the application. Notice of the denial must be sent to the applicant via certified mail to the address on record with the division, return receipt requested. The prohibited person may request a hearing with the commissioner within 30 days from the date of mailing of the division's notice.

13.6(5) The application and materials supplied with the application, provided at the request of the division, or obtained by the division during the course of its review, including materials and testimony received at a hearing regarding an application, shall be considered information submitted to the division or obtained by the division in the course of an investigation for purposes of Iowa Code section 505.8(8), and the commissioner shall keep such information confidential. A consent issued by the commissioner is a public record for purposes of Iowa Code chapter 22; however, Iowa Code section 505.8(9) also shall apply.

191—13.7(505,522B) Consent effective for specified positions and responsibilities only. A consent issued by the commissioner shall be effective only so long as the prohibited person remains in the same or similar job position with the same or similar responsibilities to which the person attested in the initial request for consent. A material change in job responsibilities requires the prohibited person to file an amended request for consent.

191—13.8(505,522B) Change in circumstances.

13.8(1) *Failure to disclose.* In the event that the division determines that the prohibited person receiving the consent made materially false or misleading statements, or failed to disclose material information in the application for consent, the consent shall be suspended or revoked. The prohibited person may request a hearing with the commissioner within 30 days from the date of mailing of the division's notice.

13.8(2) *New felony.*

a. A prohibited person who previously received consent from the commissioner to participate in the business of insurance must immediately notify the division if that person is subsequently convicted of an offense under the Act, or of any felony offense involving dishonesty or breach of trust.

b. The entry of a new conviction automatically terminates the prior consent.

c. When the division becomes aware of the new conviction, it must inform the prohibited person in writing, via certified mail to the address on record with the division, return receipt requested, that the consent previously issued has been revoked.

d. The prohibited person may seek a new consent from the commissioner pursuant to the Act and to this chapter after reporting the new conviction.

13.8(3) *Violation of terms of consent.* If the commissioner determines that a prohibited person has violated the terms of a consent, the commissioner shall immediately terminate the consent. The division must inform the prohibited person in writing, via certified mail to the address on record with the division, return receipt requested, that the consent previously issued has been terminated. The prohibited person may request a hearing with the commissioner within 30 days from the date of mailing of the division's notice.

13.8(4) *Suspension of insurance producer license.* The commissioner may summarily suspend the insurance producer license of a prohibited person for any of the actions described in subrule 13.8(1), 13.8(2) or 13.8(3) if the person has been issued a license by the division. A hearing shall be scheduled in accordance with Iowa Code chapter 17A to determine whether the person's license should be revoked.

191—13.9(505,522B) Burden of proof. The burden of proof of persuasion and of the production of evidence at a hearing regarding a request for consent is on the prohibited person. The person shall have to demonstrate by clear and convincing evidence that the person is not a threat to the public interest and public safety.

191—13.10(505,522B) Violations and penalties. A prohibited person who engages in the business of insurance without the consent of the commissioner or otherwise in violation of this chapter shall be deemed to be in violation of Iowa Code section 522B.2 and is subject to the penalties provided in Iowa Code section 522B.17.

These rules are intended to implement Iowa Code chapter 505 and section 522B.16B and 18 U.S.C. Section 1033.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 30
"Life Insurance Policies"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508.36
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 30 regulates certain types of life policy forms and sets out certain prohibited, altered, or clarified policy provisions. The rules also address electronic delivery of group life certificates.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers and licensees offering life insurance products for sale will bear the costs.

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

Consumers and purchasers of life insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements National Association of Insurance Commissioners (NAIC) model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 30 and adopt the following **new** chapter in lieu thereof:

LIFE AND HEALTH INSURANCE

CHAPTER 30
LIFE INSURANCE POLICIES

191—30.1(508) Purpose. In the best interest of the citizens of Iowa and to maintain a fair and honest life insurance market, certain types of life policy forms and certain policy provisions shall be either prohibited, altered or clarified as set out herein.

This rule is intended to implement Iowa Code section 505.8 and chapter 508.

191—30.2(508) Scope. These rules shall apply to all insurance policies issued by insurance companies holding a certificate of authority under the provisions of Iowa Code chapter 508.

This rule is intended to implement Iowa Code section 505.8 and chapter 508.

191—30.3(508) Definitions. Certain life insurance policy forms and provisions referred to herein shall have the following meaning:

"Coupon policy" means a policy or contract of life insurance, other than annuity, that contains, in addition to basic life insurance benefits, a series of annual pure endowment benefits evidenced in the

policy contract by a series of coupons, each of which matures on the maturation date of an annual pure endowment. For the purposes of these rules, policies containing annual pure endowments evidenced by coupons, passbooks or other devices generally acquainted with savings, banking or investment institutions shall be considered coupon policies.

"Founders policy" means a policy of insurance offered to the public by a newly organized stock life insurance company, issued on a participating basis with the representations that the purchasers will share preferentially in the future divisible surplus earnings of the company arising from all classes of business, both participating and nonparticipating, and all plans of insurance.

"Profit-sharing policy" means a policy form that contains provisions or is represented in such a way that the policyholder will be eligible to preferentially participate in any future distribution of general corporate profits.

"Pure endowment benefit" means a guaranteed insurance benefit, actuarially determined, the payment of which is contingent upon the survival of the insured to a specific point in time.

This rule is intended to implement Iowa Code section 508.28.

191—30.4(508) Prohibitions, regulations and disclosure requirements. In accordance with the purpose expressed in rule 191—30.1(508) and in conjunction with the intent of Iowa Code section 508.28, the use of certain types of policy forms and policy provisions shall be subject to the following prohibitions and regulations.

30.4(1) *Policy names.* Any insurance policy labeled or described as a founders, charter or coupon policy or names of similar connotation shall not be approved for use in this state on or after December 28, 1963, and furthermore, no policies so named or labeled heretofore approved shall be issued or delivered in this state on or after March 1, 1964.

30.4(2) *Founders policy.* No founders policy as herein defined shall be approved for use in this state on or after December 28, 1963, and furthermore, no founders policy as herein defined heretofore approved shall be issued or delivered in this state on or after March 1, 1964.

30.4(3) *Profit-sharing policy.* No profit-sharing policy shall be approved for use in this state on or after December 28, 1963, and furthermore, no profit-sharing policy heretofore approved shall be issued or delivered in this state on or after March 1, 1964. This subrule does not intend to restrict or prohibit the sale in this state of any participating life insurance policy where the dividend or abatement of premium is derived solely from the profits of that class of participating business.

30.4(4) *Coupon policy.* No coupon policy shall be approved or issued in this state after December 28, 1963, and furthermore, no coupon policy heretofore approved shall be issued or delivered in this state on or after March 1, 1964.

30.4(5) *Guaranteed pure endowment benefits.* No policy containing a series of guaranteed pure endowment benefits shall be approved for use after December 28, 1963, unless it meets the following requirements:

a. The gross premium charged for this benefit shall be separately stated in a size and style of type equal in prominence to that stating the gross premium for the other benefits contained in the policy.

b. The payment of any guaranteed pure endowment benefit shall not be made contingent upon the payment of premiums falling due on or after the time the pure endowment benefit has matured.

c. The amount of the guaranteed series of pure endowment benefits shall be expressed in dollar amounts and shall not be presented or defined, either in the policy or any sales and advertising material, as a percentage of any of the premiums or benefits contained therein.

d. No participating policy shall include as part of its benefits a guaranteed pure endowment benefit.

e. The language and terminology of the policy, or any of the sales and advertising materials used in connection with any policy, that has a series of pure endowment benefits therein shall not purport to represent the pure endowment benefit of the policy to be anything other than a guaranteed insurance benefit for which a premium is being paid by the policyholder.

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

191—30.5(508) General filing requirements.

30.5(1) Insurance companies required to file rates or forms with the division shall submit required rate and form filings pursuant to rule 191—20.1(505,509,514A,515,515A,515F).

30.5(2) Each filing must be submitted to the division not less than 60 days prior to the effective date of the filing unless the 60-day period is waived by the division for good cause. Any deficiencies or discrepancies in the filing will delay final approval. In case of disapproval, the company will be notified by the division.

30.5(3) A filing that has not been previously approved, disapproved or questioned shall be deemed approved on or after 30 days from its receipt by the division.

30.5(4) Any insured or established organization with one or more insureds among its members may object to a form or rate filing pursuant to rule 191—20.2(505).

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

191—30.6(508) Back dating of life policies. Upon the specific written request of an applicant for life insurance, an insurer may issue a policy with an effective date not more than six months prior to the date of the policy application. This regulation shall not be construed to prohibit the exercise of any exchange or conversion privileges in any policy or contract.

This rule is intended to implement Iowa Code sections 508.25 and 508.28.

191—30.7(508,515) Expiration date of policy vs. charter expiration date. The mere fact that a corporate contract may extend beyond the term of the life of the corporation does not destroy it. The division believes that, as a matter of public policy, insurance corporations frequently enter into such contracts. This is graphically illustrated in the case of a life insurance contract issued by a company with a limited corporate period. It has been held that the renewal of articles of incorporation is a continuation of the original corporate period, which lends support to the proposition that it is within the public interest that contracts of this nature be permitted.

This rule is intended to implement Iowa Code sections 508.2 and 515.109.

191—30.8(505B,509) Electronic delivery of group life insurance certificates.

30.8(1) *Purpose.* The purpose of this rule is to authorize the electronic delivery of group life insurance certificates in an efficient manner by insurers and group policyholders, while guaranteeing that individual plan members still receive the important information contained in such group insurance certificates, as required by Iowa Code section 509.2(7), and as allowed by the uniform electronic transactions Act, Iowa Code chapter 554D.

30.8(2) *Scope.* This rule shall apply to all insurance companies holding a certificate of authority to transact the business of insurance under the provisions of Iowa Code chapters 508 and 515.

30.8(3) *Electronic delivery—insurance companies.* The insurer will be deemed to comply with the requirements of Iowa Code section 509.2(7) if the group insurance certificate is delivered to the group policyholder electronically and if:

a. The insurer takes appropriate and necessary measures to ensure that the system for furnishing group insurance certificates results in actual receipt of transmitted information by group policyholders, which can be done by:

(1) Using return-receipt electronic mail features;

(2) Periodic reviews or surveys to confirm receipt of the transmitted information; or

(3) Any other method approved by the insurance commissioner.

b. The electronic documents contain the same content and appear in reasonably the same format as the certificates previously approved by the insurance commissioner.

c. Each group policyholder is provided notice, through electronic means or in writing, apprising the group policyholder of the fact that the certificate will be furnished electronically, of the

significance of the certificate and the group policyholder's obligations under this rule, and of the group policyholder's right to request and receive a paper copy of the document for each participant.

d. Upon request of any group policyholder, the insurer furnishes paper copies of the group insurance certificate that was delivered to the group policyholder electronically, so that the group policyholder may provide them to participants who have requested paper copies.

30.8(4) *Electronic delivery—group policyholders.* The group policyholder will be deemed to comply with the requirements of Iowa Code section 509.2(7) if the group insurance certificate is delivered to the individual plan member electronically and if:

a. The group policyholder takes appropriate and necessary measures to ensure that the system for furnishing group insurance certificates results in actual receipt of transmitted information by participants, which may be done by:

(1) Using return-receipt electronic mail features;

(2) Periodic reviews or surveys to confirm receipt of the transmitted information; or

(3) Any other method approved by the insurance commissioner.

b. The electronic documents contain the same content and appear in reasonably the same format as the certificates previously approved by the insurance commissioner.

c. Each participant is provided notice, through electronic means or in writing, apprising the participant of the fact that the certificate will be furnished electronically, of the significance of the certificate, and of the participant's right to request and receive, free of charge, a paper copy of the document.

d. Upon request of any participant, the group policyholder furnishes, free of charge, a paper copy of the group insurance certificate that was delivered to the participant electronically.

This rule is intended to implement Iowa Code chapters 505B and 509.

191—30.9(505B,508) Notice of cancellation, nonrenewal or termination of life insurance and annuities.

30.9(1) *Purpose and definitions.*

a. Purpose. The purpose of this rule is to clarify the authorized methods of delivery for notices of cancellation, nonrenewal or termination by an insurer or insurance producer required for contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25, so as to require reasonable procedures for providing notice to policyholders of the consequences of cancellation, nonrenewal or termination of life insurance and annuity contracts. The uniform electronic transactions Act, in Iowa Code section 554D.110(4)*"b,"* provides that a requirement under a law to send, communicate or transmit a record by first-class mail postage prepaid may be varied by agreement to the extent permitted by the other law. Notification regulation should effectively require reasonable advance notice to life insurance and annuity policyholders that insurance coverage will cease or be placed under a nonforfeiture benefit on a date certain.

b. Definitions. As used in Iowa Code section 505B.1 and this rule:

"Commissioner" means the Iowa insurance commissioner or insurance division.

"Notice of cancellation, nonrenewal or termination" means:

1. Notice of an insurance company's termination of an insurance policy at the end of a term or before the termination date;

2. Notice of an insurance company's decision or intention not to renew a policy; and

3. For purposes of notices of cancellation, nonrenewal or termination of contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25, "notice of cancellation, nonrenewal or termination" includes but is not limited to the following:

- An insurance company's notice of cancellation, nonrenewal or termination of life insurance or annuities;
- Notice of replacement of life insurance, for which specific notice is required to be provided by the insurance producer pursuant to rule 191—16.24(507B); and

- Notice of termination of universal life contracts, for which specific advance notice is required to be provided by the insurance company pursuant to rule 191—92.6(508).

30.9(2) *Scope.* This rule shall apply to all insurance companies that issue contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25.

30.9(3) *Delivery.* For any notice of cancellation, nonrenewal or termination by an insurer in contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25 to be effective, an insurer must, within the time frame established by law, or such reasonable time in advance and as governed by contract, deliver the notice to the person to whom notice is required to be provided either in person or by mail through the U.S. Postal Service to the last-known address of the person to whom notice is required to be provided. For replacements of life insurance, specific notice is required to be provided by the insurance producer pursuant to rule 191—16.24(507B). For universal life contracts, specific advance notice of termination is required to be provided by the insurance company pursuant to rule 191—92.6(508). The use of U.S. Postal Service Intelligent Mail® fulfills any requirement for the contracts subject to approval by the commissioner pursuant to Iowa Code section 508.25 and for notices required by rule 191—16.24(507B) or 191—92.6(508) for certified mail or certificate of mailing as proof of mailing.

30.9(4) *Electronic transmissions.* Notwithstanding the requirements of subrule 30.9(3), if an insurer receives approval from the commissioner of a manner of electronic delivery of a notice for cancellation, nonrenewal or termination of a policy, the approved manner shall satisfy the requirements of Iowa Code section 505B.1 or 508.25, rule 191—16.24(507B) or 191—92.6(508), or this rule.

This rule is intended to implement Iowa Code chapters 505B and 508.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 31
"Life Insurance Companies—Variable Annuities Contracts"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508.36
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 31 regulates variable annuities contracts offered by insurance companies.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of variable annuities contracts 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements National Association of Insurance Commissioners (NAIC) model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 31 and adopt the following **new** chapter in lieu thereof:

CHAPTER 31
LIFE INSURANCE COMPANIES—VARIABLE ANNUITIES CONTRACTS

191—31.1(508) Definitions.

"Commissioner" means the insurance commissioner of Iowa.

"Contracts on a variable basis" or *"variable contract"* means any (group or individual) policy or contract issued by an insurance company that provides for insurance or annuity benefits that may vary according to the investment experience of any separate or segregated account or accounts maintained by the insurer as to such policy or contract, as provided for in Iowa Code sections 508.31 and 508.32.

191—31.2(508) Insurance company qualifications.

31.2(1) No company shall deliver or issue for delivery variable contracts within this state unless it is licensed under Iowa Code chapter 508 to do life insurance or annuity business in this state and the commissioner is satisfied that the company's condition or method of operation in connection with the issuance of such contracts will not render its operation hazardous to the public or its policyholders in this state. To this end, the commissioner shall consider, among other things:

a. The history and financial condition of the company,

b. The character, responsibility and fitness of the officers and directors of the company, and

c. The law and regulation under which the company is authorized in the state of domicile to issue variable contracts.

31.2(2) If the company is licensed and is a subsidiary of an admitted life insurance company, or affiliated with such company by common management or ownership, it may be deemed by the commissioner to have satisfied the aforementioned provisions.

31.2(3) Before any company shall deliver or issue for delivery variable contracts within this state, it shall submit to the commissioner:

a. A general description of the kinds of variable contracts the company intends to issue,

b. If requested by the commissioner, a copy of the statutes and regulations of the company's state of domicile under which the company is authorized to issue variable contracts, and

c. If requested, biographical data with respect to officers and directors of the company.

191—31.3(508) Filing, policy forms and provision.

31.3(1) No contract on a variable basis or certificate evidencing variable benefits issued pursuant to any such contract shall be issued or delivered to any person in this state until a copy of the form of the same has been filed pursuant to rule 191—20.1(505,509,514A,515,515A,515F) and approved by the commissioner.

31.3(2) The commissioner shall disapprove or withdraw approval of any such contract form or certificate if:

a. Such contract or certificate contains provisions that are unjust, unfair, inequitable, ambiguous, misleading, likely to result in misrepresentation or contrary to law,

b. Sales of such contracts are being solicited by any means of advertising, communication or dissemination of information that involves misleading or inadequate description of the provisions of the contract, or

c. The contract or certificate does not comply with the filing requirements and provisions set forth in rule 191—20.1(505,509,514A,515,515A,515F).

31.3(3) Any variable contract delivered or issued for delivery in this state and any certificates evidencing variable benefits issued pursuant to any such contract on a group basis shall contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of such variable benefits, shall state that such dollar amounts will vary to reflect investment experience, and shall contain on its first page a clear and prominently placed statement to the effect that the benefits thereunder are on a variable basis.

31.3(4) Illustrations of benefits payable under any contract providing benefits payable in variable amounts shall not include projections of past investment experience into the future or attempted predictions of future investment experience. Hypothetical illustrations of rates to possible levels of annuity payments may be used if submitted to and not disapproved by the commissioner.

31.3(5) No individual variable annuity contract calling for the payment of periodic stipulated payments shall be delivered or issued for delivery in this state unless it contains in substance the following provision or provisions, which in the opinion of the commissioner are more favorable to the holders of such contracts:

a. A provision that there shall be a period of grace of 30 days or of one month, within which any stipulated payment to the insurer falling due after the first payment may be made and during which the contract shall continue in force. The contract may include a statement of the basis for determining the date as of which any such payment received during the period of grace shall be applied to produce the values under the contract arising therefrom.

b. A provision that at any time within one year from the date of default, in making periodic stipulated payments to the insurer during the life of the annuitant and unless the cash surrender value has been paid, the contract may be reinstated upon payment to the insurer of such overdue payments as required by the contract and of all indebtedness to the insurer on the contract, including interest. The contract may include a statement of the basis for determining the date as of which the amount to

cover such overdue payments and indebtedness shall be applied to produce the values under the contract arising therefrom.

c. A provision specifying the option available in the event of default in a periodic stipulated payment. Such options may include an option to surrender the contract for a cash value as determined by the contract and shall include an option to receive a paid-up annuity if the contract is not surrendered for cash, the amount of such paid-up annuity being determined by applying the value of the contract at the annuity commencement date in accordance with the terms of the contract.

31.3(6) Any variable contract evidencing variable benefits delivered or issued for delivery in this state shall stipulate the expense, mortality and investment increment factors to be used in computing the dollar amount of variable benefits or other contractual payments or values thereunder, and shall guarantee that expenses will not adversely affect such dollar amounts. In computing the dollar amount of variable benefits or other contractual payments or values under any variable contract, the annual net investment increment assumption shall not exceed 5 percent, except with the approval of the commissioner. "Expenses" as used in this paragraph may exclude some or all taxes, as stipulated in the contract.

31.3(7) To the extent that the level of benefits may be affected by mortality results, the mortality factor shall be determined from the Annuity Mortality Table for 1949, Ultimate, or any modification of that table not having a higher mortality rate at any age, or, if approved by the commissioner, from another table.

31.3(8) The reserve liability for variable annuities shall be established pursuant to the requirements of the standard valuation law in accordance with actuarial procedure that would recognize the variable nature of the benefits provided.

191—31.4(508) Separate account or accounts and investments. Any domestic life insurance company issuing variable contracts shall establish one or more separate or segregated accounts as provided in Iowa Code section 508.32 to invest and reinvest all or any of the amounts received in connection with such variable contracts subject to the following limitations.

31.4(1) Except as hereinafter provided, amounts allocated to any separate or segregated account and accumulation thereon may be invested and reinvested without regard to any requirements or limitations prescribed by the laws of this state governing the investments of life insurance companies, provided that to the extent that the company's reserve liability with regard to benefits guaranteed as to dollar amount and duration and funds guaranteed as to principal amount or stated rate of interest is maintained in any separate or segregated account, a portion of the assets of such separate or segregated account at least equal to such reserve liability shall be, except as the commissioner may otherwise approve, invested in accordance with laws of this state governing the investments of life insurance companies. The investments in such separate or segregated account or accounts shall not be taken into account in applying the investment limitations applicable to the investments of the company.

31.4(2) With respect to 75 percent of the market value of the total assets in a separate or segregated account, no such company shall purchase or otherwise acquire the securities of any issuer, other than securities issued or guaranteed as to principal and interest by the United States, if immediately after such purchase or acquisition the market value of such investment, together with prior investments of such separate or segregated account in such security taken at market, would exceed 5 percent of the market value of the assets of said separate or segregated account; provided, however, that the commissioner may waive such limitation if in the commissioner's opinion such waiver will not render the operation of such separate or segregated account hazardous to the public or the policyholders in this state.

31.4(3) The separate or segregated account shall not invest in the voting securities of a single issuer in an amount in excess of 10 percent of the total issued and outstanding voting securities of such issuer. The foregoing shall not apply with respect to securities held in separate or segregated

accounts, the voting rights in which are exercisable only in accordance with instructions from persons having interests in such accounts.

31.4(4) The limitations in subrules 31.4(2) and 31.4(3) shall not apply to the investments of a separate or segregated account in the securities of an investment company registered under the Investment Company Act of 1940, provided the investments of such investment companies comply in substance with subrules 31.4(2) and 31.4(3) hereof.

31.4(5) Unless otherwise approved by the commissioner, assets allocated to a separate or segregated account shall be valued at their market value on the date of valuation or, if there is no readily available market, as provided under the terms of the contract or the rules or other written agreement applicable to such separate or segregated account; provided that the portion of the assets of such separate or segregated account equal to the company's reserve liability with regard to the benefits and funds referred to in subrule 31.4(1), if any, shall be valued in accordance with the rules otherwise applicable to the company's assets.

31.4(6) The provisions of Iowa Code section 508.8 and any regulations applicable to the officers and directors of insurance companies with respect to conflicts of interest shall also apply to members of any separate or segregated account's committee, board or other similar body. No officer or director of such company nor any member of the committee, board or body of a separate or segregated account shall receive directly or indirectly any commission or any other compensation with respect to the purchase or sale of assets of such separate or segregated account.

31.4(7) All contracts on a variable basis shall state that the portion of the assets of any such separate or segregated accounts equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the company may conduct.

31.4(8) Notwithstanding any other provisions in these rules, a company may:

a. With respect to any separate or segregated account registered with the Securities and Exchange Commission as a unit investment trust, exercise voting rights in connection with any securities of a regulated investment company registered under the Investment Company Act of 1940 and held in such separate or segregated account in accordance with instructions from persons having interests in such accounts ratably as determined by the company, or

b. With respect to any separate or segregated account registered with the Securities and Exchange Commission as a management investment company, establish for such account a committee, board or other body, the members of which may or may not be otherwise affiliated with such company and may be elected to such membership by the vote of persons having interests in such account ratably as determined by the company. Such committee, board or other body may have the power, exercisable alone or in conjunction with others, to manage such account or accounts and the investment of its assets.

A company, committee, board or other body may make such other provisions in respect to any such separate or segregated account as may be deemed appropriate to facilitate compliance with requirements of any federal or state law now or hereafter in effect, provided that the commissioner approves such provisions as not hazardous to the public or the company's policyholders in this state.

31.4(9) No sale, exchange or other transfer of assets may be made by a company between any of its separate or segregated accounts or between any other investment account and one or more of its separate or segregated accounts unless, in case of a transfer into a separate or segregated account, the transfer is made solely to establish the account or to support the operation of the contracts with respect to the account to which the transfer is made and unless the transfer, whether into or from an account or accounts, is made by a transfer of cash or by a transfer of securities having a valuation that could be readily determined in the market place, and further provided that the transfer of securities must have been approved by the commissioner. The commissioner may authorize other transfers among such accounts if, in the commissioner's opinion, such transfers would not be inequitable.

31.4(10) The company shall maintain in each such separate or segregated account assets with a value at least equal to the reserves and other contract liabilities with respect to such accounts, except as may otherwise be approved by the commissioner.

This rule is intended to implement Iowa Code sections 505.8 and 508.32.

191—31.5(508) Required reports.

31.5(1) Any company issuing individual variable contracts providing benefits in variable amounts shall mail to the contract holder, at least once in each contract year after the first, at the contract holder's last address known to the company, a statement or statements reporting the investments held in the separate or segregated account and, in the case of contracts under which payments have not yet commenced, a statement reporting as of a date not more than four months previous to the date of mailing the number of accumulation units credited to such contracts and the dollar value of a unit or the value of the contract holder's account.

31.5(2) An insurer issuing contracts on a variable basis shall annually on or before March 1 submit to the commissioner an annual statement for the business of its separate or segregated accounts. This statement shall be on such form as may be prescribed by the National Association of Insurance Commissioners and shall include details as to all of the income, disbursements, assets and liability items associated with such account or accounts and such other information as the commissioner of insurance may reasonably require.

191—31.6(508) Producers. No producer shall be eligible to sell or offer for sale a contract on a variable basis unless, prior to making any solicitation or sale of such a contract, the producer is also licensed for the variable products line of authority; however, any producer who participates only in the sale or offering for sale of variable contracts that are not registered under the federal Securities Act of 1933 need not be licensed for the variable products line of authority.

191—31.7(508) Foreign companies. If the law or regulation in the place of domicile of a foreign company provides a degree of protection to the policyholders and the public that is substantially equal to that provided by these regulations, the commissioner, to the extent deemed appropriate by the commissioner, may consider compliance with such law or regulation as compliance with these regulations.

These rules are intended to implement Iowa Code section 505.8(2).

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 33
"Variable Life Insurance Model Regulation"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508A.4
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508A

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 33 regulates variable life insurance and supplements Chapter 31. The proposed rules conform with model laws issued by the National Association of Insurance Commissioners (NAIC).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of life insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements NAIC model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 33 and adopt the following **new** chapter in lieu thereof:

CHAPTER 33
VARIABLE LIFE INSURANCE MODEL REGULATION

191—33.1(508A) Authority.

33.1(1) This chapter, applicable to variable life insurance policies, is promulgated under the authority of Iowa Code sections 505.8 and 508A.4.

33.1(2) This chapter is supplementary to 191—Chapter 31, which remains in effect, except that, with respect to any variable life insurance policy issued on or after June 1, 1984, this chapter shall control to the extent there is any conflict.

191—33.2(508A) Definitions. As used in this chapter:

"Affiliate" of an insurer means any person, directly or indirectly, controlling, controlled by, or under common control with such insurer; any person who regularly furnishes investment advice to such insurer with respect to its separate accounts for which a specific fee or commission is charged; or any director, officer, partner, or employee of any such insurer, controlling or controlled person, or person providing investment advice or any member of the immediate family of such person.

"Assumed investment rate" means the rate of investment return that would be required to be credited to a variable life insurance policy, after deduction of charges for taxes, investment expenses, and mortality and expense guarantees to maintain the variable death benefit equal at all times to the amount of death benefit, other than incidental insurance benefits, which would be payable under the plan of insurance if the death benefit did not vary according to the investment experience of the separate account.

"Benefit base" means the amount to which the net investment return is applied.

"Commissioner" means the same as defined in rule 191—1.1(502,505).

"Control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management of policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing more than 10 percent of the voting securities of any other person. This presumption may be rebutted by a showing made to the satisfaction of the commissioner that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

"Flexible premium policy" means any variable life insurance policy other than a scheduled premium policy as defined in this rule.

"General account" means all assets of the insurer other than assets in separate accounts established pursuant to Iowa Code section 508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer, whether or not for variable life insurance.

"Incidental insurance benefit" means all insurance benefits in a variable life insurance policy, other than the variable death benefit and the minimum death benefit, including but not limited to accidental death and dismemberment benefits, disability benefits, guaranteed insurability options, family income, or term riders.

"May" is permissive.

"Minimum death benefit" means the amount of the guaranteed death benefit, other than incidental insurance benefits, payable under a variable life insurance policy regardless of the investment performance of the separate account.

"Net investment return" means the rate of investment return in a separate account to be applied to the benefit base.

"Person" means an individual, corporation, partnership, association, trust, or fund.

"Policy processing day" means the day on which charges authorized in the policy are deducted from the policy's cash value.

"Producer" means the same as defined in rule 191—10.2(515K,522B).

"Scheduled premium policy" means any variable life insurance policy under which both the amount and timing of premium payments are fixed by the insurer.

"Separate account" means a separate account established pursuant to Iowa Code section 508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer.

"Shall" is mandatory.

"Variable death benefit" means the amount of death benefit, other than incidental insurance benefits, payable under a variable life insurance policy dependent on the investment performance of the separate account, that the insurer would have to pay in the absence of any minimum death benefit.

"Variable life insurance policy" means any individual policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts established and maintained by the insurer as to such policy, pursuant to Iowa Code section

508A.1 or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer.

191—33.3(508A) Qualification of insurer to issue variable life insurance. The following requirements are applicable to all insurers either seeking authority to issue variable life insurance in this state or having authority to issue variable life insurance in this state.

33.3(1) *Licensing and approval to do business in this state.* An insurer shall not deliver or issue for delivery in this state any variable life insurance policy unless the insurer is licensed or organized to do life insurance business in this state, and the insurer has obtained the written approval of the commissioner for the issuance of variable life insurance policies in this state. The commissioner shall grant such written approval only after the commissioner has found that:

a. The plan of operation for the issuance of variable life insurance policies is not unsound;

b. The general character, reputation, and experience of the management and those persons or firms proposed to supply consulting, investment, administrative, or custodial services to the insurer are such as to reasonably ensure competent operation of the variable life insurance business of the insurer in this state; and

c. The present and foreseeable future financial condition of the insurer and its method of operation in connection with the issuance of such policies is not likely to render its operation hazardous to the public or its policyholders in this state. The commissioner shall consider, among other things:

(1) The history of operation and financial condition of the insurer;

(2) The qualifications, fitness, character, responsibility, reputation, and experience of the officers and directors and other management of the insurer and those persons or firms proposed to supply consulting, investment, administrative, or custodial services to the insurer;

(3) The applicable law and regulations under which the insurer is authorized in its state of domicile to issue variable life insurance policies. The state of entry of an alien insurer shall be deemed its state of domicile for this purpose; and

(4) If the insurer is a subsidiary of or is affiliated by common management or ownership with another company, the insurer's relationship to such other company and the degree to which the requesting insurer, as well as the other company, meet these standards.

33.3(2) *Filing for approval to do business in this state.* An insurer, before it delivers or issues for delivery any variable life insurance policy in this state, shall file with the commissioner the following information for the consideration of the commissioner in making the determination required by subrule 33.3(1):

a. Copies of and a general description of the variable life insurance policies the insurer intends to issue;

b. A general description of the methods of operation of the variable life insurance business of the insurer, including methods of distribution of policies and the names of those persons or firms proposed to supply consulting, investment, administrative, custodial or distribution services to the insurer;

c. With respect to any separate account maintained by an insurer for any variable life insurance policy, a statement of the investment policy the issuer intends to follow for the investment of the assets held in such separate account and a statement of procedures for changing such investment policy. The statement of investment policy shall include a description of the investment objectives intended for the separate account;

d. A description of any investment advisory services contemplated as required by subrule 33.6(10);

e. A copy of the statutes and regulations of the state of domicile of the insurer under which the insurer is authorized to issue variable life insurance policies;

f. Biographical data with respect to officers and directors of the insurer on the National Association of Insurance Commissioners Uniform Biographical Data Form; and

g. A statement of the insurer's actuary describing the mortality and expense risks that the insurer will bear under the policy.

33.3(3) *Standards of suitability.* Every insurer seeking approval to enter into the variable life insurance business in this state shall establish and maintain a written statement specifying the standards of suitability to be used by the insurer. Such standards of suitability shall specify that no recommendations shall be made to an applicant to purchase a variable life insurance policy and that no variable life insurance policy shall be issued in the absence of reasonable grounds to believe that the purchase of such policy is not unsuitable for such applicant on the basis of information furnished after reasonable inquiry of such applicant concerning the applicant's insurance and investment objectives, financial situation and needs, and any other information known to the insurer or to the agent making the recommendation.

33.3(4) *Use of sales materials.* An insurer authorized to transact variable life insurance business in this state shall not use any sales material, advertising material, or descriptive literature or other materials of any kind in connection with its variable life insurance business in this state that is false, misleading, deceptive, or inaccurate. Variable life insurance sales material, advertising material, and descriptive literature shall be subject to the additional requirements of 191—Chapter 15.

33.3(5) *Requirements applicable to contractual services.* Any material contract between an insurer and suppliers of consulting, investment, administrative, sales, marketing, custodial, or other services with respect to variable life insurance operations shall be in writing and provide that the suppliers of such services shall furnish the commissioner with any information or reports in connection with such services that the commissioner may request in order to ascertain whether the variable life insurance operations of the insurer are being conducted in a manner consistent with this chapter and any other applicable law or regulations.

33.3(6) *Reports to the commissioner.*

a. Any insurer authorized to transact the business of variable life insurance in this state shall submit to the commissioner, in addition to any other materials that may be required by this chapter or any other applicable laws or regulations:

(1) An annual statement of the business of its separate account or accounts in such form as may be prescribed by the National Association of Insurance Commissioners;

(2) Prior to the use in this state, any information furnished to applicants as provided for in rule 191—33.7(508A);

(3) Prior to the use in this state, the form of any of the reports to policyholders as provided for in rule 191—33.9(508A); and

(4) Such additional information concerning the insurer's variable life insurance operations or its separate accounts as the commissioner shall deem necessary.

b. Any material submitted to the commissioner under this subrule shall be disapproved if it is found to be false, misleading, deceptive, or inaccurate in any material respect and, if the material was previously distributed, the commissioner shall require the distribution of amended material.

33.3(7) *Authority of commissioner to disapprove.* Any material required to be filed with and approved by the commissioner shall be subject to disapproval if at any time it is found by the commissioner not to comply with the standards established in this chapter.

191—33.4(508A) Insurance policy requirements. The commissioner shall not approve any variable life insurance form filed pursuant to this chapter unless it conforms to the requirements of this rule.

33.4(1) *Filing of variable life insurance policies.* Prior to delivery or issuance for delivery in this state, all variable life insurance policies, and all riders, endorsements, applications and other documents that are to be attached or made a part of the policy and that relate to the variable nature of the policy, shall be filed with the commissioner using the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing (SERFF) and shall be approved by the commissioner prior to delivery or issuance for delivery in this state. Insurance companies must comply with the commissioner's requirements regarding filing, including SERFF general instructions,

Iowa general instructions and the specific submission requirements for the type of insurance for which the companies are submitting documents, as set out on the SERFF website at www.serff.com.

a. The procedures and requirements for such filing and approval shall be, to the extent appropriate and not inconsistent with this chapter, the same as those otherwise applicable to other life insurance policies.

b. The commissioner may approve variable life insurance policies and related forms with provisions the commissioner deems to be not less favorable to the policyholder and the beneficiary than those required by this chapter.

c. A filing that has not been previously approved, disapproved or questioned shall be deemed approved on or after 30 days from its receipt by the commissioner.

33.4(2) *Mandatory policy benefit and design requirements.* Variable life insurance policies delivered or issued for delivery in this state shall comply with the following minimum requirements:

a. Mortality and expense risks shall be borne by the insurer. The mortality and expense charges shall be subject to the maximums stated in the contract.

b. For scheduled premium policies, a minimum death benefit shall be provided in an amount at least equal to the initial face amount of the policy so long as premiums are duly paid (subject to the provisions of paragraph 33.4(4)*"b"*).

c. The policy shall reflect the investment experience of one or more separate accounts established and maintained by the insurer. The insurer must demonstrate that the reflection of investment experience in the variable life insurance policy is actuarially sound.

d. Each variable life insurance policy shall be credited with the full amount of the net investment return applied to the benefit base.

e. Any changes in variable death benefits of each variable life insurance policy shall be determined at least annually.

f. The cash value of each variable life insurance policy shall be determined at least monthly. The method of computation of cash values and other nonforfeiture benefits, as described either in the policy or in a statement filed with the commissioner of the state in which the policy is delivered or issued for delivery, shall be in accordance with actuarial procedures that recognize the variable nature of the policy. The method of computation must be such that, if the net investment return credited to the policy at all times from the date of issue should be equal to the assumed investment rate with premiums and benefits determined accordingly under the terms of the policy, then the resulting cash values to the minimum values required by Iowa Code section 508.37 for a general account policy with such premiums and benefits. The assumed investment rate shall not exceed the maximum interest rate permitted under the standard nonforfeiture law of this state. If the policy does not contain an assumed investment rate, this demonstration shall be based on the maximum interest rate permitted under the standard nonforfeiture law. The method of computation may disregard incidental minimum guarantees as to the dollar amounts payable. Incidental minimum guarantees include but are not to be limited to a guarantee that the amount payable at death or maturity shall be at least equal to the amount that otherwise would have been payable if the net investment return credited to the policy at all times from the date of issue had been equal to the assumed investment rate.

g. The computation of values required for each variable life insurance policy may be based upon such reasonable and necessary approximations as are acceptable to the commissioner.

33.4(3) *Mandatory policy provisions.* Every variable life insurance policy filed for approval in this state shall contain at least the following:

a. The cover page or pages corresponding to the cover page of each such policy, which shall contain:

(1) A prominent statement in either contrasting color or in boldfaced type that the amount or duration of death benefit may be variable or fixed under specified conditions;

(2) A prominent statement in either contrasting color or in boldfaced type that cash values may increase or decrease in accordance with the experience of the separate account subject to any specified minimum guarantees;

(3) A statement describing any minimum death benefit required pursuant to paragraph 33.4(2)*"b"*;

(4) The method, or a reference to the policy provision that describes the method, for determining the amount of insurance payable at death;

(5) A captioned provision that the policyholder may return the variable life insurance policy within ten days of receipt of the policy by the policyholder and receive a refund equal to the sum of:

1. The difference between the premiums paid including any policy fees or other charges and the amounts allocated to any separate accounts under the policy; and

2. The value of the amounts allocated to any separate accounts under the policy, on the date the returned policy is received by the insurer or its producer; and

(6) Such other items as are currently required for fixed benefit life insurance policies and that are not inconsistent with this chapter;

b. Grace period.

(1) For scheduled premium policies, a provision for a grace period of not less than 31 days from the premium due date, which shall provide that when the premium is paid within the grace period, policy values will be the same, except for the deduction of any overdue premium, as if the premium were paid on or before the due date.

(2) For flexible premium policies, a provision for a grace period beginning on the policy processing day when the total charges authorized by the policy that are necessary to keep the policy in force until the next policy processing day exceed the amount available under the policy to pay such charges in accordance with the terms of the policy. Such grace period shall end on a date not less than 61 days after the mailing date of the report to policyholders required by subrule 33.9(3).

(3) The death benefit payable during the grace period will equal the death benefit in effect immediately prior to such period less any overdue charges. If the policy processing days occur monthly, the insurer may require the payment of not more than three times the charges that were due on the policy processing day on which the amounts available under the policy were insufficient to pay all charges authorized by the policy that are necessary to keep such policy in force until the next policy processing day;

c. For scheduled premium policies, a provision that the policy will be reinstated at any time within two years from the date of default upon the written application of the insured and evidence of insurability, including good health, satisfactory to the insurer, unless the cash surrender value has been paid or the period of extended insurance has expired, upon the payment of any outstanding indebtedness arising subsequent to the end of the grace period following the date of default together with accrued interest thereon to the date of reinstatement and payment of an amount not exceeding the greater of:

(1) All overdue premiums with interest at a rate not exceeding the legally permissible maximum rate of interest compounded annually and any indebtedness in effect at the end of the grace period following the date of default with interest at a rate not exceeding the legally permissible maximum rate of interest compounded annually; or

(2) One hundred ten percent of the increase in cash value resulting from reinstatement plus all overdue premiums for incidental insurance benefits with interest at a rate not exceeding the legally permissible maximum rate of interest compounded annually;

d. A full description of the benefit base and of the method of calculation and application of any factors used to adjust variable benefits under the policy;

e. A provision designating the separate account to be used and stating that:

(1) The assets of such separate account shall be available to cover the liabilities of the general account of the insurer only to the extent that the assets of the separate account exceed the liabilities of the separate account arising under the variable life insurance policies supported by the separate account.

(2) The assets of such separate account shall be valued at least as often as any policy benefits vary but at least monthly;

f. A provision specifying what documents constitute the entire insurance contract under state law;

g. A designation of the officers who are empowered to make an agreement or representation on behalf of the insurer and an indication that statements by the insured, or on behalf of the insured, shall be considered as representations and not warranties;

h. An identification of the owner of the insurance contract;

i. A provision setting forth conditions or requirements as to the designation, or change of designation, of a beneficiary and a provision for disbursement of benefits in the absence of a beneficiary designation;

j. A statement of any conditions or requirements concerning the assignment of the policy;

k. A description of any adjustments in policy values to be made in the event of misstatement of age or sex of the insured;

l. A provision that the policy shall be incontestable by the insurer after it has been in force for two years during the lifetime of the insured, provided, however, that any increase in the amount of the policy's death benefits subsequent to the policy issue date, which increase occurred upon a new application or request of the owner and was subject to satisfactory proof of the insured's insurability, shall be incontestable after any such increase has been in force, during the lifetime of the insured, for two years from the date of issue of such increase;

m. A provision stating that the investment policy of the separate account shall not be changed without the approval of the insurance commissioner of the state of domicile of the insurer and that the approval process is on file with the commissioner of this state;

n. A provision that payment of variable death benefits in excess of any minimum death benefits, cash values, policy loans, or partial withdrawals (except when used to pay premiums) or partial surrenders may be deferred:

(1) For up to six months from the date of request, if such payments are based on policy values that do not depend on the investment performance of the separate account, or

(2) Otherwise, for any period during which the New York Stock Exchange is closed for trading (except for normal holiday closing) or when the Securities and Exchange Commission has determined that a state of emergency exists that may make such payment impractical;

o. If settlement options are provided, at least one such option shall be provided on a fixed basis only;

p. A description of the basis for computing the cash value and the surrender value under the policy shall be included;

q. Premiums or charges for incidental insurance benefits shall be stated separately;

r. Any other policy provision required by this chapter;

s. Such other items as are currently required for fixed benefit life insurance policies and are not inconsistent with this chapter; and

t. A provision for nonforfeiture insurance benefits. The insurer may establish a reasonable minimum cash value below which any nonforfeiture insurance options will not be available.

33.4(4) *Policy loan provisions.* Every variable life insurance policy, other than term insurance policies and pure endowment policies, delivered or issued for delivery in this state shall contain provisions that are not less favorable to the policyholder than the following with respect to policy loans after the policy has been in force for five full years:

a. At least 75 percent of the policy's cash surrender value may be borrowed.

b. The amount borrowed shall bear interest at a rate not to exceed that permitted by state insurance law.

c. Any indebtedness shall be deducted from the proceeds payable on death.

d. Any indebtedness shall be deducted from the cash surrender value upon surrender or in determining any nonforfeiture benefit.

e. For scheduled premium policies, whenever the indebtedness exceeds the cash surrender value, the insurer shall give notice of any intent to cancel the policy if the excess indebtedness is not

repaid within 31 days after the date of mailing of such notice. For flexible premium policies, whenever the total charges authorized by the policy that are necessary to keep the policy in force until the next following policy processing day exceed the amounts available under the policy to pay such charges, a report must be sent to the policyholder containing the information specified by subrule 33.9(3).

f. The policy may provide that if, at any time, so long as premiums are duly paid, the variable death benefit is less than it would have been if no loan or withdrawal had ever been made, the policyholder may increase such variable death benefit up to what it would have been if there had been no loan or withdrawal by paying an amount not exceeding 110 percent of the corresponding increase in cash value and by furnishing such evidence of insurability as the insurer may request.

g. The policy may specify a reasonable minimum amount that may be borrowed at any time, but such minimum shall not apply to any automatic premium loan provision.

h. No policy loan provision is required if the policy is under an extended insurance nonforfeiture option.

i. The policy loan provisions shall be constructed so that variable life insurance policyholders who have not exercised such provisions are not disadvantaged by the exercise thereof.

j. Amounts paid to the policyholders upon the exercise of any policy loan provision shall be withdrawn from the separate account and shall be returned to the separate account upon repayment except that a stock insurer may provide the amounts for policy loans from the general account.

33.4(5) *Other policy provisions.* The following provisions may in substance be included in a variable life insurance policy or related form delivered or issued for delivery in this state:

a. An exclusion for suicide within two years of the issue date of the policy, provided, however, that to the extent of the increased death benefits only, the policy may provide an exclusion for suicide within two years of any increase in death benefits that results from an application of the owner subsequent to the policy issue date;

b. A provision that incidental insurance benefits may be offered on a fixed or variable basis;

c. A provision that policies issued on a participating basis shall offer to pay dividend amounts in cash. In addition, such policies may offer the following dividend options:

(1) The amount of the dividend may be credited against premium payments;

(2) The amount of the dividend may be applied to provide amounts of additional fixed or variable benefit life insurance;

(3) The amount of the dividend may be deposited in the general account at a specified minimum rate of interest;

(4) The amount of the dividend may be applied to provide paid-up amounts of fixed benefit one-year term insurance;

(5) The amount of the dividend may be deposited as a variable deposit in a separate account;

d. A provision allowing the policyholder to elect in writing in the application for the policy or thereafter an automatic premium loan on a basis not less favorable than that required of policy loans under subrule 33.4(4), except that a restriction that no more than two consecutive premiums can be paid under this provision may be imposed;

e. A provision allowing the policyholder to make partial withdrawals; and

f. Any other policy provision approved by the commissioner.

191—33.5(508A) Reserve liabilities for variable life insurance.

33.5(1) Reserve liabilities for variable life insurance policies shall be established under the standard valuation law (Iowa Code section 508.36) in accordance with actuarial procedures that recognize the variable nature of the benefits provided and any mortality guarantees.

33.5(2) For scheduled premium policies, reserve liabilities for the guaranteed minimum death benefit shall be the reserve needed to provide for the contingency of death occurring when the guaranteed minimum death benefit exceeds the death benefit that would be paid in the absence of the

guarantee, and shall be maintained in the general account of the insurer and shall be not less than the greater of the following minimum reserves:

a. The aggregate total of the term costs, if any, covering a period of one full year from the valuation date, of the guarantee on each variable life insurance contract, assuming an immediate one-third depreciation in the current value of the assets of the separate account followed by a net investment return equal to the assumed investment rate; or

b. The aggregate total of the attained age level reserved on each variable life insurance contract. The attained age level reserve on each variable life insurance contract shall not be less than zero and shall equal the residue, as described in subparagraph 33.5(2)*"b"*(1), of the prior year's attained age level reserve on the contract, with any such residue, increased or decreased by a payment computed on an attained age basis as described in subparagraph 33.5(2)*"b"*(2).

(1) The residue of the prior year's attained age level reserve on each variable life insurance contract shall not be less than zero and shall be determined by adding interest in the valuation interest rate to such prior year's reserve, deducting the tabular claims based on the excess, if any, of the guaranteed minimum death benefit over the death benefit that would be payable in the absence of such guarantee, and dividing the net result by the tabular probability of survival. The excess referred to in the preceding sentence shall be based on the actual level of death benefits that would have been in effect during the preceding year in the absence of the guarantee, taking appropriate account of the reserve assumptions regarding the distribution of death claim payments over the year.

(2) The payment referred to in paragraph 33.5(2)*"b"* shall be computed so that the present value of a level payment of that amount each year over the future premium paying period of the contract is equal to A minus B minus C, where A is the present value of the future guaranteed minimum death benefits, B is the present value of the future death benefits that would be payable in the absence of such guarantee, and C is any residue, as described in subparagraph 33.5(2)*"b"*(1), of the prior year's attained age level reserve on such variable life insurance contract. If the contract is paid up, the payment shall equal A minus B minus C. The amounts of future death benefits referred to in B shall be computed assuming a net investment return of the separate account that may differ from the assumed investment rate or the valuation interest but in no event may exceed the maximum interest rate permitted for the valuation of life contracts.

c. The valuation interest rate and mortality table used in computing the two minimum reserves described in paragraphs 33.5(2)*"a"* and *"b"* shall conform to permissible standards for the valuation of life insurance contracts. In determining such minimum reserve, the company may employ suitable approximations and estimates, including but not limited to groupings and averages.

33.5(3) For flexible premium policies, reserve liabilities for any guaranteed minimum death benefit shall be maintained in the general account of the insurer and shall be not less than the aggregate total of the term costs, if any, covering the period provided for in the guarantee not otherwise provided for by the reserves held in the separate account assuming an immediate one-third depreciation in the current value of the assets of the separate account followed by a net investment return equal to the valuation interest rate.

The valuation interest rate and mortality table used in computing this additional reserve, if any, shall conform to permissible standards for the valuation of life insurance contracts. In determining such minimum reserve, the company may employ suitable approximations and estimates, including but not limited to groupings and averages.

33.5(4) Reserve liabilities for all fixed incidental insurance benefits and any guarantees associated with variable incidental insurance benefits shall be maintained in the general account, and reserve liabilities for all variable aspects of the variable incidental insurance benefits shall be maintained in a separate account, in amounts determined in accordance with the actuarial procedures appropriate to such benefit.

191—33.6(508A) Separate accounts. The following requirements apply to the establishment and administration of variable life insurance separate accounts by any domestic insurer.

33.6(1) *Establishment and administration of separate accounts.* Any domestic insurer issuing variable life insurance shall establish one or more separate accounts pursuant to Iowa Code section 508A.1.

a. If no law or other regulation provides for the custody of separate account assets and if such insurer is not the custodian of such separate account assets, all contracts for custody of such assets shall be in writing and the commissioner shall have authority to review and approve of both the terms of any such contract and the proposed custodian prior to the transfer of custody.

b. Such insurer shall not, without prior written approval of the commissioner, employ in any material connection with the handling of separate account assets any person who:

(1) Within the last ten years, has been convicted of any felony or a misdemeanor arising out of such person's conduct involving embezzlement, fraudulent conversion, or misappropriation of funds or securities or involving violation of 18 U.S.C. Section 1341, 1342, or 1343;

(2) Within the last ten years, has been found by any state regulatory authority to have violated or has acknowledged violation of any provision of any state insurance law involving fraud, deceit, or knowing misrepresentation; or

(3) Within the last ten years, has been found by federal or state regulatory authorities to have violated or has acknowledged violation of any provision of federal or state securities laws involving fraud, deceit, or knowing misrepresentation.

c. All persons with access to the cash, securities, or other assets of the separate account shall be under bond in the amount of not less than the greater of the amount required pursuant to Section 17(g) of the Investment Company Act of 1940 or such other amount as the commissioner may deem appropriate.

d. The assets of such separate accounts shall be valued at least as often as variable benefits are determined but in any event at least monthly.

33.6(2) *Amounts in the separate account.* The insurer shall maintain in each separate account assets with a value at least equal to the greater of the valuation reserves for the variable portion of the variable life insurance policies or the benefit base for such policies.

33.6(3) *Investments by the separate account.*

a. No sale, exchange, or other transfer of assets may be made by an insurer or any of its affiliates between any of its separate accounts or between any other investment account and one or more of its separate accounts unless:

(1) In case of a transfer into a separate account, such transfer is made solely to establish the account or to support the operation of the policies with respect to the separate account to which the transfer is made; and

(2) Such transfer, whether into or from a separate account, is made by a transfer of cash, but other assets may be transferred if approved by the commissioner in advance.

b. The separate account shall have sufficient net investment income and readily marketable assets to meet anticipated withdrawals under policies funded by the account.

33.6(4) *Limitations on ownership.*

a. A separate account shall not purchase or otherwise acquire the securities of any issuer, other than securities issued or guaranteed as to principal and interest by the United States, if immediately after the purchase or acquisition the value of such investment, together with prior investments of such account in such security valued as required by this chapter, would exceed 10 percent of the value of the assets of the separate account. The commissioner may waive this limitation in writing if the commissioner believes such waiver will not render the operation of the separate account hazardous to the public or the policyholders in this state.

b. No separate account shall purchase or otherwise acquire the voting securities of any issuer if, as a result of such acquisition, the insurer and its separate accounts in the aggregate will own more than 10 percent of the total issued and outstanding voting securities of such issuer. The commissioner may waive this limitation in writing if the commissioner believes the waiver will not render the

operation of the separate account hazardous to the public or the policyholders in this state or jeopardize the independent operation of the issuer of such securities.

c. The percentage limitation specified in paragraph 33.6(4)*"a"* shall not be construed to preclude the investment of the assets of separate accounts in shares of investment companies registered pursuant to the Investment Company Act of 1940 or other pools of investment assets if the investments and investment policies of such investment companies or asset pools comply substantially with the provisions of subrule 33.6(3) and other applicable portions of this chapter.

33.6(5) *Valuation of separate account assets.* Investments of the separate account shall be valued at their market value on the date of valuation, or at amortized cost if it approximates market value.

33.6(6) *Separate account investment policy.* The investment policy of a separate account operated by a domestic insurer filed under paragraph 33.3(2)*"c"* shall not be changed without first filing such change with the commissioner.

a. Any change filed pursuant to this rule shall be effective 60 days after the date it was filed with the commissioner unless the commissioner notifies the insurer before the end of such 60-day period of the commissioner's disapproval of the proposed change. At any time, the commissioner may, after notice and public hearing, disapprove any change that has become effective pursuant to this subrule.

b. The commissioner may disapprove the change if the commissioner determines that the change would be detrimental to the interests of the policyholders participating in such separate account.

33.6(7) *Charges against separate account.* The insurer must disclose in writing, prior to or contemporaneously with delivery of the policy, all charges that may be made against the separate account, including but not limited to the following:

a. Taxes or reserves for taxes attributable to investment gains and income of the separate account;

b. Actual cost of reasonable brokerage fees and similar direct acquisition and sale costs incurred in the purchase or sale of separate account assets;

c. Actuarially determined costs of insurance (tabular costs) and the release of separate account liabilities;

d. Charges for administrative expenses and investment management expenses, including internal costs attributable to the investment management of assets of the separate account;

e. A charge, at rate specified in the policy, for mortality and expense guarantees;

f. Any amounts in excess of those required to be held in the separate accounts; and

g. Charges for incidental insurance benefits.

33.6(8) *Standards of conduct.* Every insurer seeking approval to enter into the variable life insurance business in this state shall adopt by formal action of its board of directors a statement specifying the standards of conduct of the insurer and its officers, directors, employees, and affiliates with respect to the purchase or sale of investments of separate accounts. Such standards of conduct shall be binding on the insurer and those to whom it refers. A code or codes of ethics meeting the requirements of Section 17(j) of the Investment Company Act of 1940 and applicable rules and regulations thereunder shall satisfy the provisions of this subrule.

33.6(9) *Conflicts of interest.* Rules under any provision of the insurance laws of this state or any regulation applicable to the officers and directors of insurance companies with respect to conflicts of interest shall also apply to members of any separate account's committee or other similar body.

33.6(10) *Investment advisory services to a separate account.* An insurer shall not enter into a contract under which any person undertakes, for a fee, to regularly furnish investment advice to such insurer with respect to its separate accounts maintained for variable life insurance policies unless:

a. The person providing such advice is registered as an investment advisor under the Investment Advisors Act of 1940; or

b. The person providing such advice is an investment manager under the Employee Retirement Income Security Act of 1974 with respect to the assets of each employee benefit plan allocated to the separate account; or

c. The insurer has filed with the commissioner and continues to file annually the following information and statements concerning the proposed advisor:

(1) The name and form of organization, state of organization, and organization's principal place of business;

(2) The names and addresses of the advisor's partners, officers, directors, and persons performing similar functions or, if such an investment advisor be an individual, of such individual;

(3) A written standard of conduct complying in substance with the requirements of subrule 33.6(8) that has been adopted by the investment advisor and is applicable to the investment advisor and its officers, directors, and affiliates;

(4) A statement provided by the proposed advisor as to whether the advisor or any person associated therewith:

1. Has been convicted within ten years of any felony or misdemeanor arising out of such person's conduct as an employee, salesperson, officer or director of an insurance company; a banker; an insurance producer; a securities broker; or an investment advisor involving embezzlement, fraudulent conversion, or misappropriation of funds or securities, or involving the violation of 18 U.S.C. Section 1341, 1342, or 1343;

2. Has been permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment advisor, underwriter, broker, or dealer, or as an affiliated person or as an employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity;

3. Has been found by federal or state regulatory authorities to have willfully violated or have acknowledged willful violation of any provision of federal or state securities laws or state insurance laws or of any rule or regulation under any such laws; or

4. Has been censured, been denied an investment advisor registration, had a registration as an investment advisor revoked or suspended, or been barred or suspended from being associated with an investment advisor by order of federal or state regulatory authorities; and

d. Such investment advisory contract shall be in writing and provide that it may be terminated by the insurer without penalty to the insurer or the separate account upon no more than 60 days' written notice to the investment advisor.

The commissioner may, after notice and opportunity for hearing, by order require the investment advisory contract to be terminated if the commissioner deems continued operation thereunder to be hazardous to the public or the insurer's policyholders.

191—33.7(508A) Information furnished to applicants. An insurer delivering or issuing for delivery in this state any variable life insurance policies shall deliver to the applicant for the policy, and obtain a written acknowledgment of receipt from such applicant coincident with or prior to the execution of the application, the following information. The requirements of this rule shall be deemed to have been satisfied to the extent that a disclosure containing information required by this rule is delivered, either in the form of (1) a prospectus included in the requirements of the Securities Act of 1933 and that was declared effective by the Securities and Exchange Commission; or (2) all information and reports required by the Employee Retirement Income Security Act of 1974 if the policies are exempted from the registration requirements of the Securities Act of 1933 pursuant to Section 3(a)(2) thereof.

33.7(1) A summary explanation, in nontechnical terms, of the principal features of the policy, including a description of the manner in which the variable benefits will reflect the investment experience of the separate account and the factors that affect such variation. Such explanation must include notices of the provision required by subparagraph 33.4(3)*"a"*(5) and paragraph 33.4(3)*"f."*

33.7(2) A statement of the investment policy of the separate account, including:

a. A description of the investment objectives intended for the separate account and the principal types of investments intended to be made; and

b. Any restrictions or limitations on the manner in which the operations of the separate account are intended to be conducted.

33.7(3) A statement of the net investment return of the separate account for each of the last ten years or such lesser period as the separate account has been in existence.

33.7(4) A statement of the charges levied against the separate account during the previous year.

33.7(5) A summary of the method to be used in valuing assets held by the separate account.

33.7(6) A summary of the federal income tax aspects of the policy applicable to the insured, the policyholder, and the beneficiary.

33.7(7) Illustrations of benefits payable under the variable life insurance contract. Such illustrations shall be prepared by the insurer and shall not include projections of past investment experience into the future or attempted predictions of future investment experience, provided that nothing contained herein prohibits use of hypothetical assumed rates of return to illustrate possible levels of benefits if it is made clear that such assumed rates are hypothetical only.

191—33.8(508A) Applications. The application for a variable life insurance policy shall contain:

33.8(1) A prominent statement that the death benefit may be variable or fixed under specified conditions.

33.8(2) A prominent statement that cash values may increase or decrease in accordance with the experience of the separate account (subject to any specified minimum guarantees).

33.8(3) Questions designed to elicit information that enable the insurer to determine the suitability of variable life insurance for the applicant.

191—33.9(508A) Reports to policyholders. Any insurer delivering or issuing for delivery in this state any variable life insurance policies shall mail to each variable life insurance policyholder at the policyholder's last known address the following reports:

33.9(1) Within 30 days after each anniversary of the policy, a statement or statements of the cash surrender value, death benefits, any partial withdrawal or policy loan, any interest charge, and any optional payments allowed pursuant to subrule 33.4(4) under the policy computed as of the policy anniversary date, provided, however, that such statement may be furnished within 30 days after a specified date in each policy year so long as the information contained therein is computed as of a date not more than 60 days prior to the mailing of the notice. This statement shall state that, in accordance with the investment experience of the separate account, the cash values and the variable death benefit may increase or decrease, and shall prominently identify any value described therein that may be recomputed prior to the next statement required by this rule. If the policy guarantees that the variable death benefit on the next policy anniversary date will not be less than the variable death benefit specified in such statement, the statement shall be modified to so indicate. For flexible premium policies, the report must contain a reconciliation of the change since the previous report in cash value and cash surrender value, if different, because of payments made (less deductions for expense charges), withdrawals, investment experience, insurance charges and any other charges made against the cash value. In addition, the report must show the projected cash value and cash surrender value, if different, as of one year from the end of the period covered by the report assuming that: (i) planned periodic premiums, if any, are paid as scheduled; (ii) guaranteed costs of insurance are deducted; and (iii) the net return is equal to the guaranteed rate or, in the absence of a guaranteed rate, is not greater than zero. If the projected value is less than zero, a warning message must be included that states that the policy may be in danger of terminating without value in the next 12 months unless additional premium is paid.

33.9(2) Annually, a statement or statements including:

a. A summary of the financial statement of the separate account based on the annual statement last filed with the commissioner;

b. The net investment return of the separate account for the last year and, for each year after the first, a comparison of the investment rate of the separate account during the last year with the investment rate during prior years, up to a total of not less than five years when available;

c. A list of investments held by the separate account as of a date not earlier than the end of the last year for which an annual statement was filed with the commissioner;

d. Any charges levied against the separate account during the previous year;

e. A statement of any change, since the last report, in the investment objective and orientation of the separate account, in any investment restriction or material quantitative or qualitative investment requirement applicable to the separate account, or in the investment advisor of the separate account.

33.9(3) For flexible premium policies, a report must be sent to the policyholder if the amounts available under the policy on any policy processing day to pay the charges authorized by the policy are less than the amount necessary to keep the policy in force until the next following policy processing day. The report must indicate the minimum payment required under the terms of the policy to keep it in force and the length of the grace period for payment of such amount.

191—33.10(508A) Foreign companies. If the law or regulation in the place of domicile of a foreign company provides a degree of protection to the policyholders and the public that is substantially similar to that provided by this chapter, the commissioner, to the extent deemed appropriate in the commissioner's discretion, may consider compliance with such law or regulation as compliance with this chapter.

191—33.11(508A) Separability article. If any provision of this chapter or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the regulation and the application of such provision to other persons or circumstances shall not be affected thereby.

These rules are intended to implement Iowa Code chapter 508A.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 42
"Gender-Blended Minimum Nonforfeiture Standards for Life Insurance"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508.37(7)"h"(6)
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 42 provides for identical cash surrender values and paid-up nonforfeiture benefits to both men and women. The rules conform with model laws issued by the National Association of Insurance Commissioners (NAIC).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of life insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements NAIC model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 42 and adopt the following **new** chapter in lieu thereof:

CHAPTER 42
GENDER-BLENDED MINIMUM NONFORFEITURE
STANDARDS FOR LIFE INSURANCE

191—42.1(508) Purpose. The purpose of this chapter is to permit life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this chapter.

191—42.2(508) Definitions. For purposes of this chapter, the following definitions shall apply:

"1980 CET Table" means the mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 National Association of Insurance Commissioners (NAIC) Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.

"1980 CET Table (F)" means the mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.

"1980 CET Table (M)" means the mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.

"1980 CSO Table (F), with or without Ten-Year Select Mortality Factors" means the mortality table consisting of the rates of mortality for female lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.

"1980 CSO Table (M), with or without Ten-Year Select Mortality Factors" means the mortality table consisting of the rates of mortality for male lives from the 1980 CSO Table with or without Ten-Year Select Mortality Factors.

"1980 CSO Table, with or without Ten-Year Select Mortality Factors" means the mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors.

191—42.3(508) Use of gender-blended mortality tables.

42.3(1) For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of Iowa Code section 508.37, an insurer may:

a. Substitute a mortality table that is a blend of the 1980 CSO Table (M) and the 1980 CSO Table (F) with or without Ten-Year Select Mortality Factors for the 1980 CSO Table with or without Ten-Year Select Mortality Factors for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture values, and

b. Substitute a mortality table that is of the same blend as used in paragraph 42.3(1)*"a"* but applied to form a blend of the 1980 CET Table (M) and the 1980 CET Table (F) for the 1980 CET Table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

42.3(2) The following tables, as developed and revised by the Society of Actuaries and adopted by the NAIC, shall be considered as the basis for acceptable gender-blended mortality tables:

a. 100 percent male, 0 percent female, for tables to be designated as the "1980 CSO-A" and "1980 CET-A" tables.

b. 80 percent male, 20 percent female, for tables to be designated as the "1980 CSO-B" and "1980 CET-B" tables.

c. 60 percent male, 40 percent female, for tables to be designated as the "1980 CSO-C" and "1980 CET-C" tables.

d. 50 percent male, 50 percent female, for tables to be designated as the "1980 CSO-D" and "1980 CET-D" tables.

e. 40 percent male, 60 percent female, for tables to be designated as the "1980 CSO-E" and "1980 CET-E" tables.

f. 20 percent male, 80 percent female, for tables to be designated as the "1980 CSO-F" and "1980 CET-F" tables.

g. 0 percent male, 100 percent female, for tables to be designated as the "1980 CSO-G" and "1980 CET-G" tables.

Tables 1980 CSO-A, 1980 CET-A, 1980 CSO-G, and 1980 CET-G shall not be used with respect to policies issued on or after January 1, 1985, except where 90 percent or more of persons insured thereunder are anticipated to be of one gender or except for certain policies converted from group insurance. Such group conversions issued on or after January 1, 1986, shall use mortality tables based on the blend of lives by gender expected for such policies if the group conversion policy is considered to be controlled by the decision in *Arizona Governing Committee v. Norris*.

191—42.4(508) Unfair discrimination. It shall not be a violation of Iowa Code section 507B.4(3) *"g"* for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

191—42.5(508) Separability. If any provision of this chapter or its application to any person or circumstance is for any reason held to be invalid, the remainder of the chapter and the application of such provision to other persons or circumstances shall not be affected.

191—42.6(508) 2001 CSO Mortality Table. The 2001 CSO Mortality Table shall be used for purposes of this chapter pursuant to the requirements of 191—Chapter 91.

These rules are intended to implement Iowa Code section 508.37(7)*"h"*(6).

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 43
"Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508.36
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 43 recognizes mortality tables for use in determining the minimum standard valuation for annuity and pure endowment contracts. The rules conform with model laws issued by the National Association of Insurance Commissioners (NAIC).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of life insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements NAIC model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 43 and adopt the following **new** chapter in lieu thereof:

CHAPTER 43
ANNUITY MORTALITY TABLES FOR USE IN
DETERMINING RESERVE LIABILITIES FOR ANNUITIES

191—43.1(508) Purpose. The purpose of this chapter is to recognize the following mortality tables for use in determining the minimum standard of valuation for annuity and pure endowment contracts: the 1983 Table "a" and 1983 Group Annuity Mortality (1983 GAM) Table, the Annuity 2000 Mortality Table, the 2012 Individual Annuity Reserving (2012 IAR) Table, and the 1994 Group Annuity Reserving (1994 GAR) Table.

191—43.2(508) Definitions. For purposes of this chapter, the following definitions shall apply:

"1983 GAM Table" means the mortality table developed by the Society of Actuaries Committee on Annuities and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners.

"1983 Table 'a'" means the mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners.

"1994 GAR Table" means the mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866 and 867 of Volume XLVII of the Transactions of the Society of Actuaries (1995). The 1994 GAR Table was adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

"2012 IAR Table" means the generational mortality table developed by the Society of Actuaries Committee on Life Insurance Research and containing rates, qx2012+n, derived from a combination of the 2012 IAM Period Table and Projection Scale G2, using the methodology stated in subrule 43.3(6).

"2012 Individual Annuity Mortality Period Life Table" or *"2012 IAM Period"* means the period table containing loaded mortality rates for calendar year 2012. This table contains rates, qx2012+n, developed by the Society of Actuaries Committee on Life Insurance Research and is shown in Appendices I and II.

"Annuity 2000 Mortality Table" means the mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 240 of Volume XLVII of the Transactions of the Society of Actuaries (1995). The Annuity 2000 Mortality Table was adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

"Generational mortality table" means a mortality table containing a set of mortality rates that decrease for a given age from one year to the next based on a combination of a period table and a projection scale containing rates of mortality improvement.

"Period table" means a table of mortality rates applicable to a given calendar year (the period).

"Projection Scale G2" or *"Scale G2"* means a table of annual rates, G2x, of mortality improvement by age for projecting future mortality rates beyond calendar year 2012. This table was developed by the Society of Actuaries Committee on Life Insurance Research and is shown in Appendices III and IV.

191—43.3(508) Individual annuity or pure endowment contracts.

43.3(1) Except as provided in subrules 43.3(2) and 43.3(3), the 1983 Table "a" is recognized and approved as an individual annuity mortality table for valuation and, at the option of the company, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1980.

43.3(2) Except as provided in subrule 43.3(3), either the 1983 Table "a" or the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after December 30, 1985.

43.3(3) Except as provided in subrule 43.3(4), the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 2000.

43.3(4) The 1983 Table "a" without projection is to be used for determining the minimum standard of valuation for an individual annuity or pure endowment contract issued on or after January 1, 2000, solely when the contract is based on life contingencies and is issued to fund periodic benefits arising from:

1. Settlements of various forms of claims pertaining to court settlements or out-of-court settlements from tort actions;
2. Settlements involving similar actions such as workers' compensation claims; or
3. Settlements of long-term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments.

43.3(5) Except as provided in subrule 43.3(4), the 2012 IAR Mortality Table may be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 2015. For any individual annuity or pure endowment contract issued on or after January 1, 2016, except as provided in subrule 43.3(4), the 2012 IAR Mortality Table shall be used as provided in this subrule.

191—43.4(508) Group annuity or pure endowment contracts.

43.4(1) Except as provided in subrules 43.4(2) and 43.4(3), the 1983 GAM Table, the 1983 Table "a" and the 1994 GAR Table are recognized and approved as group annuity mortality tables for valuation and, at the option of the company, any one table may be used for purposes of valuation for any annuity or pure endowment purchased on or after January 1, 1980, under a group annuity or pure endowment contract.

43.4(2) Except as provided in subrule 43.4(3), either the 1983 GAM Table or the 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after December 30, 1985, under a group annuity or pure endowment contract.

43.4(3) The 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after January 1, 2000, under a group annuity or pure endowment contract.

191—43.5(508) Application of the 1994 GAR Table. In using the 1994 GAR Table, the mortality rate for a person aged x in year (1994 + n) is calculated as follows:

$$q_x^{1994+n} = q_x^{1994} (1 - AA_x)^n$$

where the q_x^{1994} and AA_xs are as specified in the 1994 GAR Table.

191—43.6(508) Application of the 2012 IAR Mortality Table. In using the 2012 IAR Mortality Table, the mortality rate for a person age x in year (2012 + n) is calculated as follows:

$$qx2012+n = qx2012 (1 - G2x)n$$

The resulting qx2012+n shall be rounded to three decimal places per 1,000, e.g., 0.741 deaths per 1,000. Also, the rounding shall occur according to the formula above, starting at the 2012 period table rate.

For example, for a male age 30, qx2012 = 0.741.

qx2013 = 0.741 * (1 – 0.010) ^ 1 = 0.73359, which is rounded to 0.734.

qx2014 = 0.741 * (1 – 0.010) ^ 2 = 0.7262541, which is rounded to 0.726.

A method leading to incorrect rounding would be to calculate qx2014 as qx2013 * (1 – 0.010), or 0.734 * 0.99 = 0.727.

It is incorrect to use the already rounded qx2013 to calculate qx2014.

191—43.7(508) Separability. If any provision of this rule or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected.

These rules are intended to implement Iowa Code sections 508.36(4)*"a"*(1) and 508.36(4)*"a"*(3)(c).

APPENDIX I
2012 IAM Period Table
Female, Age Nearest Birthday

AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$
0	1.621	30	0.300	60	3.460	90	88.377
1	0.405	31	0.321	61	3.916	91	97.491
2	0.259	32	0.338	62	4.409	92	107.269
3	0.179	33	0.351	63	4.933	93	118.201
4	0.137	34	0.365	64	5.507	94	130.969
5	0.125	35	0.381	65	6.146	95	146.449
6	0.117	36	0.402	66	6.551	96	163.908
7	0.110	37	0.429	67	7.039	97	179.695
8	0.095	38	0.463	68	7.628	98	196.151
9	0.088	39	0.504	69	8.311	99	213.150
10	0.085	40	0.552	70	9.074	100	230.722
11	0.086	41	0.600	71	9.910	101	251.505
12	0.094	42	0.650	72	10.827	102	273.007
13	0.108	43	0.697	73	11.839	103	295.086
14	0.131	44	0.740	74	12.974	104	317.591
15	0.156	45	0.780	75	14.282	105	340.362
16	0.179	46	0.825	76	15.799	106	362.371
17	0.198	47	0.885	77	17.550	107	384.113
18	0.211	48	0.964	78	19.582	108	400.000
19	0.221	49	1.051	79	21.970	109	400.000
20	0.228	50	1.161	80	24.821	110	400.000
21	0.234	51	1.308	81	28.351	111	400.000
22	0.240	52	1.460	82	32.509	112	400.000
23	0.245	53	1.613	83	37.329	113	400.000
24	0.247	54	1.774	84	42.830	114	400.000
25	0.250	55	1.950	85	48.997	115	400.000
26	0.256	56	2.154	86	55.774	116	400.000
27	0.261	57	2.399	87	63.140	117	400.000
28	0.270	58	2.700	88	71.066	118	400.000
29	0.281	59	3.054	89	79.502	119	400.000
						120	1000.000

APPENDIX II
2012 IAM Period Table
Male, Age Nearest Birthday

AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$
0	1.605	30	0.741	60	5.096	90	109.993
1	0.401	31	0.751	61	5.614	91	123.119
2	0.275	32	0.754	62	6.169	92	137.168
3	0.229	33	0.756	63	6.759	93	152.171
4	0.174	34	0.756	64	7.398	94	168.194
5	0.168	35	0.756	65	8.106	95	185.260
6	0.165	36	0.756	66	8.548	96	197.322
7	0.159	37	0.756	67	9.076	97	214.751
8	0.143	38	0.756	68	9.708	98	232.507
9	0.129	39	0.800	69	10.463	99	250.397
10	0.113	40	0.859	70	11.357	100	268.607
11	0.111	41	0.926	71	12.418	101	290.016
12	0.132	42	0.999	72	13.675	102	311.849
13	0.169	43	1.069	73	15.150	103	333.962
14	0.213	44	1.142	74	16.860	104	356.207
15	0.254	45	1.219	75	18.815	105	380.000
16	0.293	46	1.318	76	21.031	106	400.000
17	0.328	47	1.454	77	23.540	107	400.000
18	0.359	48	1.627	78	26.375	108	400.000
19	0.387	49	1.829	79	29.572	109	400.000
20	0.414	50	2.057	80	33.234	110	400.000
21	0.443	51	2.302	81	37.533	111	400.000
22	0.473	52	2.545	82	42.261	112	400.000
23	0.513	53	2.779	83	47.441	113	400.000
24	0.554	54	3.011	84	53.233	114	400.000
25	0.602	55	3.254	85	59.855	115	400.000
26	0.655	56	3.529	86	67.514	116	400.000
27	0.688	57	3.845	87	76.340	117	400.000
28	0.710	58	4.213	88	86.388	118	400.000
29	0.727	59	4.631	89	97.634	119	400.000
						120	1000.000

APPENDIX III
Projection Scale G2
Female, Age Nearest Birthday

AGE	G2x	AGE	G2x	AGE	G2x	AGE	G2x
0	0.010	30	0.010	60	0.013	90	0.006
1	0.010	31	0.010	61	0.013	91	0.006
2	0.010	32	0.010	62	0.013	92	0.005
3	0.010	33	0.010	63	0.013	93	0.005
4	0.010	34	0.010	64	0.013	94	0.004
5	0.010	35	0.010	65	0.013	95	0.004
6	0.010	36	0.010	66	0.013	96	0.004
7	0.010	37	0.010	67	0.013	97	0.003
8	0.010	38	0.010	68	0.013	98	0.003
9	0.010	39	0.010	69	0.013	99	0.002
10	0.010	40	0.010	70	0.013	100	0.002
11	0.010	41	0.010	71	0.013	101	0.002
12	0.010	42	0.010	72	0.013	102	0.001
13	0.010	43	0.010	73	0.013	103	0.001
14	0.010	44	0.010	74	0.013	104	0.000
15	0.010	45	0.010	75	0.013	105	0.000
16	0.010	46	0.010	76	0.013	106	0.000
17	0.010	47	0.010	77	0.013	107	0.000
18	0.010	48	0.010	78	0.013	108	0.000
19	0.010	49	0.010	79	0.013	109	0.000
20	0.010	50	0.010	80	0.013	110	0.000
21	0.010	51	0.010	81	0.012	111	0.000
22	0.010	52	0.011	82	0.012	112	0.000
23	0.010	53	0.011	83	0.011	113	0.000
24	0.010	54	0.011	84	0.010	114	0.000
25	0.010	55	0.012	85	0.010	115	0.000
26	0.010	56	0.012	86	0.009	116	0.000
27	0.010	57	0.012	87	0.008	117	0.000
28	0.010	58	0.012	88	0.007	118	0.000
29	0.010	59	0.013	89	0.007	119	0.000
						120	0.000

APPENDIX IV
Projection Scale G2
Male, Age Nearest Birthday

AGE	G2x	AGE	G2x	AGE	G2x	AGE	G2x
0	0.010	30	0.010	60	0.015	90	0.007
1	0.010	31	0.010	61	0.015	91	0.007
2	0.010	32	0.010	62	0.015	92	0.006
3	0.010	33	0.010	63	0.015	93	0.005
4	0.010	34	0.010	64	0.015	94	0.005
5	0.010	35	0.010	65	0.015	95	0.004
6	0.010	36	0.010	66	0.015	96	0.004
7	0.010	37	0.010	67	0.015	97	0.003
8	0.010	38	0.010	68	0.015	98	0.003
9	0.010	39	0.010	69	0.015	99	0.002
10	0.010	40	0.010	70	0.015	100	0.002
11	0.010	41	0.010	71	0.015	101	0.002
12	0.010	42	0.010	72	0.015	102	0.001
13	0.010	43	0.010	73	0.015	103	0.001
14	0.010	44	0.010	74	0.015	104	0.000
15	0.010	45	0.010	75	0.015	105	0.000
16	0.010	46	0.010	76	0.015	106	0.000
17	0.010	47	0.010	77	0.015	107	0.000
18	0.010	48	0.010	78	0.015	108	0.000
19	0.010	49	0.010	79	0.015	109	0.000
20	0.010	50	0.010	80	0.015	110	0.000
21	0.010	51	0.011	81	0.014	111	0.000
22	0.010	52	0.011	82	0.013	112	0.000
23	0.010	53	0.012	83	0.013	113	0.000
24	0.010	54	0.012	84	0.012	114	0.000
25	0.010	55	0.013	85	0.011	115	0.000
26	0.010	56	0.013	86	0.010	116	0.000
27	0.010	57	0.014	87	0.009	117	0.000
28	0.010	58	0.014	88	0.009	118	0.000
29	0.010	59	0.015	89	0.008	119	0.000
						120	0.000

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 44
"Smoker/Nonsmoker Mortality Tables for Use in Determining
Minimum Reserve Liabilities and Nonforfeiture Benefits"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508.36
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 44 permits the use of smoker and nonsmoker mortality tables in determining reserve liabilities, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits for insurance plans. The proposed rules conform with model laws issued by the National Association of Insurance Commissioners (NAIC).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of life insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements NAIC model law and is critical to maintaining the Division's national accreditation.

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 no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 44 and adopt the following **new** chapter in lieu thereof:

CHAPTER 44
SMOKER/NONSMOKER MORTALITY TABLES FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES AND NONFORFEITURE BENEFITS

191—44.1(508) Purpose. The purpose of the chapter is to permit the use of mortality tables that reflect differences in mortality between smokers and nonsmokers in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits for plans of insurance with separate risk classifications for smokers and nonsmokers.

191—44.2(508) Definitions.

"1958 CET Table" means the mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the National Association of Insurance Commissioners (NAIC) Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Extended Term Insurance Table.

"1958 CSO Table" means the mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Standard Ordinary Mortality Table.

"1980 CET Table" means the mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.

"1980 CSO Table, with or without Ten-Year Select Mortality Factor" means the mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors. The same select factors will be used for both smoker and nonsmoker tables.

"Composite mortality tables" means the mortality tables defined in the first four definitions of this rule as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.

"Smoker and nonsmoker mortality tables" means the mortality tables with separate rates of mortality for smokers and nonsmokers derived from the tables defined in the first four definitions of this rule that were developed by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and the California Insurance Department staff and recommended by the NAIC Technical Staff Actuarial Group.

191—44.3(508) Alternate tables.

44.3(1) In determining minimum reserve liabilities, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits for any policy of insurance delivered or issued for delivery in this state after the operative date of Iowa Code section 508.37(7)*"k"* for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in rule 191—44.4(508):

a. The 1958 CSO Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

b. The 1958 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

For any category of insurance issued on female lives with minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits determined using the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables, such minimum values may be calculated according to an age not more than six years younger than the actual age of the insured. Further, the substitution of the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables is available only if made for each policy of insurance on a policy form delivered or issued for delivery on or after the operative date for that policy form and before a date not later than January 1, 1989.

44.3(2) In determining minimum reserve liabilities, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits for any policy of insurance delivered or issued for delivery in this state after the operative date of Iowa Code section 508.37(7)*"k"* for that policy form, at the option of the company and subject to the conditions stated in rule 191—44.4(508):

a. The 1980 CSO Smoker and Nonsmoker Mortality Tables, with or without Ten-Year Select Mortality Factors, may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

b. The 1980 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

191—44.4(508) Conditions. For each plan of insurance with separate rates for smokers and nonsmokers, an insurer may:

1. Use composite mortality tables to determine minimum reserve liabilities, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits,

2. Use smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by Iowa Code section 508.36(10) and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits, or

3. Use smoker and nonsmoker mortality tables to determine minimum reserve liabilities, minimum cash surrender values, and amounts of paid-up nonforfeiture benefits.

191—44.5(508) Separability. If any provision of this chapter or the application of this chapter to any person or circumstance is for any reason held to be invalid, the remainder of this chapter and the application of such provisions to other persons or circumstances shall not be affected.

191—44.6(508) 2001 CSO Mortality Table. The 2001 CSO Mortality Table shall be used for purposes of this chapter pursuant to the requirements of 191—Chapter 91.

These rules are intended to implement Iowa Code section 508.37(7)*"h"*(6).

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 48
"Viatical and Life Settlements"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 508E.19
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 508E

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 48 provides for the administration of viatical and life settlements, required disclosures and safeguards.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, producers, and other licensees will bear the costs.

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

Consumers and purchasers of viatical and life settlements 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking implements National Association of Insurance Commissioners (NAIC) model law and is critical to maintaining the Division's national accreditation.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 48 and adopt the following **new** chapter in lieu thereof:

VIATICAL AND LIFE SETTLEMENTS

CHAPTER 48
VIATICAL AND LIFE SETTLEMENTS

191—48.1(508E) Purpose and authority. The purpose of this chapter is to provide for the administration of viatical and life settlements in this state by providing rules under which viatical and life settlements may be made, disclosures and other provisions by which viators may be protected, and safeguards by which viatical settlement providers may be monitored and remain in good standing. These rules are adopted by the commissioner pursuant to the authority in Iowa Code chapter 508E.

191—48.2(508E) Definitions. For purposes of this chapter, the definitions in Iowa Code section 508E.2 are incorporated by reference. In addition to those definitions and the definitions in rule 191—1.1(502,505), the following definitions apply:

"Life settlement" means a viatical settlement in which the viator has not been diagnosed as terminally or chronically ill. For purposes of these rules, unless otherwise distinguished, the term "life settlement" shall be synonymous with viatical settlement.

"Renewal year" means the last year of the viatical settlement license three-year term.

191—48.3(508E) License requirements.

48.3(1) *Viatical settlement provider.*

a. To be considered for licensure as a viatical settlement provider pursuant to Iowa Code section 508E.3, a person must file with the commissioner a completed viatical settlement provider license application in the format prescribed by the commissioner, submit to a criminal history check pursuant to Iowa Code section 522B.5A, pay an application fee in the amount of $100, and provide the following:

(1) Copies of the viatical settlement provider's audited financial statements for the current year and each of the previous five years. At the commissioner's discretion, the applicant also shall provide a copy of the current year's consolidated annual audited financial statement with a financial guarantee from the provider's ultimate controlling person, and copies of the provider's unaudited financial statements for the current year and each of the previous five years;

(2) Evidence that the applicant maintains books and records in compliance with generally accepted accounting principles;

(3) If a legal entity intending to have any partners, officers, members, and designated employees act as viatical settlement providers or viatical settlement brokers under the legal entity's license pursuant to Iowa Code section 508E.3, all completed forms, fees, and information required to be filed under subrule 48.3(2) for each such person named in the application and any supplements to the application;

(4) Biographical affidavits, in a form prescribed by the commissioner, for the following: officers and directors (as listed on the most recent financial statement), key managerial personnel (including any vice presidents or other individuals who will control the operations of the applicant), and individuals with a 10 percent or more beneficial ownership in the applicant who will exercise control over the applicant;

(5) An independent business character report on the individuals listed in subparagraph 48.3(1)*"a"*(4). The business character report shall be filed directly with the commissioner by the independent third party that certified the report. The business character report shall be in a format prescribed by the commissioner and shall not be older than one year prior to the date the application is filed. For purposes of this subparagraph, "business character report" means a statement certified by an independent third party that has conducted a comprehensive review of the applicant's background and has indicated that the biographical information provided in the report, as completed by the applicant, has no inaccurate or conflicting information. An independent third party is one that has no affiliation with the applicant and is in the business of providing background checks or investigations. Business character reports must be current and shall not be older than one year prior to the date the application is filed. The business character report shall be in the format prescribed by the commissioner;

(6) Initial viatical settlement contracts, disclosure statements, and advertising material that have been or are being submitted for approval and that have been approved or that are approved during the course of the application process pursuant to Iowa Code section 508E.5;

(7) A copy of the provider trust pursuant to paragraph 48.3(1)*"c"*; and

(8) A report of any civil, criminal or administrative actions taken or pending against the viatical settlement provider in any state or federal court or agency, regardless of outcome.

b. An antifraud plan is required to be submitted with an application to meet the requirements of Iowa Code section 508E.15.

c. The provider trust that is required to be submitted with an application, pursuant to subparagraph 48.3(1)*"a"*(7), shall be in a format acceptable to the commissioner and shall include the following provisions:

(1) The provider trust cannot be terminated without the prior written consent of the commissioner.

(2) The provider trust is subject to the prior approval of the commissioner.

(3) The provider trust funds shall not be intermingled.

(4) The provider trust funds held shall be identified based on individual policyholders.

(5) The provider trust trustee is obligated to indemnify the provider or the policyholder or both for any lost funds.

(6) The agreement can only be amended or terminated with the prior written consent of the commissioner.

(7) The provider trust trustee shall be a bank or trust company having its principal place of business in the United States.

(8) The provider trust trustee shall be audited annually by independent public accountants and complete the audit report, related financial statements, and opinion on internal controls. All reports shall be available for review by the commissioner.

d. In addition to the information required in this subrule, the commissioner may ask for other information necessary to determine whether the applicant for a license as a viatical settlement provider complies with the requirements of this subrule and Iowa Code section 508E.3(7).

48.3(2) *Viatical settlement broker.*

a. To be considered for licensure as a viatical settlement broker pursuant to Iowa Code section 508E.3, a person must file a completed viatical settlement broker license application in the format prescribed by the commissioner, pay an application fee in the amount of $100, and submit to a criminal history check and pay the associated fee pursuant to Iowa Code section 522B.5A. In addition to finding compliance with Iowa Code section 508E.3, the commissioner also shall find that the applicant:

(1) Has provided proof of one of the following:

1. The applicant has taken and passed an examination on viatical and life settlement contracts required by another state insurance department and currently holds a license as a viatical settlement broker from that state; or

2. The applicant has passed the viatical settlement examination required by the commissioner. Examination results are valid for 90 days after the date of the examination. If the applicant fails to apply for licensure within 90 days after passing the examination, the examination results shall be void;

(2) Has provided a report of any civil, criminal or administrative actions taken or pending against the viatical settlement broker in any state or federal court or agency, regardless of outcome, excluding misdemeanor traffic citations and juvenile offenses; and

(3) Has provided proof that the applicant is covered by an errors and omissions policy for an amount of not less than $100,000 liability per occurrence and not less than $100,000 total annual aggregate for all claims during the policy period.

b. An antifraud plan is required to be submitted with an application to meet the requirements of Iowa Code section 508E.15.

c. In addition to the information required in this subrule, the commissioner may ask for other information necessary to determine whether the applicant for a license as a viatical settlement broker complies with the requirements of this subrule and has made a filing pursuant to Iowa Code section 508E.3(7).

48.3(3) *Governing law where viators are residents of different states.* For purposes of this subrule, if there is more than one viator on a single policy and the viators are residents of different states, the viatical settlement contract shall be governed by the law of the state in which the viator having the largest percentage ownership resides or, if the viators hold equal ownership, the state of residence of one viator agreed upon in writing by all viators. If another state does not have a statute or rule substantially similar to Iowa Code chapter 508E and this rule, the actions related to the viatical settlement contract shall be governed by the law of this state.

48.3(4) *License term.*

a. A viatical settlement provider or viatical settlement broker who meets the requirements of this rule, unless otherwise denied licensure pursuant to rule 191—48.10(508E), shall be issued a license.

b. A viatical settlement provider license is valid for three years and automatically terminates on the last day of the month of the anniversary of the issue date unless renewed pursuant to subrule 48.3(6).

c. A viatical settlement broker license is valid for an initial term of three years from the last day of the applicant's anniversary month following the issuance of the license, and automatically terminates on the last day of the month of the initial term unless renewed pursuant to subrule 48.3(6).

d. A viatical settlement provider license or a viatical settlement broker license may remain in effect for the term of the license plus any renewals, unless the license is revoked or suspended, if all required fees are paid in the time prescribed by the commissioner.

e. The license issued to a viatical settlement provider or viatical settlement broker shall be a limited license that allows the licensee to operate only within the scope of its license.

48.3(5) *Continuing education for viatical settlement broker.*

a. An individual licensed as a viatical settlement broker must complete 36 credits of approved continuing education during every license term. A license term is as set forth in paragraph 48.3(4)*"c."*

b. The required continuing education credits shall include a minimum of:

(1) Thirty-three credits related to life insurance, viatical settlements and viatical settlement transactions; and

(2) Three credits in ethics.

c. The viatical settlement broker may submit the same completed credits to the commissioner both to meet the continuing education requirements for the viatical settlement broker license and to meet the continuing education requirements for an applicable insurance producer license.

d. The license of a viatical settlement broker who fails to comply with this continuing education requirement will terminate.

e. An instructor of an approved continuing education course shall be granted the same credit as a student who completes the continuing education course, and the instructor may receive such credit once during a license term.

f. A viatical settlement broker cannot carry over excess continuing education credits from one license term to the next.

g. A viatical settlement broker may receive continuing education credit for self-study courses. A self-study course is considered completed when the continuing education provider receives the completed examination from the viatical settlement broker.

(1) A viatical settlement broker may receive continuing education credit for self-study courses that are part of a recognized national designation program as described in 191—subrule 11.5(5).

(2) A viatical settlement broker may receive continuing education credits for self-study courses that do not meet the requirement of subparagraph 48.3(5)*"g"*(1) if the viatical settlement broker:

1. Submits an affidavit to the continuing education provider that the examination was independently proctored and was completed without any outside assistance, and

2. Correctly answers at least 70 percent of the questions presented.

h. A viatical settlement broker shall not receive continuing education credit for courses taken prior to the issuance of an initial license.

i. A viatical settlement broker cannot receive continuing education credit for the same course twice in one license term. A viatical settlement broker cannot receive continuing education credit both for the classroom portion and for the examination portion of a national designation program as defined in 191—subrule 11.5(5).

j. A viatical settlement broker may elect to comply with the continuing education requirements by taking and passing the viatical settlement broker licensing examination within 90 days prior to the date on which the renewal application is submitted.

k. A viatical settlement broker shall demonstrate compliance with the continuing education requirements at the time of license renewal. A viatical settlement broker shall maintain a record of all continuing education courses completed by keeping the original certificates of completion for four years after the end of the year of attendance.

l. For purposes of rule 191—48.3(508E), "credit" means continuing education credit. One credit is 50 minutes of instruction or reading material in an acceptable topic.

m. Viatical settlement broker continuing education courses will be approved in the same manner that insurance continuing education courses are approved pursuant to 191—Chapter 11. The approval of continuing education providers, the responsibilities of continuing education providers, the prohibited conduct for continuing education providers, and the fees for approval and renewal of continuing education providers and courses shall be the same as those for insurance continuing education courses, continuing education providers, and insurance producers set forth in rules 191—11.9(505,522B) to 191—11.11(505,522B) and 191—11.14(505,522B). The commissioner may enter a contractual arrangement with a qualified outside vendor to assist the commissioner with any or all continuing education services in the same manner as the commissioner may for insurance continuing education services pursuant to rule 191—11.12(505,522B). The commissioner may audit any continuing education course in the same manner as the commissioner may for insurance continuing education courses pursuant to rule 191—11.13(505,522B).

48.3(6) *License renewal.* A viatical settlement provider license or a viatical settlement broker license may be renewed as follows:

a. A viatical settlement provider license may be renewed by payment of $100 within 90 days prior to the expiration date of the license and by demonstration that the viatical settlement provider continues to meet the requirements of Iowa Code section 508E.3 and subrule 48.3(1), has provided biographical affidavits not older than one year prior to the renewal date on all persons listed in subparagraph 48.3(1)*"a"*(4), has provided business character reports for any new persons listed in subparagraph 48.3(1)*"a"*(4), and has provided the reports required by rule 191—48.7(508E).

(1) If renewal is approved, the license will be renewed effective the last day of the month of the anniversary of the issue date in the renewal year, will be valid for three years, and will automatically terminate on the last day of the month of the anniversary of the issue date in the following renewal year unless renewed pursuant to this subrule.

(2) Viatical settlement providers that had licenses prior to January 1, 2009, shall have a renewal date of January 1.

b. A viatical settlement broker license may be renewed by demonstration of completion of continuing education as required in subrule 48.3(5) and payment of $100 within 90 days prior to the expiration date of the license. If renewal is approved, the license will be renewed effective the last day of the month of the anniversary of the issue date in the renewal year, will be valid for three years, and will automatically terminate on the last day of the month of the anniversary of the issue date in the following renewal year unless renewed pursuant to this subrule.

c. If a legal entity has any partners, officers, members, or designated employees acting as viatical settlement providers or viatical settlement brokers under the legal entity's license pursuant to Iowa Code section 508E.3, the legal entity must provide all completed forms, fees, and information required to be filed under paragraphs 48.3(6)*"a"* and *"b"* for each such person named in the application, or in any supplements to the application, and must provide any deletions to the list of names that was provided with the original application. If there are any new partners, officers, members, and designated employees that the legal entity intends will act as viatical settlement providers or viatical settlement brokers under the legal entity's license, the legal entity shall provide for each such person the forms, information and fees required by subrule 48.3(2).

d. If a viatical settlement provider or viatical settlement broker fails to comply with the renewal procedures within the time prescribed, or a viatical settlement provider fails either to meet the requirements of Iowa Code section 508E.3 and subrule 48.3(1) or to submit the reports required in rule 191—48.7(508E), such nonpayment or failure shall result in lapse of the license.

e. A licensed viatical settlement broker who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance may request from the commissioner a waiver of renewal procedures. Such viatical settlement broker may also request a

waiver of any examination requirement or any other penalty or sanction imposed for failure to comply with renewal procedures.

48.3(7) *License reinstatement.*

a. A viatical settlement broker may reinstate an expired license up to 12 months after the license expiration date by proving that during the license term the viatical settlement broker met the CE requirements found in subrule 48.3(5), and by paying to the commissioner a reinstatement fee and license renewal fee. A viatical settlement broker who fails to apply for license reinstatement within 12 months of the license expiration date must apply for a new license.

b. A viatical settlement broker who has surrendered a license for a nondisciplinary reason and stated an intent to exit the viatical settlement business may file a request to reactivate the license. The request must be received by the commissioner within 90 days of the date the license was placed on inactive status. The request will be granted if the former viatical settlement broker is otherwise eligible to receive the license. If the request is not received within 90 days, the viatical settlement broker must apply for a new license.

48.3(8) *Reinstatement or reissuance of a license after suspension, revocation or forfeiture in connection with disciplinary matters; and forfeiture in lieu of compliance.*

a. The term "reinstatement" as used in this subrule means the reinstatement of a suspended license. The term "reissuance" as used in this subrule means the issuance of a new license following either the revocation of a license, the suspension and subsequent termination of a license, or the forfeiture of a license in connection with a disciplinary matter. This subrule does not apply to the reinstatement of an expired license or the issuance of a new license after the reinstatement period has passed that is not in connection with a disciplinary matter.

b. Any viatical settlement broker whose license has been revoked or suspended by order, or who forfeited a license in connection with a disciplinary matter, must apply to the commissioner for reinstatement or reissuance in accordance with the terms of the order of revocation or suspension or the order accepting the forfeiture.

(1) All proceedings for reinstatement or reissuance shall be initiated by the applicant who shall file with the commissioner an application for reinstatement or reissuance of a license. As part of the application, the applicant shall submit to a criminal history check pursuant to Iowa Code section 522B.5A.

(2) An application for reinstatement or reissuance shall allege facts that, if established, will be sufficient to enable the commissioner to determine that the basis of revocation, suspension or forfeiture of the applicant's license no longer exists and that it will be in the public interest for the application to be granted. The burden of proof to establish such facts shall be on the applicant.

(3) A viatical settlement broker may request reinstatement of a suspended license prior to the end of the suspension term; however, reinstatement will not be effected until the suspension period has ended.

(4) Unless otherwise provided by law, if the order of revocation or suspension did not establish terms upon which reinstatement or reissuance may occur, or if the license was forfeited, an initial application for reinstatement or reissuance is not permissible until at least one year has elapsed from the date of the order of the suspension (notwithstanding 191—paragraph 10.10(2)*"e"*), revocation, or acceptance of the forfeiture of a license.

c. All proceedings upon the application for reinstatement or reissuance, including matters preliminary and ancillary thereto, shall be held in accordance with Iowa Code chapter 17A. Such application shall be docketed in the original case in which the license was suspended, revoked, or forfeited, if a case exists.

d. An order of reinstatement or reissuance must be a written decision that incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner's designee deems appropriate, which may include one or more of the types of disciplinary sanctions provided by this

chapter or by Iowa Code chapter 508E. The order is a public record and may be disseminated in accordance with Iowa Code chapter 22.

e. A submission of voluntary forfeiture of a license must be made in writing in the format prescribed by the commissioner. Forfeiture of a license is effective upon the submission unless a contested case proceeding is pending at the time of the submission. If a contested case proceeding is pending, the forfeiture becomes effective when and upon such conditions as required by order of the commissioner. A forfeiture made during the pendency of a contested case proceeding is considered a disciplinary action and must be published in the same manner as is applicable to any other form of disciplinary order.

f. A license may be voluntarily forfeited in lieu of compliance with an order of the commissioner or the commissioner's designee with the written consent of the commissioner. The forfeiture becomes effective when and upon such conditions as required by order of the commissioner, which may include one or more of the types of disciplinary sanctions provided by this chapter or by Iowa Code chapter 508E.

g. When a viatical settlement broker's license has been suspended for a time period that extends beyond the viatical settlement broker's license expiration date, the license terminates at the license expiration date, and the viatical settlement broker must request reissuance pursuant to this subrule. However, reissuance will not be effected until the suspension period has ended. If suspension for a period of time ends prior to the viatical settlement broker's license expiration date, and the viatical settlement broker has met all applicable requirements, the commissioner must reinstate the license as soon as practicable but no earlier than the end of the suspension period pursuant to paragraph 48.3(8)*"b."* The commissioner may deny an application for reinstatement or reissuance or bringing an additional immediate action if the viatical settlement broker has engaged in misconduct during the period of suspension.

48.3(9) *Duty to notify commissioner of cessation of business in the state.* If a viatical settlement provider intends to cease business in Iowa, it must notify the commissioner of those intentions and of its plan of operation for such cessation at least 180 days before the cessation shall occur. This requirement is not meant to imply that a company must continue to accept new viatical or life settlement business during the 180-day period.

48.3(10) *Duty to notify commissioner of changes.*

a. A viatical settlement provider shall provide to the commissioner any new or revised information about officers, stockholders holding 10 percent or more of the stock of the company, partners, directors, members or designated employees within 30 days of the date the addition or revision occurred.

b. A viatical settlement provider or viatical settlement broker shall inform the commissioner in writing of any change of name or address within 30 days of the date of such change. In addition, a viatical settlement provider shall provide the commissioner with 30 days' notice of the cancellation or nonrenewal of a fidelity bond required for licensure under subrule 48.3(1) and the name of the carrier that will be providing coverage subsequent to such cancellation or nonrenewal.

c. A viatical settlement provider or viatical settlement broker shall report to the commissioner any administrative action taken against the viatical settlement provider or viatical settlement broker in another state or federal jurisdiction or by another governmental agency in this state within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent to the order, or other relevant legal documents. Within 30 days of the initial pretrial hearing date, a viatical settlement provider or viatical settlement broker shall report to the commissioner any criminal prosecution of the viatical settlement provider or viatical settlement broker taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

48.3(11) *Commissioner may use outside assistance.* In order to assist with the commissioner's duties, the commissioner may contract with a nongovernmental entity, including but not limited to the National Association of Insurance Commissioners (NAIC) or any affiliate or subsidiary the NAIC

oversees, to perform any ministerial functions related to licensing of viatical settlement providers or viatical settlement brokers that the commissioner deems appropriate including but not limited to the collection of fees.

48.3(12) *Fees.*

a. Fees shall be paid by credit card or ACH e-check.

b. The fee for an examination may be set by the outside testing service under contract with the division and must be approved by the division.

c. The fee for issuance or renewal of a viatical broker, legal entity or provider license is $100.

d. The fee for reinstatement or reissuance of a viatical broker, legal entity or provider license is $100. In addition, applicable issuance or renewal fees will be assessed.

e. The division may charge a reasonable fee for the compilation and production of viatical broker, legal entity or provider licensing records.

f. The fee for a criminal history check as required pursuant to Iowa Code section 522B.5A is $50.

191—48.4(508E) Disclosure statements.

48.4(1) If a viatical settlement provider enters a viatical settlement contract that allows the viator to retain an interest in the policy, the viatical settlement contract shall contain the following:

a. A provision that the viatical settlement provider will effect the transfer of the amount of the death benefit only to the extent or portion of the amount viaticated and that benefits in excess of the amount viaticated shall be paid directly to the viator's beneficiary by the insurance company;

b. A provision that the viatical settlement provider will, upon acknowledgment of the perfection of the transfer, either:

(1) Advise the insured, in writing, that the insurance company has confirmed the viator's interest in the policy; or

(2) Send to the insured a copy of the document(s) sent from the insurance company to the viatical settlement provider that acknowledges the viator's interest in the policy; and

c. A provision that apportions the premiums to be paid by the viatical settlement provider and the viator. It is permissible for the viatical settlement contract to specify that all premiums shall be paid by the viatical settlement provider. The viatical settlement contract also may require that the viator reimburse the viatical settlement provider only for the premiums attributable to the retained interest.

48.4(2) With each application for a viatical settlement contract, a viatical settlement provider or viatical settlement broker shall provide the viator with at least the following disclosure no later than the time the application for the viatical settlement contract is signed by the viator and the viatical settlement broker. The disclosure shall be provided in a separate document that is signed by the viator and the viatical settlement provider or viatical settlement broker, and shall advise the viator that, when entering into a viatical settlement contract, having a recent physical examination is in the viator's best interest, since an accurate life expectancy can be best calculated based on current medical records.

48.4(3) If the viator is not the insured, then these disclosures must be affirmatively made to the insured, as well as to the viator, and written consent to the viatication must be received from both parties.

191—48.5(508E) Contract requirements. To ensure that viators receive a reasonable return for viaticating an insurance policy when life expectancy is less than 25 months, a viatical settlement provider shall pay to a viator a discounted amount of the face value of the policy which amount shall be calculated at least at the following rates:

Insured's Life Expectancy	Minimum Percentage of Face Value Less Outstanding Loans Received by Viator
Less than 6 months	80%

Insured's Life Expectancy	Minimum Percentage of Face Value Less Outstanding Loans Received by Viator
At least 6 but less than 12 months	70%
At least 12 but less than 18 months	65%
At least 18 but less than 25 months	60%
25 months or more	Cash surrender value of policy

The percentage may be reduced by 5% for viaticating a policy written by an insurer rated less than the highest four categories by A.M. Best, or a comparable rating by another rating agency.

For a viatical settlement in which the viator has a life expectancy of 25 months or more, a viatical settlement provider or broker shall not enter a viatical settlement contract that provides a payment to the viator that is unreasonable or unjust. As listed above, such payment must at least be equal to the cash surrender value of the policy. In determining whether a payment is unreasonable or unjust, the commissioner may consider, among other factors, the life expectancy of the insured; the applicable rating of the insurance company that issued the subject policy by a rating service generally recognized by the insurance industry, regulators and consumer groups; and prevailing discount rates in the viatical and life settlement market in Iowa or, if insufficient data is available for Iowa, the prevailing rates nationally or in other states that maintain this data.

191—48.6(508E) Filing of forms. If a viatical settlement provider subsequently desires to change the viatical settlement contract documents or disclosure statements approved at the time of licensure, or to use new ones, the provider shall submit the new or modified contract documents or disclosure statements to the commissioner for approval. The viatical settlement provider shall identify its name and address in the cover letter and reference the form number of the modified viatical settlement contract document or disclosure statement. Black-lining the modifications made within the document(s) should expedite the form review and approval process.

191—48.7(508E) Reporting requirements. Pursuant to Iowa Code section 508E.6, on or before March 1 of each year, the secretary and either the president or the vice president of each viatical settlement provider licensed in this state shall submit, under oath, an annual statement report for the immediately preceding calendar year.

48.7(1) *Transaction information.* The annual statement report shall contain the following transaction information for all viatical settlement transactions in which the viator is a resident of this state:

a. The following information pursuant to Iowa Code section 508E.6:
(1) Total number of transactions;
(2) Aggregate face amount of all policies; and
(3) Total proceeds of policies settled;
b. For viatical settlements contracted during the reporting period:
(1) Date of viatical settlement contract;
(2) Viator's state of residence at the time of the contract;
(3) Mean life expectancy, in months, of the insured at time of contract;
(4) Face amount of policy viaticated;
(5) Net death benefit viaticated;
(6) Estimated total premiums to keep policy in force for mean life expectancy;
(7) Net amount paid to viator;
(8) Source of policy (B-Broker; D-Direct Purchase; SM-Secondary Market);
(9) Type of coverage (I-Individual; G-Group);
(10) Within the contestable or suicide period, or both, at the time of viatical settlement (yes or no);

(11) If the insured is diagnosed as terminally or chronically ill, the general disease classification applicable to such insured; and

(12) Type of funding (I-Institutional; P-Private);

c. For viatical settlements in which death of the insured has occurred during the reporting period:

(1) Date of viatical settlement contract;

(2) Viator's state of residence at the time of the contract;

(3) Mean life expectancy, in months, of the insured at time of contract;

(4) Net death benefit collected;

(5) Total premiums paid to maintain the policy (WP-Waiver of Premium; NA-Not Applicable);

(6) Net amount paid to viator;

(7) If the insured was diagnosed as terminally or chronically ill, the general disease classification applicable to such insured;

(8) Date of death of insured;

(9) Amount of time, in months, between date of contract and date of death of insured;

(10) Difference between the number of months that passed between the date of contract and the date of death of insured and the mean life expectancy in months as determined by the reporting company;

d. Name and address of each viatical settlement broker through whom the reporting company purchased a policy from a viator who resided in this state at the time of contract;

e. Name of the insurance companies whose policies have been settled;

f. Number of policies reviewed and rejected; and

g. Number of policies purchased from persons other than a viator (on the secondary market) as a percentage of total policies purchased.

48.7(2) *Additional required information.* The annual statement report shall also contain the following documentation and statements:

a. That the viatical settlement provider has at all times maintained books and records in compliance with generally accepted accounting principles;

b. That the viatical settlement provider has obtained and furnished to the commissioner either:

(1) A copy of the current year's audited financial statement; or

(2) At the commissioner's discretion, a copy of the current year's consolidated annual audited financial statement with a financial guarantee from the provider's ultimate controlling person; and

c. That the viatical settlement provider has maintained fidelity bonds on each officer and director in the amount of $100,000.

d. Transaction information as identified in subrule 48.7(1) for all states.

48.7(3) *Form.* The annual statement report shall be submitted in a format prescribed by the commissioner.

48.7(4) *Late fee.* A viatical settlement provider that fails to timely file the annual statement report pursuant to this rule shall pay a late fee of $100.

191—48.8(508E) Examination or investigations.

48.8(1) *Authority, scope and scheduling of examinations.* In addition to the authority, scope and scheduling of examinations set forth in Iowa Code section 508E.7, the following provisions shall apply:

a. The commissioner may investigate suspected fraudulent viatical settlement acts and persons engaged in the business of viatical settlements.

b. The provisions of Iowa Code chapter 507 shall apply to viatical settlement providers and viatical settlement brokers. The expense of examinations shall be assessed against the viatical settlement provider in the same manner as insurers are assessed for examinations.

c. Neither the commissioner nor any person that received the documents, material or other information while acting under the authority of the commissioner, including the NAIC and its

affiliates and subsidiaries, shall be permitted to testify in any private civil action concerning any confidential documents, materials or information subject to this subrule.

48.8(2) *Immunity from liability.* No cause of action shall arise nor shall any liability be imposed against the commissioner, the commissioner's authorized representatives or any examiner appointed by the commissioner for any statements made or conduct performed in good faith while carrying out the provisions of this rule or of Iowa Code chapter 508E.

191—48.9(508E) Requirements and prohibitions.

48.9(1) With respect to policies containing a provision for double or additional indemnity for accidental death, the additional payment shall remain payable to the beneficiary last named by the viator prior to entering into the viatical settlement contract, or to such other beneficiary, other than the viatical settlement provider, as the viator may thereafter designate, or in the absence of a beneficiary, to the estate of the viator.

48.9(2) Payment of the proceeds to the viator pursuant to a viatical settlement contract shall be made in a lump sum except where the viatical settlement provider has purchased a single-premium paid-up annuity issued by a licensed insurance company to the viator. Retention of a portion of the proceeds by the viatical settlement provider or escrow agent is not permissible. For purposes of this subrule, "escrow agent" means an individual or institution that has established an escrow or trust account with a state-chartered or federally chartered financial institution whose deposits and accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and with which an escrow account has been established for use by a viatical settlement provider or viatical settlement purchaser.

48.9(3) If a viatical settlement provider or viatical settlement broker is served with a subpoena and thereby compelled to produce records containing patient-identifying information, the viatical settlement provider or viatical settlement broker shall notify the viator and the insured in writing at the viator's and the insured's last-known addresses within five business days after receiving notice of the subpoena.

48.9(4) A viatical settlement provider shall not act also as a viatical settlement broker, whether entitled to collect a fee directly or indirectly, related to the same viatical settlement contract.

48.9(5) A viatical settlement broker shall not, without the written agreement of the viator obtained prior to performing any services in connection with a viatical settlement, seek or obtain any compensation from the viator.

48.9(6) A viatical settlement provider shall not use a longer life expectancy than is reasonable based on all medical and actuarial information available at the time of a viatical settlement transaction to reduce the payout to which the viator is entitled.

48.9(7) A viatical settlement provider or viatical settlement broker shall not discriminate in the making or solicitation of viatical settlement contracts on the basis of race, age, sex, national origin, creed, religion, occupation, marital or family status or sexual orientation, or discriminate between viators with or without dependents.

48.9(8) A viatical settlement provider or viatical settlement broker shall not pay or offer to pay any finder's fee, commission or other compensation to any insured's physician, or to an attorney, accountant or other person providing medical, legal or financial planning services to an insured or viator, or to any other person acting as an agent of an insured or viator with respect to a viatical settlement contract.

48.9(9) A viatical settlement provider shall not knowingly solicit individuals who have treated or have been asked to treat the illness of an insured whose coverage would be the subject of a viatical settlement contract.

48.9(10) A life insurance company shall not charge a fee for responding to a request for information from a viatical settlement provider or viatical settlement broker in compliance with this rule in excess of any usual and customary charges to contract holders, certificate holders or insureds for similar services.

48.9(11) In recommending a viatical settlement contract, viatical settlement brokers and viatical settlement providers shall make suitable recommendations.

191—48.10(508E) Penalties; injunctions; civil remedies; cease and desist.

48.10(1) Unfair trade practices. Pursuant to Iowa Code section 508E.17, a violation of rule 191—48.4(508E), 191—48.5(508E), 191—48.6(508E), 191—48.7(508E) or 191—48.9(508E) shall be considered an unfair trade practice under Iowa Code chapter 507B, and a violator shall be subject to the penalties contained in that chapter.

48.10(2) Unauthorized insurer. A person doing the activities of a viatical settlement provider or a viatical settlement broker without a license under this chapter shall be deemed an unauthorized insurer and shall be subject to the penalties of Iowa Code chapter 507A.

48.10(3) License revocation and denial. The commissioner may suspend, revoke, refuse to issue, or refuse to renew the license of a viatical settlement provider or viatical settlement broker for violation of rule 191—48.3(508E).

48.10(4) A viatical settlement provider licensed in this state that in the time required fails to file either the annual statement referred to in Iowa Code section 508E.6 or the annual audited financial statement referred to in subparagraph 48.3(1)*"a"*(1) shall pay an administrative penalty pursuant to Iowa Code section 508E.16. The viatical settlement provider's right to transact further new business in this state shall immediately cease until the provider has fully complied with this rule.

48.10(5) Pursuant to Iowa Code section 508E.16, if the commissioner finds that an activity in violation of this rule presents an immediate danger to the public that requires an immediate final order, the commissioner may issue an emergency cease and desist order reciting with particularity the facts underlying the findings. The emergency cease and desist order is effective immediately upon service of a copy of the order on the respondent and remains in effect for 90 days. If the commissioner begins nonemergency cease and desist proceedings, the emergency cease and desist order remains effective, absent an order by a court of competent jurisdiction pursuant to 191—Chapters 2 and 3.

191—48.11(252J,272D) Suspension for failure to pay child support or state debt. The division must follow the procedures in rule 191—10.21(252J,272D) relating to producer suspension for failure to pay child support or state debt for viatical settlement brokers, replacing "producer" with "viatical settlement broker."

191—48.12(508E) Severability. If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by a court, the remainder of these rules or the rules' applicability to other persons or circumstances shall not be affected.

These rules are intended to implement Iowa Code chapters 508E, 252J, and 272D.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 85
"Regulation of Navigators"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 522D.10
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 505 and 522D

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 85 sets out the requirements, procedures and fees relating to the qualifications, licensure, training, continuing education and regulation of navigators.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Insurers, navigators, and other licensees will bear the costs.

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

Consumers and purchasers of health insurance products 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking aligns the rules with current industry and Affordable Care Act standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 85 and adopt the following **new** chapter in lieu thereof:

CHAPTER 85
REGULATION OF NAVIGATORS

191—85.1(505,522D) Purpose and authority.

85.1(1) The purpose of these rules is to set out the requirements, procedures and fees relating to the qualification, licensure, training, continuing education and regulation of navigators.

85.1(2) These rules are established based upon the authority provided in Iowa Code sections 505.8(19) and 522D.10.

191—85.2(505,522D) Definitions. As used in this chapter:

"ACA" means, collectively, the Patient Protection and Affordable Care Act (PL 111-148) and Health Care and Education Reconciliation Act (PL 111-152).

"Applicant" means an individual or entity applying or intending to apply for a navigator license.

"Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity.

"Credit" means continuing education credit. One credit is 50 minutes of instruction or reading material in an acceptable topic.

"Division" means the Iowa insurance division.

"Health insurance" means insurance that is primarily for the diagnosis, cure, mitigation, treatment, or prevention of disease or amounts paid for the purpose of affecting any structure of the body, including transportation that is essential to obtaining medical care but excluding:

1. Coverage only for accident or disability income insurance, or any combination thereof;
2. Coverage issued as a supplement to liability insurance;
3. Liability insurance, including general liability insurance and automobile liability insurance;
4. Workers' compensation or similar insurance;
5. Automobile medical payment insurance;
6. Credit-only insurance;
7. Coverage for on-site medical clinics;
8. Coverage only for limited-scope vision benefits;
9. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination thereof;
10. Coverage for specified disease or critical illness;
11. Hospital indemnity or other fixed indemnity insurance;
12. Medicare supplement policies;
13. Medicare, Medicaid, or the Federal Employee Health Benefit Program, 5 U.S.C. §8901 through 8914, as it existed on January 1, 2013;
14. Coverage only for medical and surgical outpatient benefits;
15. Excess or stop-loss insurance; and
16. Other similar insurance coverage under which benefits for health insurance are secondary or incidental to other insurance benefits.

"Individual" means a private or natural person, as distinguished from a partnership, corporation or association.

"License" means the authorization by the commissioner for a person to act as a navigator in the state of Iowa.

"Marketplace" means any health benefit exchange authorized under the ACA and established or operating in this state, including any exchange established or operated by the U.S. Department of Health and Human Services.

"Navigator" means the individual or business entity that is granted the title, duties, and responsibilities of a navigator under 45 CFR §155.210 by the granting or appointing authority. A navigator would engage in the activities and meet the standards described in 45 CFR §155.210.

"Navigator renewal notice" means a written or electronic communication issued by the division to inform a navigator about license renewal.

"Negotiate" means the act of advising a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract provided that the person engaged in that act either sells insurance or obtains insurance for purchasers. The definition of "negotiate" shall not include:

1. Impartially informing a purchaser or prospective purchaser about substantive benefits, terms or conditions of a contract while facilitating the enrollment in a qualified health plan by providing fair, impartial, and accurate information that assists a purchaser or prospective purchaser with submitting an eligibility application;
2. Clarifying the distinctions among qualified health plans; and
3. Helping qualified individuals make informed decisions during a health plan selection process.

"Person" means an individual or entity.

"Producer" means a person required to be licensed in this state to sell, solicit or negotiate insurance.

"Qualified health plan" means a health benefit plan that has in effect a certification that the plan meets the criteria for certification described in Section 1311(c) of the ACA.

"Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

"Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

"U.S. Department of Health and Human Services" means the United States Department of Health and Human Services and any of its subsidiaries.

191—85.3(505,522D) Requirement to hold a license. No person may act as a navigator in Iowa until that person has been issued an Iowa navigator license.

85.3(1) To be licensed as a navigator, a person must satisfy the requirements as set forth in Iowa Code section 522D.5 and the following requirements:

a. Pay the nonrefundable navigator license fee of $20; and

b. Pass a background check or security screening.

85.3(2) The division may require any documents reasonably necessary to verify the information or attestations contained in the application or to verify that the applicant has the character and competency required to receive a navigator license. If an applicant does not provide the additional information requested by the division within 45 days of receipt of the request, the application will expire and the license fee will not be returned.

85.3(3) Except for producers licensed in Iowa, a person acting as a navigator without an Iowa navigator license or a person performing the enrollment duties of a navigator without an appointment, certification, or a grant to perform such duties by the U.S. Department of Health and Human Services shall be in violation of this chapter.

a. Upon the determination by the commissioner that a person is in violation of this chapter, the commissioner may issue a summary order directing the person to cease and desist from engaging in the act or practice in violation of this chapter. A person that has been issued a summary order under this rule may contest the order by filing a request for a contested case proceeding and hearing as provided in Iowa Code chapter 17A.

b. The person shall have at least 30 days from the date that the order is issued in order to file the request. The order shall remain effective from the date of issue unless overturned by a presiding officer of the court following a request for a hearing. If a hearing is not timely requested, the summary order becomes final by operation of law.

c. A person violating a summary order issued under this rule shall be deemed in contempt of that order. The commissioner may petition the district court to enforce the order as certified by the commissioner. The district court shall adjudge the person in contempt of the order if the court finds after hearing that the person is not in compliance with the order. The court may assess a civil penalty against the person and may issue further orders as it deems appropriate.

191—85.4(505,522D) Issuance of license.

85.4(1) A person that meets the requirements of this chapter and of Iowa Code sections 522D.4 and 522D.5, unless otherwise denied licensure pursuant to Iowa Code section 522D.7, shall be issued a navigator license. A navigator license is valid for three years. A navigator license remains in effect unless revoked or suspended as long as all required fees are paid and continuing education requirements are met. A renewal term is three years. If not renewed, a navigator license automatically terminates on the last day of the month of the initial or renewal term.

85.4(2) An individual navigator whose license has expired may seek reinstatement as set forth in rule 191—85.6(505,522D).

85.4(3) If the division issues or renews a navigator license and subsequently determines that payment for the license or renewal was returned without payment to the division by a bank, or that the credit card company does not approve or cancels or refuses amounts charged to the credit card, the license shall be immediately suspended until the payments are made and any fees or penalties charged by the division are paid, at which time the license may be reinstated. The individual may request a hearing within 30 days of receipt of notice by the division that the license was suspended.

191—85.5(505,522D) License renewal. A navigator must apply for license renewal within 60 days prior to the expiration date of the license. Failure to apply to renew a license and pay appropriate fees prior to the expiration date of the license will result in expiration of the license.

191—85.6(505,522D) License reinstatement.

85.6(1) A navigator may reinstate an expired license up to 12 months after the license expiration date by proving that during the continuing education term the navigator met the continuing education requirements of this chapter and by paying a reinstatement fee and license renewal fees. A navigator that fails to apply for license reinstatement within 12 months of the license expiration date must apply for a new license.

85.6(2) A navigator that has surrendered a license for a nondisciplinary reason and stated an intent to exit the insurance business may file a request to reactivate the license. The request must be received at the division within 90 days of the date the license was placed on inactive status. The request will be granted if the former navigator is otherwise eligible to receive the license. If the request is not received within 90 days, the navigator must apply for a new license.

191—85.7(505,522D) Reinstatement or reissuance of a license after suspension, revocation or forfeiture in connection with disciplinary matters; and forfeiture in lieu of compliance.

85.7(1) The term "reinstatement" as used in this rule means the reinstatement of a suspended license. The term "reissuance" as used in this rule means the issuance of a new license following either the revocation of a license or the forfeiture of a license in connection with a disciplinary matter. This rule does not apply to the reinstatement of an expired license.

85.7(2) Any navigator whose license has been revoked or suspended by order, or that forfeited a license in connection with a disciplinary matter, may apply to the commissioner for reinstatement or reissuance in accordance with the terms of the order of revocation or suspension or the order accepting the forfeiture.

a. All proceedings for reinstatement or reissuance shall be initiated by the applicant. The applicant shall file with the commissioner an application for reinstatement or reissuance of a license.

b. An application for reinstatement or reissuance shall allege facts that, if established, will be sufficient to enable the commissioner to determine that the basis of revocation, suspension or forfeiture of the applicant's license no longer exists and that it will be in the public interest for the application to be granted. The burden of proof to establish such facts shall be on the applicant.

c. A navigator may request reinstatement of a suspended license prior to the end of the suspension term.

d. Unless otherwise provided by law, if the order of revocation or suspension did not establish terms upon which reinstatement or reissuance may occur, or if the license was forfeited, an initial application for reinstatement or reissuance is not permissible until at least one year has elapsed from the date of the order of the suspension, revocation, or acceptance of the forfeiture of a license.

85.7(3) All proceedings upon the application for reinstatement or reissuance, including matters preliminary and ancillary thereto, shall be held in accordance with Iowa Code chapter 17A. Such application shall be recorded in the original case in which the original license was suspended, revoked, or forfeited, if a case exists.

85.7(4) An order of reinstatement or reissuance shall be based upon a written decision that incorporates findings of fact and conclusions of law. An order granting an application for reinstatement or reissuance may impose such terms and conditions as the commissioner or the commissioner's designee deems desirable. The order shall be a public record, available to the public, and may be disseminated in accordance with Iowa Code chapter 22.

85.7(5) A request for voluntary forfeiture of a license shall be made in writing to the commissioner. Forfeiture of a license is effective upon submission of the request unless a contested case proceeding is pending at the time the request is submitted. If a contested case proceeding is pending at the time of the request, the forfeiture becomes effective when and upon such conditions as

required by order of the commissioner. A forfeiture made during the pendency of a contested case proceeding is considered disciplinary action and shall be published in the same manner as is applicable to any other form of disciplinary order.

85.7(6) When a navigator's license has been suspended for a period of time that extends beyond the navigator's license expiration date, the license will terminate. The navigator may request reinstatement pursuant to this rule. If suspension for a period of time ends prior to the navigator's license expiration date, the division shall reinstate the license at the end of the suspension period. The commissioner is not prohibited from bringing an additional immediate action if the navigator has engaged in misconduct during the period of suspension.

191—85.8(505,522D) Change in name, address or state of residence.

85.8(1) If a navigator changes the navigator's legal name, the navigator must file written notification with the division within 30 days of the name change. The notification must include the navigator's previous name and new name.

85.8(2) If a navigator changes the navigator's address, the navigator must file written notification with the division within 30 days of the address change. The notification must include the navigator's name, previous address, and new address. A navigator may designate a business address instead of a residential address at the option of the navigator.

85.8(3) If a navigator has provided an email address to the division, the division has the option to send information to the navigator through the email address rather than through the mail.

191—85.9(505,522D) Licensing of a business entity.

85.9(1) A business entity that has been appointed as a navigator shall obtain a navigator license.

85.9(2) Navigator entities shall be exempt from the requirements of training, examination, and continuing education. All individual navigators that are hired, retained, recruited, employed, or affiliated with or that work for or in conjunction with, or as a part of a consortium with, a navigator entity shall be subject to all training, examination, and continuing education requirements under this chapter.

85.9(3) Navigator entities shall be liable for the acts of individual navigators that are hired, retained, recruited, employed, or affiliated with or that work for or in conjunction with, or as a part of a consortium with, a navigator entity when the individual navigator is performing the duties of or acting as a navigator.

85.9(4) A navigator entity shall notify the division in writing, within 30 days, when a relationship is terminated with an individual navigator who was formally retained, employed, or affiliated with, or worked for or in conjunction, or as a part of a consortium, with that navigator entity. The notification submitted by the navigator entity shall indicate whether the termination was for cause and whether the reason was one of the reasons set forth in Iowa Code section 522D.7. The navigator entity shall comply with Iowa Code section 522D.8 and, upon request, furnish to the commissioner or authorized representative additional information, documents, records or other data pertaining to the termination or activity of the individual navigator.

191—85.10(505,522D) Initial training of navigators.

85.10(1) Individual navigators shall complete a minimum of 32 credits of initial training in courses approved by the commissioner. Initial training must include a minimum of two credits of Iowa-specific training on Medicaid and healthy and well kids in Iowa program training, as well as a minimum of one credit in the subject of ethics. Navigators shall be responsible for obtaining their own training. An individual navigator may apply for waiver of this requirement should training not be accessible at the level required.

85.10(2) Courses provided by the federal government or approved by the federal government on ACA-related topics will be considered approved by the commissioner.

85.10(3) Individual navigators shall complete all training and certification requirements provided by the U.S. Department of Health and Human Services.

191—85.11(505,522D) Continuing education requirements for navigators.

85.11(1) Prior to each renewal term, individual navigators must complete a minimum of 36 continuing education credits for each continuing education term in courses approved by the commissioner on subjects relevant to navigators, including health insurance, tax credits, tax penalties, Medicaid, the healthy and well kids in Iowa program, health care-related public assistance programs, or other ACA-related topics.

85.11(2) Courses provided by the federal government or approved by the federal government on ACA-related topics will be considered approved by the commissioner.

85.11(3) A navigator shall not carry over continuing education requirements from one term to the next term.

85.11(4) A navigator shall not receive continuing education credit for the same course taken twice in the term of license.

191—85.12(505,522D) Administration of examinations.

85.12(1) The commissioner will enter into a contractual relationship with an outside testing service to provide the licensing examinations for individual navigators.

85.12(2) The outside testing service will administer all examinations for applicants.

85.12(3) The testing service will inform the applicants of procedures and requirements for taking the licensing examination.

85.12(4) The fee for examination shall be determined by the testing service.

85.12(5) A listing of subjects that could potentially be included on the navigator's examination may be provided on the division's website.

85.12(6) Examination results are valid for 90 days after the date of the test. Failure to apply for licensure within 90 days after the examination is passed shall void the examination results.

191—85.13(505,522D) Fees.

85.13(1) Fees may be paid by credit card or ACH e-check.

85.13(2) The fee for issuance or renewal of a navigator license is $20 for three years.

85.13(3) The fee for reinstatement of a navigator license is a total of the renewal fee plus $100.

85.13(4) The division may charge a reasonable fee for the compilation and production of navigator licensing records.

191—85.14(505,522D) Evidence of financial responsibility.

85.14(1) Prior to the issuance by the division of a license as a navigator and for the duration of the license, including any renewal thereof, a navigator shall secure and maintain evidence of financial responsibility in the form of a surety bond or other alternative financial responsibility instrument that protects individuals and entities against wrongful acts, misrepresentations, errors, omissions, or negligence of the navigator, or other violation of insurance law.

85.14(2) The minimum coverage for financial responsibility shall be $50,000.

85.14(3) A navigator shall immediately inform the commissioner in writing of any pending termination of a written financial responsibility instrument. The navigator shall secure a new financial responsibility instrument and provide evidence of new financial responsibility to the commissioner prior to the date of termination for the existing financial responsibility instrument. If evidence of a new financial responsibility instrument is not provided to the commissioner prior to termination, the navigator's license shall be forfeited.

85.14(4) An individual navigator may meet the financial responsibility requirement if the individual navigator is covered by the financial responsibility instrument issued to a navigator entity with which the individual navigator is affiliated.

85.14(5) A navigator's financial responsibility instrument shall specifically authorize recovery by the commissioner on behalf of any person in Iowa that sustained damages as the result of wrongful acts, misrepresentations, errors, omissions, or negligence of the navigator, or other violation of insurance law in the individual's or entity's capacity as a navigator.

191—85.15(505,522D) Practices.

85.15(1) Navigators shall comply with all federal and state statutes, regulations, and rules affecting insurance and navigators.

85.15(2) Navigators shall comply with any inquiries or requests submitted by the commissioner. Navigators shall respond to requests by the commissioner within the time designated in the request. A navigator that fails to provide the information in the time requested or fails to obtain an approved extension shall be subject to penalties as set forth in Iowa Code section 522D.8.

85.15(3) Navigators shall be subject to examination upon the discretion of the commissioner and at the cost of the navigator.

85.15(4) Navigators shall maintain detailed records of all assistance provided. Consumer assistance records shall be available to the commissioner upon request.

85.15(5) Navigators shall provide duplicate copies of all data and information submitted to the U.S. Department of Health and Human Services to the commissioner upon request.

85.15(6) Unless licensed as a producer, a navigator shall not:

a. Sell, select, solicit, refer, or negotiate insurance coverage for individuals or entities;

b. Advise an individual or entity to cancel, to nonrenew, or to select different insurance coverage;

c. Recommend or endorse a particular health plan; and

d. Receive compensation from an insurance company for enrollment or have a conflict of interest while serving as a navigator. A navigator that receives compensation from an insurance company for enrollment or enters into a conflicted relationship must forfeit the navigator's license. A navigator that fails to notify the commissioner of a conflicted relationship or receives compensation from an insurer for enrollment while licensed as a navigator shall be subject to penalties as set forth in Iowa Code section 522D.8.

191—85.16(505,522D) Severability. If any provision of this chapter or its application to any person or circumstance is held invalid by a court of competent jurisdiction or by federal law, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to this end the provisions of this chapter that are severable and the valid provisions or applications shall remain in full force and effect.

These rules are intended to implement Iowa Code section 505.8(19) and chapter 522D.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 100
"Sales of Cemetery Merchandise, Funeral Merchandise and Funeral Services"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 523A.809
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 523A

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 100 regulates the sale of cemetery merchandise, funeral merchandise, funeral services and any combination of these items.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Preneed sellers, sales agents, and other licensees will bear the costs.

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

Consumers and purchasers of cemetery merchandise, funeral merchandise, and funeral services 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed rulemaking aligns the rules with current industry practices and standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 100 and adopt the following **new** chapter in lieu thereof:

REGULATED INDUSTRIES

CHAPTER 100
SALES OF CEMETERY MERCHANDISE, FUNERAL MERCHANDISE AND FUNERAL SERVICES

191—100.1(523A) Purpose. This chapter is promulgated to implement and administer Iowa Code chapter 523A, which regulates the sale of cemetery merchandise, funeral merchandise, funeral services and any combination of those items.

191—100.2(523A) Definitions. The definitions in Iowa Code chapter 523A are incorporated by this reference. In addition, the following definitions shall apply to this chapter:

"Active license" means a license that is in effect and in good standing.

"Continuing education" means planned, organized learning acts designed to maintain, improve, or expand a licensed person's knowledge and to maintain and improve the safety and welfare of the public.

"Credit" means at least 50 minutes spent by a licensed person in actual attendance at and in completion of an approved continuing education activity.

"Independent study" means a subject, program or activity that a person pursues autonomously that meets the requirements of this rule and that includes a test at the conclusion of the independent study. Independent study includes but is not limited to programs conducted using television, the Internet, video, sound-recorded programs, correspondence work, and other similar media.

"Insurance" means life insurance policies and annuity contracts, except where the context indicates otherwise.

"License" means an authorization to act issued by the commissioner, authorizing a person to act as preneed seller or a sales agent.

"Licensed person" means any person who holds a preneed seller or sales agent license pursuant to Iowa Code chapter 523A, including any person who holds an active or restricted license.

"Merchandise or services" means cemetery merchandise, funeral merchandise, funeral services, or a combination thereof, as defined in Iowa Code section 523A.102, unless the context clearly indicates otherwise.

"Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; cooperative; joint venture; government; governmental subdivision, agency, or instrumentality; public corporation; or any other legal or commercial entity.

"Restricted license" means an active license that has been placed on restricted status by the commissioner.

"Sales log" means a record of each sale of a purchase agreement.

191—100.3(523A) Contact and correspondence.

100.3(1) *Contact information.* All mailed complaints, inquiries and correspondence shall be sent to Securities and Regulated Industries Bureau, Iowa Insurance Division, 1963 Bell Avenue, Suite 100, Des Moines, Iowa 50315. Telephone inquiries may be made at 877.955.1212. Electronic submissions and correspondence may be made through the division's website, www.iid.iowa.gov.

100.3(2) *Complaints, inquiries and correspondence.* The commissioner may receive and process any complaint made regarding merchandise or services, or regarding a sales agent or a preneed seller, that alleges certain acts or practices that may constitute one or more violations of the provisions of this chapter. The commissioner may refer complaints to the appropriate agency or jurisdiction. Any member of the public or the industry, or any federal, state, or local official, may make and file a complaint with the commissioner. Complaints shall be made on forms prescribed by the commissioner.

100.3(3) *Forms and instructions.* Copies of all required forms and instructions are available on the division's website.

191—100.4 to **100.9** Reserved.

191—100.10(523A) License status. Preneed seller licenses and sales agent licenses have the following statuses:

100.10(1) *Active license.* A person has had a license issued by the commissioner, it is current in renewals, and it is otherwise in good standing.

100.10(2) *Restricted license.* A person has had an active license issued by the commissioner, the license is current in renewals, but the active license has been placed on restricted status by the commissioner.

a. The commissioner may place a license in restricted status for various reasons, including but not limited to the following:

(1) Disciplinary action.
(2) Failure to pay state debt or child support.
(3) Nondisciplinary reason if requested by the person.
(4) Cessation of business.

b. A person whose license is restricted shall not enter into purchase agreements or sell merchandise or services but may perform administrative duties related to sales made before the license was placed on restricted status.

c. A person whose license is restricted and who wishes to maintain a restricted status license shall meet the requirements for license renewal in rule 191—100.15(523A) by the required date. If the restricted license is not renewed, the license shall expire at the end of its term.

191—100.11(523A) Application for license. To obtain a preneed seller license as required by Iowa Code section 523A.501 or a sales agent license as required by Iowa Code section 523A.502, a person must submit an application to the commissioner pursuant to this rule. A person shall not accept any payment or funding, including the assignment of ownership of or proceeds from insurance, related to the purchase of merchandise or services in Iowa, if the sale of the merchandise or services is subject to Iowa Code chapter 523A, unless the person holds an active license. Application forms and instructions may be obtained from the division's website.

100.11(1) *Preneed seller application.* A person that desires to be licensed as a preneed seller must submit all of the following:

a. A completed application form.

b. A signed waiver and the required fee allowing the commissioner to request and obtain, pursuant to Iowa Code section 523A.501, criminal history data information for each owner and director of the applicant, including but not limited to for each sole proprietor, partner, director, officer, managing partner, member, shareholder with 10 percent or more of the stock, or other person with a financial interest in the preneed seller, who has the ability to control or direct control of trust funds under Iowa Code chapter 523A, as determined by the commissioner.

c. A financial history, if requested by the commissioner, for each owner and director of the applicant, including but not limited to for each sole proprietor, partner, director, officer, managing partner, member, or shareholder with 10 percent or more of the stock.

d. Evidence of a fidelity bond or insurance or a statement that demonstrates compliance with Iowa Code section 523A.201.

e. Payment of the appropriate license fee.

100.11(2) *Sales agent application.* An individual who desires to be licensed as a sales agent must satisfy the following requirements:

a. Be at least 18 years of age.

b. Submit a completed application form.

c. Submit a signed waiver and the required fee allowing the commissioner to request and obtain criminal history data information, pursuant to Iowa Code section 523A.501.

d. Pay the appropriate license fee.

191—100.12(523A) Processing of application for a license.

100.12(1) *Information to be reviewed for evaluation of application for a license.* In order to determine whether to approve or deny an application for a license, the commissioner shall review all information that is submitted with the application, obtained through criminal history investigation pursuant to Iowa Code sections 523A.501(3) and 523A.502(4), and submitted pursuant to a commissioner's request.

The commissioner may require any documents reasonably necessary to verify the information contained in the application or to verify that the individual making application has the character and competency required to receive a license. The commissioner also may request fingerprints and reimbursement of costs for investigating a criminal history, pursuant to Iowa Code sections 523A.501(3) and 523A.502(4).

100.12(2) *Incomplete application.* If the application form is not completed according to the instructions, or if all of the information in the instructions or requested by the commissioner is not provided, the commissioner shall reject the application and send a notice to the applicant identifying

the problems with the license application and listing any corrective action necessary before the resubmission of an application.

191—100.13(523A) Approval and denial of license applications; issuance of license.

100.13(1) *Approval of license application.* If the commissioner approves a license application, the commissioner shall issue a license, the term of which shall begin the day the license is issued and end April 30.

100.13(2) *License denial.* The commissioner may deny a license application based on information received during the application process, on any ground listed in Iowa Code section 523A.503 or rules 191—100.16(523A) and 191—100.40(523A).

a. Notice of denial. When the commissioner denies an application for a preneed seller or sales agent license, the commissioner shall send a denial letter to the applicant by certified mail, return receipt requested, or in the manner of service of an original notice. The denial letter shall serve as notice of the denial and shall explain why the commissioner denied the application.

b. Appeal. An applicant that desires to contest the denial of an application may request a contested case proceeding pursuant to 191—Chapter 3 within 30 calendar days of the date the notice of denial is mailed. A failure to timely request a hearing constitutes failure to exhaust administrative remedies. License denial hearings under this chapter shall be conducted pursuant to 191—Chapter 3. License denial hearings and all documents related thereto are contested cases open to the public pursuant to Iowa Code chapters 17A and 22. While each party shall have the burden of establishing the matters asserted, the applicant shall have the ultimate burden of persuasion as to the applicant's qualification for licensure.

191—100.14(523A) Continuing education requirements. For each license term, each licensed sales agent shall complete a minimum of three credits of continuing education in courses acceptable to the commissioner, which may include independent study courses, pursuant to paragraph 100.14(2)*"g."* Completion of the required continuing education is mandatory for the renewal of a sales agent license.

100.14(1) *Exemption.* The requirements of this rule do not apply to:

a. A licensed funeral director.

b. A licensed insurance producer.

c. A licensed sales agent who served full time in the U.S. armed forces on active duty during a substantial part of the continuing education term and who submits evidence of such service.

100.14(2) *General rules for continuing education credits.*

a. The topic of at least one of the three continuing education credits earned each license term must be business ethics.

b. Proof of completion of a continuing education course shall, at a minimum, include all of the following, in a format acceptable to the commissioner:

(1) The date of the course, the location of the course, the course title, the course subject, and the identity and qualifications of the presenters.

(2) The number of course credits.

(3) Proof of successful completion of the course provided by the person conducting or sponsoring the course.

c. A sales agent cannot receive continuing education credit for courses taken prior to the issuance of an initial license.

d. A sales agent cannot receive continuing education credit for the same course twice in one license term.

e. A sales agent cannot carry over to the next license term more than three continuing education credits earned in excess of the sales agent's license term requirements.

f. An instructor of a course is entitled to the same credit as a student completing that course; the instructor may receive such credit once during a license term, regardless of how many times the instructor teaches the class.

g. A sales agent may receive continuing education credit for independent study courses that are part of a recognized national designation program. A sales agent may receive up to three continuing education credits for independent study courses during a license term. A sales agent shall maintain a record from the course provider that the course was completed and the examination was passed.

100.14(3) *Maintenance of records of completion of continuing education requirements.* A sales agent shall maintain for three years after the license term during which the course was taken the original proof of completion and descriptions and outlines of all completed continuing education courses.

100.14(4) *Standards for acceptable continuing education courses.* A continuing education course is acceptable if it meets all of the following criteria:

a. The course constitutes an organized program of learning that contributes directly to the professional competency of the licensee.

b. The course is conducted by individuals who have specialized training concerning the subject matter of the course.

c. The person conducting or sponsoring the course provides proof of attendance to attendees.

d. The activity pertains to subject matters that integrally relate to the sale of merchandise or services and purchase agreements subject to Iowa Code chapter 523A.

(1) The following are examples of acceptable course topics:

1. Ethics.
2. Mortuary science law; public health; and technical standards, requirements and issues regarding the handling and interment of deceased human remains.
3. Insurance.
4. Iowa laws and administrative rules related to Iowa Code chapters 523A and 523I.
5. Technical information related to merchandise or services used in the deathcare industry.
6. Medicaid and the Iowa estate recovery law, Iowa Code section 249A.53.
7. Relevant federal laws and regulations such as the Federal Trade Commission Funeral Industry Practices (16 CFR Part 453).
8. Information provided in programs or courses offered or sponsored by a state or national funeral association that otherwise meets the criteria in this subrule.

(2) The following course topics are not acceptable for continuing education credit:

1. Sales.
2. Motivation.
3. Purchaser prospecting.
4. Supportive office skills (e.g., typing, filing, computer systems).
5. Other subjects not specifically related to the deathcare industry.

191—100.15(523A) License renewal.

100.15(1) *Procedure for renewal.* The commissioner shall renew preneed sellers' licenses, pursuant to Iowa Code section 523A.501(7), or sales agents' licenses, pursuant to Iowa Code section 523A.502(5), for both active and restricted status licenses, if the preneed sellers or sales agents provide to the commissioner all of the following, which must be received by the commissioner on or before April 15 of each year:

a. Annual report. A preneed seller or sales agent shall file a complete and accurate annual report in the form and manner directed by the commissioner. A preneed seller's report must include information on affiliated sales agents as provided in the instructions. The form and instructions may be obtained through the division's website.

b. Verification of completion of continuing education. A sales agent shall have completed the continuing education required by rule 191—100.14(523A) and shall attest to completion of the continuing education and compliance with all instructions on the division's website.

c. Renewal fee. A preneed seller or sales agent shall submit a renewal fee as set out in rule 191—100.18(523A).

100.15(2) *Renewal of a restricted license.* A preneed seller or sales agent whose license is in restricted status and who seeks to continue to conduct actions administering purchase agreements created before the license is placed in restricted status must comply with the renewal process of this rule.

100.15(3) *Expiration of license.* If one of the items required by subrule 100.15(1) is not provided by April 30 of each year or is incomplete or if no application for renewal is received, the preneed seller or sales agent license shall expire. The commissioner shall notify the preneed seller or sales agent of the reason for the expiration.

100.15(4) *Commissioner's option not to permit renewal.* The commissioner may choose not to renew a license for any of the reasons listed in Iowa Code section 523A.503 or rules 191—100.16(523A) and 191—100.40(523A).

191—100.16(523A) Prohibited activities related to licensing.

100.16(1) *Fraudulent or deceptive acts in procuring a license.* An individual shall not engage in fraudulent or deceptive acts in procuring a preneed seller or sales agent license. Prohibited acts include but are not limited to the following:

a. False representations of a material fact, whether by conduct or by false or misleading statements.

b. Concealing or omitting anything that should have been disclosed or included with the application.

c. Filing a false identification.

d. Filing an untrue certification or affidavit.

e. Falsifying documents.

100.16(2) *Prohibited activities by persons without a preneed seller or sales agent license.*

a. A person to whom a license has not been issued by the commissioner, or a person whose license has expired or is restricted, shall not conduct any of the activities for which an active license is required pursuant to Iowa Code chapter 523A or this chapter, including the following:

(1) Post or display the person's license;

(2) Use a license certificate or a license number, except in communications with the commissioner;

(3) Agree to provide any merchandise or services subject to Iowa Code chapter 523A after the date the license expired or became restricted unless the merchandise or services are provided pursuant to an existing purchase agreement.

b. This subrule does not prohibit payments to an unlicensed person upon the person's delivery of merchandise or services after the death of a beneficiary, including the payment of the proceeds of insurance at the time of death of the insured.

191—100.17(523A) Reinstatement of a restricted license.

100.17(1) *Definition.* The term "reinstatement" as used in this rule means changing the status of a license from restricted to active.

100.17(2) *Application for reinstatement.* Any preneed seller or sales agent whose license is restricted may request reinstatement by filing an application for reinstatement with the commissioner. If the licensed person meets all conditions of licensure, the commissioner shall reinstate the license.

100.17(3) *Reinstatement after disciplinary action.* If a restricted license was the result of a disciplinary action, or was a forfeiture by the preneed seller or sales agent in connection with a disciplinary action, reinstatement must be in accordance with the terms of the applicable order or consent agreement. An application for reinstatement shall allege facts that, if established, will be sufficient to enable the commissioner to determine that the basis for placing the license in restricted status no longer exists. Before determining whether to grant reinstatement, the commissioner may review a financial history report for the time period during which the license was restricted.

100.17(4) *Reinstatement after preneed seller's change of ownership or cessation of business operations.* If a restricted preneed seller's license was the result of the preneed seller's change of ownership or cessation of business operations under rule 191—100.35(523A), an application for reinstatement shall allege facts that, if established, will be sufficient to enable the commissioner to determine that the basis for placing the license in restricted status no longer exists. Before determining whether to grant reinstatement, the commissioner may review a financial history report for the time period during which the license was restricted.

100.17(5) *Reinstatement after failure to pay child support.* If the restricted license was the result of a suspension for failure to pay child support pursuant to paragraph 100.40(2)*"j,"* the application for reinstatement shall include proof from the Iowa child support recovery unit that the outstanding child support has been paid.

100.17(6) *Reinstatement after failure to pay state debt.* If the restricted status of the license was the result of a suspension for failure to pay state debt pursuant to paragraph 100.40(2)*"k,"* the application for reinstatement shall include proof from the centralized collection unit of the department of revenue that the outstanding state debt has been paid.

191—100.18(523A) Payment of fees.

100.18(1) *Manner of payment.* Fees shall be paid by electronic payment as permitted by the commissioner.

100.18(2) *Nonrefundable.* Fees are not refundable.

100.18(3) *Specific fees.* Fees are set by Iowa Code chapter 523A and by this chapter.

a. The license fee for a preneed seller applicant is $25, plus $15 for each criminal history request made on each individual for whom a criminal history is required by Iowa Code section 523A.501(3).

b. The license fee for a sales agent applicant is $10, plus $15 for each criminal history background check.

c. The fee for a license renewal is $15 for a preneed seller and $10 for a sales agent.

191—100.19(523A) Master trusts.

100.19(1) *Creation of master trusts.* Pursuant to Iowa Code section 523A.203, a preneed seller may commingle the care funds of multiple beneficiaries in a master trust. When a preneed seller enters into a master trust agreement and establishes a master trust agreement at a financial institution:

a. The title of the financial account shall include the name of the preneed seller and be identified as a master trust account.

b. Either the preneed seller or the financial institution shall maintain the detailed listing as required by Iowa Code section 523A.203(3) by keeping the following:

(1) One listing of the amount deposited in trust for each beneficiary; and

(2) A separate accounting of each purchaser's principal, interest, and income, and balance in trust for each beneficiary who has care funds in the master trust account.

100.19(2) *Reporting of master trusts.*

a. As part of the preneed seller's annual report required by paragraph 100.15(1)*"a,"* a preneed seller shall submit all of the following:

(1) The aggregate amount of deposits made to the master trust account during the calendar year.

(2) The aggregate amount of withdrawals made from the master trust account during the calendar year.

(3) Information detailing the name of any beneficiary related to a deposit to or withdrawal from the master trust account with the amount deposited or withdrawn by the beneficiary. The report shall include aggregate amounts of deposits and withdrawals for each beneficiary.

(4) Transactions, as described in the instructions for the annual report, for the calendar year in which the transactions took place.

b. A financial institution shall submit a report annually that includes all of the following information relating to activities in the master trust:

(1) The aggregate amount of deposits made to the master trust account for each beneficiary during the calendar year.

(2) The aggregate amount of withdrawals made from the master trust account for each beneficiary during the calendar year.

(3) Transactions, as described in the division's instructions for the annual report, for the calendar year in which the transactions took place.

(4) A copy of the bank account statement for the master trust account.

191—100.20(523A) Trust interest or income. A preneed seller may withdraw interest or income, as defined by Iowa Code section 523A.102, from trusts holding funds that are established pursuant to Iowa Code section 523A.201(8) and that are related to purchase agreements executed on or after July 1, 1987, in accordance with this rule.

100.20(1) *Amount of trust interest or income that may be withdrawn.* Trust interest and income must remain in trust and cannot be withdrawn by a preneed seller, except that a preneed seller may withdraw from a purchase agreement trust fund any interest and income credited to the trust during the preceding calendar year in excess of the sum of the following amounts, which sum must be retained in trust:

a. Fifty percent of the total interest and income credited to the trust during the preceding calendar year, and

b. An additional amount necessary to adjust the trust funds for inflation, as set by the commissioner based on the consumer price index pursuant to rule 191—100.22(523A).

100.20(2) *Allocation of trust interest or income to purchasers' accounts.* Interest and income not withdrawn from a purchase agreement trust fund shall be allocated pro rata to the purchase agreement accounts remaining in the trust at the end of the month in which the withdrawal was made.

100.20(3) *Credit for trust interest or income withdrawn.* The early withdrawal of interest or income under this rule does not affect the purchaser's right to a credit of such interest or income in the event of a nonguaranteed price agreement, cancellation of the purchase agreement, or nonperformance by the preneed seller.

100.20(4) *Time period during which trust interest or income may be withdrawn.* Interest or income withdrawals permitted by this rule shall be made up to 180 days after the calendar year in which the interest or income was earned.

100.20(5) *Application of contract law.* A purchase agreement may limit or prohibit a preneed seller's ability to withdraw income or interest. However, in the event of a conflict with the limitations set forth in this rule, the preneed seller must comply with the requirements of this rule.

191—100.21(523A) Cancellation refunds. The requirement set forth in Iowa Code section 523A.602(2)*"b"*(1) applies to any purchase agreement executed on or after July 1, 2001.

191—100.22(523A) Consumer price index adjustment. The inflation factor adjustment to be used for Iowa Code sections 523A.201(8) and 523A.602(2)*"b"*(1), for years 1987 and later, shall be the consumer price index for all urban consumers (CPI-U) issued by the U.S. Department of Labor's Bureau of Labor Statistics.

191—100.23(523A) Preneed seller's use of surety bond in lieu of trust.

100.23(1) In lieu of the trust requirements of Iowa Code section 523A.405, a preneed seller may file with the commissioner a surety bond. The surety bond shall be in the form as directed by the commissioner and as available on the division's website.

100.23(2) A surety bond claimant, for purposes of this rule, includes any purchaser whose purchase agreement predates the effective date of the surety bond or was executed during the surety

bond's period of coverage and whose purchase agreement has not been rescinded, fulfilled, or secured by another bond, by other insurance, or by trust funds.

100.23(3) Except as provided in subrule 100.23(6), no suit or action shall be commenced by a surety bond claimant later than one year after the expiration date of the surety bond.

100.23(4) Any surety bond claimant as set forth in subrule 100.23(2) may maintain an action on the surety bond. A surety's aggregate liability shall not exceed the penal sum of the bond.

100.23(5) A surety shall not cancel a surety bond except upon written notice of cancellation given by the surety to the commissioner by certified mail. The effective date of the cancellation shall not be less than 60 days after the commissioner receives the surety's notice. The surety shall specify the reason for the cancellation.

100.23(6) The surety shall not be liable for any surety bond claim related to the preneed seller's insolvency or cessation of business unless the surety claim is made within five years of the date of insolvency or business cessation.

100.23(7) If the surety notifies the preneed seller that the surety intends to cancel a surety bond, the preneed seller, within 30 days, shall:

a. Submit to the commissioner a substitute surety bond complying with this rule; or

b. Deposit funds in an amount as required by Iowa Code chapter 523A to a trust account established by the preneed seller.

100.23(8) A preneed seller shall maintain an adequate surety bond and shall continuously monitor the surety amount to assure its adequacy. The surety bond amount shall be calculated based on the value of the purchase agreements sold and not performed or canceled and for which no trust fund or insurance is in place.

191—100.24 Reserved.

191—100.25(523A) Funeral and cemetery merchandise warehoused by preneed sellers.

100.25(1) *Applicability.* This rule applies only to storage existing on or before July 1, 2007, under purchase agreements executed between July 1, 1987, and July 1, 2007.

100.25(2) *Warehousing not permitted.* After July 1, 2007, warehousing shall not be used as an alternative to the trust requirements of Iowa Code chapter 523A.

100.25(3) *Approval of storage facilities by commissioner.* Notwithstanding subrule 100.25(2), if a preneed seller receives approval in writing from the commissioner pursuant to subrule 100.25(4), the trust requirements of Iowa Code sections 523A.201 and 523A.202 do not apply to either:

a. Payments for outer burial containers made of either polystyrene or polypropylene; or

b. Cemetery merchandise delivered to the purchaser or stored in a storage facility not owned or controlled by the preneed seller.

100.25(4) *Storage facility application.* The commissioner shall approve a preneed seller's application to have a storage facility designated as an approved storage facility for purposes of subrule 100.25(3) if the following conditions are met:

a. Insurance coverage and financial condition. The storage facility shall demonstrate that adequate insurance against loss and damage has been purchased and that the storage facility's financial condition is commensurate with any financial obligations assumed. Proof of the storage facility's financial condition shall include submission of audited financial statements completed in accordance with generally accepted accounting principles, which shall include the following:

(1) A balance sheet prepared as of a date within 120 days prior to the application; and

(2) A profit and loss statement and any changes in financial position for each of the three fiscal years preceding the date of the balance sheet or, if the storage facility has been in existence less than three years, for the period of the storage facility's existence.

b. Records system and maintenance. The storage facility must demonstrate that it has a system that adequately records:

(1) For each item in storage: an identification and a description; the ownership; name and address of the preneed seller; an order number; the order date; and the storage date.

(2) An aggregate listing and numerical totals for the entire storage facility and for each state or province.

c. Title, delivery, identification, payments. The storage facility shall agree to comply with subrule 100.25(5).

d. Storage requirements. The storage facility shall provide storage that adequately provides both accessibility and protection against damage.

e. Consent to audits and inspections. The storage facility shall provide written consent to authorize audits, reviews and inspections by the commissioner pursuant to paragraph 100.25(5)*"e"* and written consent to provide reports requested pursuant to paragraph 100.25(5)*"g."*

f. Compliance with law. The storage facility shall be in compliance with all applicable laws regulating the applicant's activities as a warehouse keeper, manufacturer, supplier, or preneed seller of cemetery or funeral merchandise.

100.25(5) *Storage facility duties.*

a. Title. The storage facility shall provide to the preneed seller a minimum of two copies of a title certificate. The title certificate should not be issued until the merchandise is stored in substantially complete condition. Each preneed seller shall deliver at least one copy of the title certificate to the purchaser and shall retain one copy in the preneed seller's records.

b. Delivery requirements. The storage facility shall not accept prepayment of delivery expenses or charges. The storage facility shall provide written disclosure to the preneed seller that delivery costs will be billed at the time of delivery. The storage facility shall require the purchaser's signature, or the signature of the purchaser's legal representative, prior to the delivery of the cemetery or funeral merchandise.

c. Storage requirements. The storage facility shall adequately provide accessibility to the stored merchandise and adequately protect the stored merchandise against damage.

d. Identification of merchandise. The storage facility shall allow for visual inspection and counting; have storage by type or style; identify the location of the item by a shelf and bin- or slot-type system or reasonable alternative; and keep totals for each type of merchandise item in storage.

e. Audits and examinations. The storage facility shall allow the commissioner to examine the books, papers, records, memoranda or other documents of the storage facility and stored merchandise for the purpose of verifying compliance with Iowa Code chapter 523A and this rule. Unless waived by the commissioner in writing, the transportation, meal and lodging expenses of the auditors and examiners shall be reimbursed by the storage facility.

f. Identification of merchandise. All cemetery merchandise must be appropriately marked, identified and described in a manner to distinguish it from other similar items of merchandise unless the commissioner has given to the seller prior written waiver of this requirement upon a showing of good cause.

g. Reports. The commissioner may request reports containing information about the storage facility, including but not limited to the following:

(1) A description of the storage facility, including the name, address of the principal business office, state or province of organization, date of organization, type of entity (e.g., corporation or partnership), and location of all storage facilities;

(2) A description of the storage program; and

(3) A detailed description of all merchandise currently in storage, which shall include all of the following:

1. The date the merchandise was first placed in storage;

2. The full name of the purchaser or the person on whose behalf the merchandise was purchased;

3. The location of the merchandise, which shall include the location within the facility utilizing a numbering system that provides the exact location of each item;

4. The name and address of the preneed seller;

5. The total number of items, by category, in storage at the facility for preneed sellers located in this state; and

6. The total number of items, by category, in storage at the facility.

191—100.26 to **100.29** Reserved.

191—100.30(523A) Standards of conduct for preneed sellers and sales agents. Rules 191—100.30(523A) through 191—100.36(523A) are intended to establish certain minimum standards and guidelines of conduct for preneed sellers and sales agents by identifying required actions or practices. Failure to comply with these rules may be grounds for action under Iowa Code chapter 523A or rule 191—100.40(523A) or 191—100.41(523A).

191—100.31(523A) Advertisements, sales practices and disclosures.

100.31(1) *Advertising.*

a. A preneed seller or sales agent shall not engage in any act or practice that violates Iowa Code section 523A.702 or 523A.703, whether or not actual harm or injury occurs, including but not limited to making untrue or improbable statements in advertisements.

b. An advertisement for the solicitation or sale of a purchase agreement that is to be funded by insurance shall adequately disclose the following:

(1) The fact that insurance is to be involved or used to fund a purchase agreement, and

(2) The nature of the relationship among the sales agent, the preneed seller, the provider of merchandise or services, and any other person.

100.31(2) *Unethical, harmful or detrimental sales practices.* A preneed seller or sales agent shall not engage in any act or practice that may be harmful or detrimental to the public, whether or not actual harm or injury occurs, while engaged in activities regulated by Iowa Code chapter 523A, or materially related to such activity, including but not limited to:

a. Encouraging cancellation of a purchase agreement if cancellation is not in the best interests of the purchaser.

b. Encouraging a change in the funding method of a purchase agreement, including a change from one insurance company to another, if the change is not in the best interest of the purchaser.

c. Failure to leave a residence when requested to do so.

d. Intimidation or physical abuse, including improper sexual contact or conduct.

e. Any other act or practice that takes unfair or unreasonable advantage of the vulnerability of a purchaser or prospective purchaser based on age, poor health, infirmity, impaired understanding, restricted mobility, or disability.

100.31(3) *Disclosures.*

a. Reserved.

b. Prior to accepting an application, initial premium, or deposit for insurance that is to fund a purchase agreement, a preneed seller or sales agent must adequately disclose to the potential purchaser in writing all of the following:

(1) The relationship of the insurance to the funding of the purchase agreement and the nature and existence of any guarantees relating to the purchase agreement.

(2) The impact on the purchase agreement of any of the following:

1. Changes in the insurance, including but not limited to changes in the assignment, beneficiary designation or use of the proceeds;

2. Penalties to be incurred by the policyholder as a result of failure to make premium payments;

3. Penalties to be incurred or moneys to be received as a result of cancellation or surrender of the insurance.

(3) All merchandise or services to be supplied pursuant to the contract or purchase agreement and all relevant information concerning the price of the funeral services, including an indication that the purchase price is either guaranteed at the time of purchase or to be determined at the time of need.

(4) All relevant information concerning what occurs and whether any entitlements or obligations arise if there is a difference between the proceeds of the insurance and the amount actually needed to fund the purchase agreement.

(5) Any penalties including but not limited to penalties for the inability of the preneed seller to deliver merchandise or services or to fulfill the purchase agreement guarantee.

(6) Any restrictions including but not limited to geographic restrictions.

(7) Whether any sales commission or other form of compensation is being paid related to the insurance and the identity of the individual or entity to which the compensation is to be paid. It is not necessary that the amount be disclosed.

c. Reserved.

d. Regardless of the type of funding for the purchase agreement, at the time of providing a written itemized cost estimate for the purchase of preneed merchandise or services:

(1) The sales agent shall provide to the potential purchaser a copy of the Iowa insurance division's Guide to Prearranged Funeral Plans, or a document in similar format and with substantially similar language.

(2) The sales agent shall include on the cost estimate clear statements indicating:

1. The date after which the estimate or proposal expires.
2. That prices are subject to change after the cost proposal expires.
3. That the prices provided are a nonbinding estimate and do not create a binding contract or agreement with the preneed seller.

(3) The sales agent shall provide a copy of the cost estimate to the potential purchaser and shall retain a copy of the cost estimate in the preneed seller's records for at least five years.

For purposes of this rule, a price list is not a cost estimate.

e. Regardless of the type of funding for the purchase agreement, a purchase agreement that describes the purchase price as "guaranteed" shall disclose the nature and details of the guarantee. For items described as "guaranteed," the purchaser, beneficiary and the beneficiary's estate shall not be obligated to pay additional costs if costs at the time merchandise or services are delivered or provided are greater than the funds available from the allocable portion of payments and accumulated income or growth, as long as the funding is not limited in any manner, such as by the failure to make contractual or premium payments.

f. If a purchase agreement is to be funded by a trust, the purchase agreement shall disclose that 100 percent of all payments related to merchandise or services described in the purchase agreement as "nonguaranteed" shall be placed in trust in accordance with Iowa Code section 523A.201(2).

191—100.32 Reserved.

191—100.33(523A) Records maintenance and retention.

100.33(1) *By preneed sellers.*

a. Time for retaining records. A preneed seller shall retain all required records for a minimum of ten years after the date of the death of the beneficiary.

b. Confidentiality. The preneed seller shall keep social security numbers confidential.

c. Sales log and numbering of purchase agreements. A preneed seller shall maintain a sales log of purchase agreements, assigning numbers in sequential order to each purchase agreement sold during a calendar year.

(1) Prenumbered contracts are not required. If a contract is not prenumbered, the sales agent shall write the contract number on the purchase agreement at the time it is executed or in a document provided later to the purchaser.

(2) The copy of the purchase agreement given to the purchaser shall include the contract number assigned to the purchase agreement.

(3) If a correction to the contract number is required, the correction shall be recorded in the sales logs, and documentation that retains evidence of the initial number used shall be maintained.

(4) Preneed sellers shall use the following numbering system unless they receive written permission from the commissioner to use a different system.

1. The first portion of the number shall be the year the contract was written.

2. The second portion of the number shall be sequential and indicate the number of contracts executed by the preneed seller, to date, in the applicable calendar year.

3. Additional suffixes may be used as follows:

- A preneed seller with multiple locations may use a suffix to identify each location by number.
- A preneed seller with multiple sales agents may use a numerical suffix to identify the sales agent.

4. Each part of the number shall be separated by a hyphen.

d. Transaction records. A preneed seller shall document all transactions with purchasers and prospective purchasers and maintain accurate copies and records of all purchase agreements.

e. Deposit records. Preneed sellers shall maintain records of all deposits made into accounts related to purchase agreements. If purchase agreement payments made to a preneed seller and funds not related to a purchase agreement are commingled and deposited together in a single account, or if a deposit to an account involves purchase agreement payments related to more than one purchase agreement, the preneed seller shall retain a detailed summary of each deposit showing the amounts related to the different purchase agreements.

f. Record of sales agents. A preneed seller shall maintain a list of all sales agents who sold purchase agreements on behalf of the preneed seller during each calendar year. The records shall include the license number of each sales agent and the dates of the sales agent's employment. These records shall be provided to the commissioner upon request.

100.33(2) *By sales agents.* A sales agent shall maintain a sales log for a minimum of five years after the sale. The sales log shall include all of the information required for the sales agent's annual report. Instructions and an example are available on the division's website.

191—100.34(523A) Changes in funding methods for or terms of purchase agreements. When a preneed seller or sales agent changes the funding method for a prepaid purchase agreement, this rule applies.

100.34(1) *Change in funding of a purchase agreement.* When a purchaser changes the funding source for a purchase agreement from a bank account or trust account to funding through insurance, or vice versa; or from insurance funding from one insurance company to another; or from a trust or bank account to trust funding, or vice versa:

a. This type of change is deemed to be an amendment to the purchase agreement, not a cancellation of the original purchase agreement.

b. The amendment to the purchase agreement may include other minor updates to the statement of goods and services.

c. The preneed seller shall do all of the following:

(1) Obtain a written, signed and dated statement from the purchaser requesting the change in funding and acknowledging the transaction in a way that demonstrates the purchaser understood the change in funding transaction. A copy of the signed statement shall be provided to the purchaser, and a copy shall be retained by the preneed seller.

(2) Describe the change in funding in a written amendment to the purchase agreement. The amendment shall be signed and dated by the purchaser and the preneed seller. A copy of the signed amendment shall be provided to the purchaser, and a copy shall be retained by the preneed seller.

(3) If the funding change is from a bank account to an insurance account, record the amendment on the preneed seller's annual report as a reduction in cash accounts and an increase in insurance

accounts; if the funding change is from insurance account to bank account, record the amendment as a reduction in insurance account and increase in trust account.

(4) If the funding change is from a trust account to an insurance account:

1. Confirm that the policy shall have an increasing benefit, as specified in Iowa Code section 523A.401(5); if the funding change is from insurance to trust account, confirm the cash value is not less than the available death benefit amount.

2. Record the amendment on the preneed seller's annual report as both a withdrawal from trust or insurance and an addition of insurance or trust.

3. Comply with recordkeeping and reporting requirements for the sale of new insurance in Iowa Code sections 523A.401 and 523A.402.

(5) If the change in funding is from one insurance company to another:

1. Document compliance with the disclosure requirements of rule 191—15.8(523A).

2. Comply with the replacement requirements of rule 191—16.24(507B).

3. Record the amendment on the preneed seller's annual report as a change in funding from one insurance company to another.

(6) For record maintenance purposes, use the number for the original purchase agreement, not a new assigned number.

100.34(2) *Cancellation of a purchase agreement.* When a purchaser makes substantive changes to a purchase agreement:

a. This type of change is deemed to be a cancellation of the existing purchase agreement and requires the preneed seller to execute a new purchase agreement.

b. The preneed seller shall do all of the following:

(1) Obtain a written signed and dated statement from the purchaser that cancels the existing purchase agreement. A copy of the signed statement shall be provided to the purchaser, and a copy shall be retained by the preneed seller.

(2) Obtain a written signed and dated statement from the purchaser that demonstrates that the purchaser understood the change from one purchase agreement to the other. A copy of the signed statement shall be provided to the purchaser, and a copy shall be retained by the preneed seller.

(3) Comply with the rescission requirements of Iowa Code section 523A.602.

(4) For record maintenance purposes, assign a new number for the new purchase agreement.

(5) Record the cancellation of the initial purchase agreement on its annual report.

191—100.35(523A) Preneed seller's change of ownership and cessation of business operations.

100.35(1) *Sale or transfer of purchase agreements or of business.* A preneed seller shall not change ownership of a business, sell all or part of a business, cease business, or sell or transfer purchase agreements as part of the sale of a business or the assets of a business unless:

a. The person receiving assets and purchase agreements has an active preneed seller's license at the time of the sale or transfer.

b. The seller of the business has met the provisions of Iowa Code section 523A.207.

c. The commissioner has conducted an examination of the sales and market practices of the preneed seller if the commissioner requests.

100.35(2) *Cessation of business by a preneed seller.* Prior to the cessation of business operations, if a preneed seller voluntarily or involuntarily ceases doing business, and the preneed seller's obligation to provide merchandise or services has not been assumed by another preneed seller holding an active preneed seller's license, the preneed seller shall:

a. Send a notice to the commissioner, in a manner as directed by the commissioner. Pursuant to subrule 100.10(3), the commissioner shall place the preneed seller's license on restricted status when the preneed seller ceases doing business.

b. Send written notice of the proposed cessation of business to the purchaser and beneficiary, if different than the purchaser, of each purchase agreement by certified mail, return receipt requested.

The notice shall indicate the preneed seller's ability to transfer any trust funds and transfer the proceeds from any insurance to another licensed preneed seller.

c. The preneed seller shall work with financial institutions and insurance companies to modify the title to financial accounts and modify assignments and ownership of annuities and insurance policies as necessary or distribute trust funds to the purchaser or transfer to another licensed preneed seller.

100.35(3) *Failure to notify the commissioner of a change of ownership, sale of a business, or cessation of business.*

a. A preneed seller's failure to notify the commissioner, as set forth in this rule, of a change of ownership of a business, sale of all or part of a business, cessation of business, or sale or transfer of purchase agreements as part of the sale of a business or the assets of a business may be a ground for penalty under rule 191—100.40(523A) or 191—100.41(523A).

b. If trust funds are transferred without compliance with this rule or with Iowa Code sections 523A.207 and 523A.602, the commissioner may petition for the appointment of a receiver pursuant to Iowa Code section 523A.811.

100.35(4) *Annual reports.* A preneed seller holding a restricted license shall continue to file annual reports pursuant to Iowa Code section 523A.204 regarding any purchase agreement not transferred to another seller holding a current preneed seller's license through an assumption agreement or otherwise.

For purposes of this rule, the sale of a business shall include any change of controlling interest in any corporation or other business entity.

191—100.36 to **100.39** Reserved.

191—100.40(523A) Prohibited practices for preneed sellers and sales agents.

100.40(1) The commissioner may impose sanctions as set forth in Iowa Code section 523A.807 and rules 191—100.40(523A) and 191—100.41(523A), or place a license in restricted status, if the commissioner finds that a preneed seller, sales agent, or owner, partner, member, director, shareholder or manager of a licensed business entity has violated or failed to comply with Iowa Code chapter 523A, this chapter, or any associated rules or implementing orders, or is otherwise unable to conduct activities as a preneed seller or sales agent.

100.40(2) Grounds for discipline include but are not limited to the following acts or practices:

a. Fraudulent or deceptive practices. Engaging in any act or practice that violates Iowa Code section 523A.701, 523A.702 or 523A.703, whether or not actual harm or injury occurs, including but not limited to:

(1) Falsifying business records; or

(2) Misappropriating funds.

b. Responsibility for sales activities of others. A preneed seller's consent or acquiescence to violation of this chapter or Iowa Code chapter 523A by any person acting on the preneed seller's behalf.

c. Law violations.

(1) Violating any state or federal law applicable to the conduct of the applicant's or licensee's business, including but not limited to the following:

1. The provisions of Iowa Code chapter 156 pertaining to the licensure of funeral directors in the state of Iowa;

2. Regulations promulgated by the Federal Trade Commission relating to merchandise or services, or funeral or cremation establishments;

3. Applicable tax or public health laws, ordinances or regulations; or

4. Laws, rules, ordinances, or regulations occurring outside of Iowa if the commissioner determines that such violation may adversely implicate the licensee's or applicant's compliance with Iowa laws, rules, orders, ordinances, or regulations.

(2) Conviction of a criminal offense, in any jurisdiction, involving dishonesty or a false statement, including but not limited to fraud, theft, misappropriation of funds, falsification of documents, deceptive acts or practices, or other related offenses. "Conviction" shall include a plea of guilty or a finding of guilt and shall include a deferred judgment.

d. Sales prohibited by order. The sale of merchandise or services by a preneed seller or sales agent who has been prohibited from selling services or merchandise in an order issued pursuant to Iowa Code section 523A.807(3).

e. Returned checks or declined credit transactions. Submitting to the commissioner an electronic payment that is returned to the commissioner by a bank without payment, or submitting a payment to the commissioner by credit card that the credit card company does not approve, or canceling or refusing amounts charged to a credit card by the commissioner.

f. Failure to maintain records. Failure to maintain records as required by Iowa Code chapter 523A or any associated rules or orders.

g. Failure to cooperate with an examination or investigation. Failure to submit to an examination, failure to comply with a reasonable written request of an examiner, or failure to cooperate with an investigation conducted by the commissioner as required by Iowa Code sections 523A.206, 523A.803, 523A.808 and 523A.811 and any associated rules or orders.

h. Insolvency or unsound financial condition. Being or becoming insolvent or of unsound financial condition, the determination of which shall be based on but not limited to the following factors:

(1) The licensee's or license applicant's net worth;

(2) Whether a financial institution has closed or otherwise taken adverse action against an account held by or on behalf of the licensee or license applicant;

(3) The licensee or license applicant has exhibited a pattern of writing bad checks or otherwise overdrawing a business or trust account as a result of insufficient funds;

(4) Untimely payment by the licensee or license applicant of business obligations in a manner that threatens the operation of the business;

(5) Untimely placement by the licensee of consumer funds into trust;

(6) Failure of the licensee or license applicant to pay sales tax, unemployment tax or other tax owed in the course of business; or

(7) Any other act, practice or omission that provides a reasonable basis to question the ability of the licensee or license applicant to comply with the requirements of Iowa Code chapter 523A and related regulations.

i. Inability to perform.

(1) Inability to provide the merchandise or services that the licensee purports to sell, including but not limited to failing to employ or have a contractual arrangement with at least one person who is licensed to perform mortuary science services, as described in Iowa Code chapter 156, if such services are included in a purchase agreement.

(2) Inability to reasonably provide merchandise or services due to an impairment, drug or alcohol addiction, or other act, conduct or condition. A licensee who has had a physical or mental impairment or illness during the license period may request to be placed on restricted status by the commissioner. Any such request shall be submitted on a form as specified by the commissioner and must include a signed statement of a licensed health care professional that attests to the existence of a disability or illness during the license period.

j. Suspension for failure to pay child support.

(1) Upon receipt of a certificate of noncompliance from the child support recovery unit (CSRU), the commissioner shall issue a notice to the sales agent that the sales agent's pending application for licensure, pending request for renewal, or current license will be suspended 30 days after the date of the notice. Notice shall be sent by regular mail to the sales agent's last-known address.

(2) The notice shall contain the following items:

1. A statement that the commissioner intends to suspend the sales agent's application, request for renewal or current license in 30 days;

2. A statement that the sales agent must contact the CSRU to request a withdrawal of the certificate of noncompliance;

3. A statement that the sales agent's application, request for renewal or current license will be suspended if the certificate of noncompliance is not withdrawn;

4. A statement that the sales agent does not have a right to a hearing before the commissioner, but that the sales agent may file an application for a hearing in district court pursuant to Iowa Code section 252J.9;

5. A statement that the filing of an application with the district court will stay the proceedings of the commissioner; and

6. A copy of the certificate of noncompliance.

(3) The filing of an application for hearing with the district court will stay all suspension proceedings until the commissioner is notified by the district court of the resolution of the application.

(4) If the commissioner does not receive a withdrawal of the certificate of noncompliance from the CSRU or a notice from a clerk of court that an application for hearing has been filed, the commissioner shall suspend the sales agent's application, request for renewal or current license 30 days after the notice is issued.

(5) Upon receipt of a withdrawal of the certificate of noncompliance from the CSRU, suspension proceedings shall halt, and the named sales agent shall be notified that the proceedings have been halted. If the sales agent's license has already been suspended, the license shall be reinstated if the sales agent is otherwise in compliance with rules issued by the commissioner. All fees required for license renewal or license reinstatement must be paid by sales agents, and all continuing education requirements must be met before a sales agent license will be renewed or reinstated after a license suspension or revocation pursuant to this paragraph.

k. Suspension for failure to pay state debt.

(1) The commissioner shall deny the issuance or renewal of a sales agent license upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in Iowa Code chapter 272D.

(2) Upon receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures set forth in Iowa Code chapter 272D, the commissioner shall issue a notice to the sales agent that the sales agent's pending application for licensure, pending request for renewal, or current sales agent license will be suspended 60 days after the date of the notice. Notice shall be sent to the sales agent's last-known address by restricted certified mail, return receipt requested, or by personal service in accordance with the Iowa Rules of Civil Procedure. Alternatively, the applicant or licensed sales agent may accept service personally or through authorized counsel.

(3) The notice shall contain the following items:

1. A statement that the commissioner intends to suspend the sales agent's application, request for renewal or current sales agent license in 60 days;

2. A statement that the sales agent must contact the centralized collection unit of the department of revenue to schedule a conference or to otherwise obtain a withdrawal of the certificate of noncompliance;

3. A statement that the sales agent's application, request for renewal or current sales agent license will be denied or suspended if the commissioner does not receive a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue within 60 days of the issuance of notice under this rule; or, if the current sales agent license is on suspension, a statement that the sales agent's current sales agent license will be revoked;

4. A statement that the sales agent does not have a right to a hearing before the commissioner, but that the sales agent may file an application for a hearing in district court pursuant to Iowa Code section 272D.9;

5. A statement that the filing of an application with the district court will stay the proceedings of the commissioner; and

6. A copy of the certificate of noncompliance.

(4) Sales agents shall keep the commissioner informed of all court actions and all actions taken by the centralized collection unit of the department of revenue, and sales agents shall provide to the commissioner, within seven days of filing or issuance, copies of all applications filed with the district court pursuant to all court orders entered in such actions and copies of all withdrawals of certificates of noncompliance by the centralized collection unit of the department of revenue.

(5) The effective date of revocation or suspension of a sales agent license shall be 60 days following service of the notice upon the applicant or sales agent.

(6) In the event an applicant or licensed sales agent timely files a district court action following service of a notice by the commissioner, the commissioner's suspension proceedings will be stayed until the commissioner is notified by the district court of the resolution of the application. Upon receipt of a court order lifting the stay, or otherwise directing the commissioner to proceed, the commissioner shall continue with the intended action described in the notice. For purposes of determining the effective date of the denial of the issuance or renewal of a sales agent license, the commissioner shall count the number of days before the action was filed and the number of days after the court disposed of the action.

(7) If the commissioner does not receive a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue or a notice from a clerk of court that an application for hearing has been filed, the commissioner shall suspend the sales agent's application, request for renewal or current sales agent license 60 days after the notice is issued.

(8) Upon receipt of a withdrawal of the certificate of noncompliance from the centralized collection unit of the department of revenue, suspension proceedings shall halt, and the named sales agent shall be notified that the proceedings have been halted. If the sales agent's license has already been suspended, the license shall be reinstated if the sales agent is otherwise in compliance with this chapter. All fees required for license renewal or license reinstatement must be paid by the sales agent, and all continuing education requirements must be met before a sales agent license will be renewed or reinstated after a license suspension or revocation pursuant to Iowa Code chapter 272D.

(9) The commissioner shall notify the sales agent in writing through regular first-class mail, or such other means as the commissioner deems appropriate, within ten days of the effective date of the suspension or revocation of a sales agent license, and shall similarly notify the sales agent when the sales agent license is reinstated following the commissioner's receipt of a withdrawal of the certificate of noncompliance.

(10) Notwithstanding any statutory confidentiality provision, the commissioner may share information with the centralized collection unit of the department of revenue for the sole purpose of identifying sales agents subject to enforcement under Iowa Code chapter 272D.

191—100.41(523A) Disciplinary procedures.

100.41(1) *Investigations.* The commissioner is authorized by Iowa Code sections 17A.13(1) and 523A.803 to conduct such investigations as the commissioner deems necessary to determine whether any person has violated or is about to violate Iowa Code chapter 523A. The commissioner is authorized to issue and enforce subpoenas to compel testimony and to compel the production of books and records, as more fully described in Iowa Code section 523A.803. Upon the commissioner's determination that probable cause exists to commence a disciplinary proceeding, the procedures contained in 191—Chapter 3 shall apply.

100.41(2) *Legal relationship of sales agent to preneed seller.* For purposes of Iowa Code section 523A.502(1), a sales agent offering preneed services on behalf of a preneed seller is deemed to have a legal relationship as an agent of the preneed seller. The determination of whether a sales agent and a preneed seller have a principal-agent relationship will be made by the commissioner based on the totality of the circumstances surrounding the business relationship.

100.41(3) *Factors used to determine whether a preneed seller has agreed to provide merchandise or services.*

a. Unless the lack of a mutual agreement has been appropriately documented in the preneed seller's preneed purchaser file records, a preneed seller has agreed "to furnish cemetery merchandise, funeral merchandise, funeral services, or a combination thereof" and received an "initial payment," for purposes of establishing a "purchase agreement," as defined by Iowa Code section 523A.102, if:

(1) A sales agent of the preneed seller has met in person, or had an interactive discussion by telephone or another form of electronic communication, and discussed specific items of merchandise or services and the price of the applicable merchandise or services with a potential purchaser and the potential purchaser did any of the following:

1. Transferred ownership of insurance to the preneed seller,
2. Assigned proceeds of insurance to the preneed seller, or
3. Established a financial account made payable on death to the preneed seller.

(2) A sales agent of the preneed seller has met in person, or had an interactive discussion by telephone or another electronic communication, and discussed specific items of merchandise or services and the applicable prices with the owner of a financial account for which the preneed seller has been named as the pay-on-death beneficiary to receive funds upon the death of the owner of the financial account.

b. Written documents retained in the preneed seller's records may rebut the presumption that a purchase agreement exists.

100.41(4) *Penalties.* Persons violating Iowa Code chapter 523A, this chapter, or any associated rules or implementing orders may be subject to one or more of the following penalties.

a. If the commissioner issues or renews a license and subsequently determines that the payment method was declined or returned without payment to the commissioner, the license shall be immediately placed on restricted status until the payments are made and any fees or penalties charged by the commissioner are paid, at which time the license may be reinstated at the request of the applicant.

b. The commissioner may impose the disciplinary sanctions of Iowa Code chapter 523A, and of this chapter, alone or in combination, against a preneed seller or sales agent, or as a condition of licensure of an applicant for a preneed seller license or sales agent license or as a condition of renewal of a license. Sanctions include but are not limited to the following:

(1) Issuing a warning letter or a letter of reprimand.

(2) Requiring additional education or training.

(3) Requiring certain specified procedures or methods of operation.

(4) Ordering the payment of consumer restitution.

(5) Placing a licensee on probationary status with or without the imposition of reasonable conditions to control or monitor conduct, such as periodic reports.

(6) Imposing costs associated with the commissioner's investigation and enforcement activities.

(7) Imposing any other sanction allowed by law.

c. A person with a restricted or expired license is subject to disciplinary action, injunctive action, criminal sanctions and any other available legal remedies in the event of any violation of Iowa Code chapter 523A, or any rules adopted or orders issued pursuant thereto.

These rules are intended to implement Iowa Code chapter 523A.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 101
"Burial Sites and Cemeteries"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 523I.207
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 523I

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 101 regulates burial sites and cemeteries and implements and administers the provisions of Iowa Code chapter 523I.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Cemeteries and burial sites will bear the costs.

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

Consumers and purchasers of cemetery and burial merchandise and services 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed changes align the rules with current industry practices and standards.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 101 and adopt the following **new** chapter in lieu thereof:

CHAPTER 101
BURIAL SITES AND CEMETERIES

191—101.1(523I) Purpose. This chapter is intended to implement and administer the provisions of Iowa Code chapter 523I, which regulates burial sites and cemeteries.

191—101.2(523I) Definitions. For purposes of this chapter, the definitions of Iowa Code chapter 523I are incorporated by reference. In addition, the following definitions apply:

"Division" means the Iowa insurance division, supervised by the commissioner pursuant to Iowa Code section 505.8, in the division's performance of the duties of the commissioner under Iowa Code chapters 505 and 523I.

"Net appreciation" means the amount by which cumulative capital gains exceed the sum of the capital losses.

191—101.3(523I) Sale of insurance. The offer to provide cemetery merchandise or services for a death in the future, including the death of the purchaser, of a beneficiary, or of a person other than the purchaser or beneficiary, except if it is the sale of a purchase agreement in compliance with Iowa Code

chapter 523A and 191—Chapter 100, is the offer to sell insurance, and the cemetery merchandise or services cannot be sold unless they are both of the following:

101.3(1) Sold by an insurance producer licensed in Iowa.

101.3(2) Underwritten by an insurance company authorized to sell insurance in Iowa.

191—101.4(523I) Notice of disinterment. The notice filed by a cemetery reporting a disinterment pursuant to Iowa Code section 523I.309(6) shall include a description of the error, the reason the error occurred, the identity of all parties in interest, the date of the initial interment, the identity of the remains being relocated, the location where the disinterment will occur, and the location of the new interment space.

191—101.5(523I) Commingling of care fund accounts.

101.5(1) *Generally, commingling not permitted.* Except as otherwise provided in subrule 101.5(2), the assets of a care fund may not be commingled with the assets of another care fund or with any other fund's assets.

101.5(2) *Other care funds.* The assets of one or more care funds may be commingled in a single financial account for investment purposes if separate title and separate accounting are maintained for each cemetery's care fund.

191—101.6(523I) Distribution of care fund amounts using a total return distribution method.

101.6(1) *Purpose.* This rule is authorized by Iowa Code section 523I.811(2) and is intended to encourage care fund investments in appreciating assets that will produce higher care fund income levels created by growth in the care fund principal.

101.6(2) *Definition of "total return distribution method."* For purposes of this rule, a "total return distribution method" is a plan for distributing care fund amounts that takes into account both income (interest and dividends) earned by the care fund and capital appreciation (the change in the market value) of the care fund's assets. A total return distribution method takes into account the estimated rate of return to ensure growth of the care fund over time.

101.6(3) *Principal of care fund.* The principal of a care fund required by Iowa Code section 523I.806 shall remain available as a funding source for care of the cemetery. A cemetery shall not reduce the principal of a care fund voluntarily, except for the distribution of income. Pursuant to Iowa Code section 523I.811(2), the commissioner, by this rule, establishes terms and conditions under which a care fund trustee or, in the event of multiple trustees, a majority of the trustees, may, in the trustee's or trustees' sole discretion and without approval of a court, adopt a total return distribution method for the distribution of care fund income, subject to the terms and conditions of this rule.

a. In maintaining accounts for the care fund, the trustee or trustees shall maintain separate accountings of principal and of income.

b. The care fund trust's governing instrument must clearly manifest intent to use a total return distribution method. Conversion to an investment policy utilizing the total return distribution method shall not conflict with or affect any provision of the trust agreement, if any, regarding the distribution of principal. If the trust agreement indicates intent that net appreciation shall not be expended, the trust may not use the total return distribution method. The care fund trust's governing instrument shall clearly indicate how the reserve account shall be established and administered.

c. Distributions permitted under the total return distribution method shall be paid from the following sources in the order listed:

(1) Income; and

(2) If permitted by paragraph 101.6(6)*"a,"* principal.

d. The distributions under the total return distribution method shall be used in any manner determined to be in the best interests of the cemetery if authorized by a resolution, bylaw, or other action or instrument establishing the care fund, including but not limited to the following: the general care of memorials; memorialization; cutting and trimming lawns, shrubs, and trees at reasonable

intervals; maintaining drains, water lines, roads, buildings, fences, and other structures; maintaining machinery, tools, and equipment; compensating maintenance employees; paying insurance premiums; making payments to maintenance employees' pension and benefit plans; paying expenses necessary to maintain ownership, transfer, and interment records of the cemetery; capital improvements; and paying overhead expenses incidental to such purposes.

e. The trustee or trustees shall, not less than annually, determine the fair market value of each asset of the care fund that consists primarily of real property or other property that is not traded on a regular basis in an active market, by appraisal or other reasonable method or estimate. That determination, if made reasonably and in good faith, shall be conclusive as to all persons interested in the care fund.

101.6(4) *Trustee to exercise care and prudence.* The trustee or trustees shall exercise ordinary business care and prudence regarding the investment of care fund amounts, by considering the following:

a. The probate code, Iowa Code chapter 633;

b. The uniform prudent investor Act, Iowa Code sections 633A.4301 through 633A.4309;

c. Present and anticipated financial requirements of the cemetery, including but not limited to the following: the cemetery's need to fund the current and long-term expenses of care and maintenance, expected total return from income and appreciation of principal, price level trends of equity and fixed income investments, needs for liquidity, regularity of income, preservation or appreciation of capital, general economic conditions, the possible effect of inflation or deflation, and the retention of income and net appreciation to adjust for inflation.

101.6(5) *Adoption and implementation of a total return distribution method.*

a. Prior to implementation of a total return distribution method, the trustee or trustees shall do all of the following:

(1) Adopt a written investment and distribution policy under which future distributions from the care fund will be total return distribution amounts rather than net income distribution amounts.

1. The investment goals and objectives shall be to achieve principal growth through equity investment, current income through income investments, and an appropriate balance between:

- Maintaining purchasing power through principal appreciation; and
- Generating current income to support the cemetery's current requirements for care and maintenance.

2. The trustee or trustees shall treat the net appreciation, realized and unrealized, in the fair value of the assets of a care fund as if it were net income of the care fund for purposes of determining the amount available for distributions, from time to time, from the care fund.

(2) Ninety days prior to implementation of the total return distribution method, file with the division a request for the division's approval of the proposed plan for use of the total return distribution method. The request shall include copies of the following:

1. The care fund governing instrument.
2. The written election adopting the total return distribution method.
3. The written investment and distribution policy required by paragraph 101.6(5)*"a."*
4. Evidence of the existence of any reserve fund required and information explaining how the amount of the reserve fund was calculated.
5. Other information requested by the division.

(3) Immediately before the implementation of the total distribution return method, determine the fair market value of the care fund's assets and maintain records of the fair market value and the evidence used to make that determination to comply with paragraph 101.6(8)*"a."*

b. The division may limit or prohibit adoption of a total return distribution method by a care fund for any of the following reasons:

(1) The trustee or trustees and any investment manager are not able to demonstrate sufficient knowledge and expertise regarding effective implementation of the total return distribution method.

(2) Trust assets cannot be adequately valued at market value.

(3) Terms of the care fund governing instrument are inconsistent.

c. The division shall notify the trustee or trustees of its decision regarding approval of the implementation plan. If the division does not approve of the plan, the total return distribution method may not be implemented.

101.6(6) *Amount of distribution payment.*

a. Unless another amount is approved by the division upon a showing of good cause, the annual distribution amount shall not exceed the greater of:

(1) The net ordinary income, or

(2) Five percent of the fair market value of the care fund as of the last day of the care fund calendar year immediately preceding the distribution year.

b. When determining the distribution amounts, the trustee or trustees shall take into consideration the cemetery's need to fund both:

(1) The current and future expenses of care; and

(2) The maintenance and preservation of principal.

c. For the purpose of determining the amounts to be paid out annually, the following factors shall be taken into account:

(1) The perpetual duration of the care fund;

(2) Present and anticipated financial requirements;

(3) Expected total return from income and appreciation of principal;

(4) Price level trends of equity and fixed income investments;

(5) Needs for liquidity;

(6) Regularity of income;

(7) Preservation or appreciation of capital;

(8) General economic conditions;

(9) The possible effect of inflation or deflation; and

(10) The retention of income and net appreciation to adjust for inflation.

d. Any excess of income and capital appreciation over allowable cemetery expenses shall be retained in the care fund as undistributed income until needed to fund the cemetery's allowable expenses. This retained income shall be reserved for the purpose of future maintenance unless the division approves in writing of another purpose.

101.6(7) *Annual determination of fair market value of care fund.* The fair market value of the care fund shall be determined at least annually, using such valuation date or dates or averages of valuation dates as are readily ascertainable. Reasonable and appropriate valuation methods shall be utilized. As appropriate, assets may be excluded from valuation, provided all income received with respect to such assets is distributed to the extent distributable in accordance with the terms of the care fund agreement.

101.6(8) *Records maintenance.* The care fund trustee or trustees shall document and maintain a record of the following:

a. The fair market value of the care fund's assets determined immediately before conversion to the total return distribution method as required by subparagraph 101.6(5)*"a"*(3); and

b. Every fair market value of the care fund's assets calculated annually pursuant to subrule 101.6(7).

101.6(9) *Reserve fund.* A cemetery using the total return distribution method shall create and maintain a reserve fund to replace any care fund principal lost by capital losses incurred from the care fund's investments. The reserve fund shall be created by retaining and setting aside a reasonable percentage of the income and capital appreciation within the care fund.

101.6(10) *Division may limit use of total return distribution method.* The division may limit or prohibit ongoing use of a total return distribution method by a care fund under the following circumstances:

a. The trustee or trustees and any investment manager are not able to demonstrate sufficient knowledge and expertise regarding effective implementation of the total return distribution method. In

making this determination, the division shall consider the factors for approval of a total return distribution plan as set out in subrule 101.6(5).

b. In situations where analysis shows that investment returns and distribution practices have not resulted in sufficient protection of the care fund's principal, using either a middle-term (three to five years) or a long-term (more than five years) analysis, the division may limit or prohibit the distribution of capital gains. In making this determination, the division shall consider the presence and stated value of assets that do not have an active market and are not traded on a regular basis, the frequency of appraisals and evaluations, the asset allocation of the care fund, and whether care fund principal, as adjusted for inflation, is less than it was at the time the cemetery converted to the total return distribution method.

101.6(11) *Reversion from total return distribution method.* If a care fund's trustee or trustees make an election pursuant to this rule to use a total return distribution method, that method is irrevocable unless a reversion is approved by the division. The care fund's trustee or trustees shall file a request for approval of a reversion with the division 90 days prior to a proposed reversion from the total return distribution method to the traditional net income distribution method. The division may prohibit a reversion from the total return distribution method to the traditional net income distribution method if the care fund principal, as adjusted for inflation, is less than it was at the time the cemetery converted to the total return distribution method.

101.6(12) *Annual report of total return distribution method information.* As part of the annual report required by Iowa Code section 523I.813 and rule 191—101.7(523I), a perpetual care cemetery using the total return distribution method shall file an addendum to the annual report related to the total return distribution method, detailing the following:

a. The asset allocation.

b. The annual payout.

c. Any changes in investment policy.

d. An accounting in regard to whether growth of the care fund's principal has exceeded an amount needed to compensate for inflation.

e. The existence and amount in a reserve fund as required by subrule 101.6(9).

f. A description of how the total return distribution method meets the requirements of paragraph 101.6(6)*"a."*

g. A statement that the perpetual care cemetery and care fund complies with this chapter.

h. The investment portfolio for the perpetual care cemetery and care fund.

i. A statement describing how the investment portfolio for the care fund has performed in comparison to the consumer price index.

j. Any other pertinent information.

191—101.7(523I) Filing annual reports.

101.7(1) *Annual reports filed by perpetual care cemeteries.* Each year between January 1 and April 30, perpetual care cemeteries shall file a complete and accurate annual report for the prior reporting period, in the form and manner required by the division. For purposes of Iowa Code section 523I.813 and this rule, "reporting period" means a calendar year.

101.7(2) *Forms and instructions.* Forms and instructions for perpetual care cemeteries filing the annual report required by Iowa Code section 523I.813 can be found on the division's website, www.iid.iowa.gov.

191—101.8(523I) Independent review. The division may use an independent expert to review whether a care fund or a perpetual care cemetery is in compliance with Iowa Code chapter 523I and this chapter. Costs of the independent expert review shall be borne by the perpetual care cemetery.

These rules are intended to implement Iowa Code chapter 523I.

Regulatory Analysis

Notice of Intended Action to be published: 191—Chapter 102
"Iowa Retirement Facilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 523D.10
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 523D

Public Hearing

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

August 28, 2025	1963 Bell Avenue, Suite 100
10 a.m.	Des Moines, Iowa

Public Comment

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

Angela Burke Boston
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa 50315
Phone: 515.654.6543
Email: angela.burke.boston@iid.iowa.gov

Purpose and Summary

Chapter 102 regulates senior congregate living facilities and continuing care retirement communities pursuant to Iowa Code chapter 523D.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Senior adult congregate living facilities and continuing care retirement communities will bear the costs.

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

Users and residents of congregate living facilities and continuing care retirement communities 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

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

The proposed changes streamline and eliminate redundant language.

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

The Division did not find any other less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

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

Alternative methods were not considered by the agency.

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

The proposed changes align the rules with current industry standards and practices.

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 no effect on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 191—Chapter 102 and adopt the following **new** chapter in lieu thereof:

CHAPTER 102
IOWA RETIREMENT FACILITIES

191—102.1(523D) Purpose and applicability. This chapter is promulgated to implement and administer Iowa Code chapter 523D, which regulates senior adult congregate living facilities and continuing care retirement communities. This chapter applies to entities of the same kind and in the same manner as set forth in Iowa Code section 523D.2.

191—102.2(523D) Definitions. The definitions in Iowa Code chapter 523D are incorporated by this reference. In addition, the following definitions shall apply to this chapter and provide clarification and additional context to Iowa Code chapter 523D.

"Actuarial forecast," as used in Iowa Code section 523D.5(1)*"f,"* means an analysis that is performed by a qualified actuary or an individual who has demonstrated to the satisfaction of the commissioner the necessary experience and educational background. Such analysis shall be in accordance with generally accepted actuarial principles and practices and shall include a statement of actuarial opinion, an actuarial balance sheet, a cash flow projection, and a statement of applicable

actuarial methodology, formulas, and assumptions. "Qualified actuary" means an individual who is a member of the American Academy of Actuaries.

"Certified financial statements," as used in this chapter and in Iowa Code section 523D.3(1)*"i,"* means financial statements audited and certified by a certified public accountant in accordance with generally accepted auditing standards.

"Financial institution," as used in Iowa Code section 523D.5(4), means a state or federally insured bank, savings bank, savings and loan association, credit union or a trust company authorized to do business in the state of Iowa.

"Statement of financial feasibility," as used in Iowa Code section 523D.5(1)*"d,"* means a financial forecast, as defined by the American Institute of Certified Public Accountants (AICPA), of the revenues, expenses, working capital needs, and other financial requirements for the new or expanded facility or an alternative financial study in a form acceptable to the insurance division. The forecast period should include the development or expansion period and extend for five fiscal years from the date of initial occupancy. Unless waived by the commissioner, the statement of financial feasibility shall include a cash flow forecast with underlying assumptions and be presented in accordance with AICPA guidelines. The financial analysis shall be prepared by either a qualified actuary, a certified public accountant, or an individual who has demonstrated to the satisfaction of the commissioner the necessary experience and educational background. "Qualified actuary" means an individual who is a member of the American Academy of Actuaries. "Certified public accountant" means a person who is licensed as a certified public accountant under Iowa Code chapter 542 or under the laws of another state.

"Statement of the market feasibility," as used in Iowa Code section 523D.5(1)*"e,"* means an analysis of the market conditions that:

1. Identifies and evaluates the potential market, including a demographic and economic profile of the population in the facility's market area;
2. Identifies the existing or proposed facilities or similar businesses offering similar services in the potential market area, including, if available, the occupancy rate for existing facilities for the last three years; and
3. Identifies the name and address of the person who prepared the feasibility study and the experience of the person in preparing similar studies or otherwise consulting in the field of continuing care or related health care fields.

191—102.3(523D) Forms and filings.

102.3(1) Copies of all required forms and instructions are available on the division's website, www.iid.iowa.gov.

102.3(2) All filings, fees and payments shall be made as directed by the commissioner.

191—102.4(523D) Standards for the disclosure statement.

102.4(1) *Readability.* Documents required by Iowa Code sections 523D.3, 523D.5 and 523D.6 to be given to residents, prospective residents, and personal representatives, including disclosure statements and residents' contracts, shall be drafted in accordance with the following standards:

a. The language used shall be readable by a person of average intelligence and education.

b. All information presented should be conveyed in a logical sequence and in a clear and direct fashion.

c. Complex and compound sentences should be avoided.

d. Words should convey their commonly understood meanings.

e. Definitions shall be included for words or terms that cannot properly be explained or qualified in the text.

f. Frequent section headings should be used to permit ease in locating provisions.

g. Documents shall be printed in an upright typeface with at least a 10-point size easily legible to the audience to whom the literature is directed.

102.4(2) *Form.* Documents shall be typed or printed on paper measuring 8½ by 11 inches. The disclosure statement shall be bound or otherwise securely fastened.

102.4(3) *Cover page.* The cover page of the disclosure statement shall state, in a prominent location and in boldface type, "Disclosure Statement," the date of the disclosure statement, and that the delivery of the disclosure statement to a contracting party before the execution of a contract for the provision of supportive services or continuing care is required by Iowa Code chapter 523D but that the disclosure statement has not been approved by any government agency or representative.

102.4(4) *Table of contents.* Documents shall contain a table of contents giving a comprehensive listing of all section headings used in the document. If the table of contents does not appear at the beginning of the document, the location of the table of contents shall be noted on the first page.

102.4(5) *Acknowledgment.* The last page of the disclosure statement shall consist of a detachable "acknowledgment of receipt" that shall be signed and dated by the resident. A copy of the acknowledgment shall be kept on file in the office of the provider for at least one year from the date of the acknowledgment.

102.4(6) *Advertising.* The disclosure statement shall contain no sales or advertising materials. Sales or advertising materials may be attached to the disclosure statement or packaged with the disclosure statement if the manner of attachment or packaging does not obfuscate the cover page of the disclosure statement.

191—102.5(523D) Certified financial statements, studies, and forecasts.

102.5(1) Certified financial statements, as required by Iowa Code section 523D.3(1)*"i,"* shall be prepared in accordance with generally accepted accounting principles (GAAP).

102.5(2) Certified financial statements shall be presented in a format that allows financial analysis of the contracting party undertaking to provide the continuing care. The contracting party may consist of an individual facility or numerous operating units. In some cases, where the financial condition and financial obligations of affiliated legal entities are relevant to the financial condition of the contracting party, preparation on a consolidated basis may be necessary. Certified financial statements shall provide sufficient financial disclosure to the continuing care resident to enable the resident to make an informed decision.

102.5(3) Studies or forecasts must disclose the basic assumptions used.

102.5(4) The following certified financial statements must be filed with the annual disclosure statement:

a. An income statement or a statement of revenues and expenses;

b. A statement of changes in equity or changes in fund balances;

c. A balance sheet; and

d. A statement of cash flow.

191—102.6(523D) Amendments to the disclosure statement. Changes in the operations of a licensed facility or provider that require an amendment to a disclosure statement include but are not limited to the following:

102.6(1) New or additional mortgages, security interests, loan commitments, long-term financing arrangements, or leases that materially affect the real property of the licensed facility unless the material terms of such transactions were specifically described as proposed transactions in the disclosure statement.

102.6(2) The sale of the licensed facility to a new provider.

102.6(3) Changes in the provider's tax status.

102.6(4) A material change in the form of the resident contract.

191—102.7(523D) Records.

102.7(1) A licensed facility or provider shall keep accurate accounts, books and records concerning transactions regulated under Iowa Code chapter 523D.

102.7(2) A licensed facility's or provider's accounts, books and records shall include:

a. Copies of all contracts;

b. The name and address of each resident, prospective resident, or current or past contract holder;

c. Copies of disclosure statements, any amendments thereto, and any supporting documentation for the information included in the disclosure statements and annual disclosure statements pursuant to Iowa Code section 523D.3;

d. Copies of documents related to new construction as required by Iowa Code section 523D.5; and

e. The dates and amounts of all receipts and expenditures.

102.7(3) A licensed facility or provider shall retain all required accounts, books and records pertaining to each resident or prospective resident contract for at least two years after the expiration of the specified period in the contract. The annual disclosure statement must be retained pursuant to Iowa Code section 523D.3(3).

102.7(4) A licensed facility or provider shall make all accounts, books and records concerning transactions regulated under Iowa Code chapter 523D available to the commissioner for the purpose of examination.

102.7(5) A licensed facility or provider discontinuing business in this state shall maintain its records until it furnishes the commissioner with proof satisfactory to the commissioner that the licensed facility or provider has discharged all obligations to contract holders in this state.

191—102.8(523D) Misrepresentations. A licensed facility or provider shall not represent or imply in any manner that the licensed facility or provider has been sponsored, recommended, or approved or that the licensed facility's or provider's abilities or qualifications have in any respect been passed upon by the commissioner, the Iowa insurance division, or the state of Iowa. Nonetheless, if the statements are factually correct, a licensed facility or provider may state that the licensed facility or provider has filed with the commissioner an annual certification in accordance with Iowa Code section 523D.2A.

191—102.9(523D) Violations. Failure to comply with this chapter or with Iowa Code chapter 523D shall be deemed a violation that shall subject a person or entity to the procedures and penalties set forth in Iowa Code chapter 523D.

These rules are intended to implement Iowa Code chapter 523D.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 39
"HOME Investment Partnerships Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)"r"

State or federal law(s) implemented by the rulemaking: Iowa Code section 16.5(1)"f" and "m" and the Cranston-Gonzalez National Affordable Housing Act of 1990

Public Hearing

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

August 26, 2025 9:15 to 9:30 a.m.	1963 Bell Avenue Des Moines, Iowa Information about joining the hearing via Microsoft Teams is available at opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Finance 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, the Authority proposes to rescind Chapter 39 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the HOME Investment Partnerships Program. The program provides loans to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families or to strengthen public-private partnerships or to provide direct rental assistance to low-income people.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Entities that apply for and are approved for loans or grants through the program will bear the costs of this proposed rulemaking.

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

Entities that apply for and are approved for loans will benefit from clarity and streamlining of the rules.

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:**

Entities interested in applying for loans may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

Entities that apply for and are approved for loans will benefit from clarity and streamlining of the rules.

3. **Costs to the State:**

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

Authority staff time is required to review and approve applications, administer loans, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no fiscal impact. The program is funded through a federal appropriation.

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

Only the entities that will potentially benefit from financial assistance bear the costs of this proposed rulemaking. The costs to the State to administer the program are proportional to the activities supported by financial assistance.

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

The Authority has not identified less costly methods or less intrusive methods of administering the program.

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.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 39 and adopt the following **new** chapter in lieu thereof:

CHAPTER 39
HOME INVESTMENT PARTNERSHIPS PROGRAM

265—39.1(16) Purpose. The primary purpose of HOME is to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families or to strengthen public-private partnerships or to provide direct rental assistance to low-income people.

265—39.2(16) Definitions. When used in this chapter unless the context otherwise requires:

"Activity" means one or more specific housing activities, projects or programs assisted through HOME.

"Administrative plan" means a document that a HOME recipient establishes that describes the operation of a funded activity in compliance with all state and federal requirements.

"Authority" means the Iowa finance authority established pursuant to Iowa Code section 16.1A.

"CHDO" means a community housing development organization certified as such by the authority pursuant to 24 CFR §92.2.

"Consolidated plan" means the state's housing and community development planning document and the annual action plan update approved by HUD pursuant to 24 CFR 91.

"Contract" means a binding written agreement executed by the authority and the recipient or subrecipient for the purpose of utilizing HOME funds to build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or to provide direct rental assistance to low-income people.

"HOME" means the HOME Investment Partnerships Program authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990.

"HUD" means the U.S. Department of Housing and Urban Development.

"Low-income" means families whose annual incomes do not exceed 80 percent of the median income for the area as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. An individual does not qualify as a low-income family if the individual is enrolled as a student at an institution of higher education; is under 24 years of age; is not a veteran of the United States military; is unmarried; does not have a dependent child; is not a person with disabilities as such term is defined in section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) and was not receiving assistance under section 8 of the 1937 Act as of November 30, 2005; and is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under section 8 of the 1937 Act or does not have parents who qualify as low-income.

"Period of affordability" means the period of time as specified in 24 CFR §92.252 and 24 CFR §92.254 that requirements under HOME must be followed.

"Program income" means gross income received by the participating jurisdiction, state recipient, or a subrecipient at any time, generated from the use of HOME funds or matching contributions.

"Project" means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking. The project includes all the activities associated with the site and building. For tenant-based rental assistance, project means assistance to one or more families.

"Recaptured funds" means HOME funds that are recouped by the recipient when the housing unit assisted by the HOME program homebuyer funds does not continue to be the principal residence of the assisted homebuyer for the full period of affordability.

"Recipient" means the entity under contract with the authority to receive HOME funds and undertake the funded housing activity.

"Repayment" means HOME funds that the recipient repays to the authority because the funds were invested in a project or activity that is terminated before completion or were invested in a project or activity that failed to comply with federal program requirements.

"Subrecipient" means a governmental entity or nonprofit organization selected by the authority to administer all or a portion of the authority's HOME programs to produce affordable housing, provide homeownership assistance, or provide tenant-based rental assistance under the HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient. The selection of a subrecipient by the authority is not subject to the procurement procedures and requirements under federal or state law.

"Very low-income" means low-income families whose annual incomes do not exceed 50 percent of the median family income for the area as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. An individual does not qualify as a very low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.

265—39.3(16) Eligible applicants. Eligible applicants for HOME assistance include nonprofit 501(c) organizations, CHDOs, and for-profit corporations or partnerships.

265—39.4(16) Eligible activities and forms of assistance.

39.4(1) Eligible activities may include tenant-based rental assistance, rental housing rehabilitation, rental housing new construction and adaptive reuse, homebuyer assistance that includes some form of direct subsidy to the homebuyer, and other housing-related activities as may be deemed appropriate by the authority.

39.4(2) Eligible forms of assistance include grants, interest-bearing loans, non-interest-bearing loans, interest subsidies, deferred payment loans, forgivable loans or other forms of assistance as may be approved by the authority.

39.4(3) Program income may be retained by the recipient upon written agreement prepared by the authority and executed by the recipient or subrecipient and the authority.

39.4(4) A site including any building located thereon or project acquired or used for rental activities must be held in fee simple title by the recipient upon the disbursement of HOME funds and throughout the contract term with the authority. An installment contract or leasehold interest is not an acceptable recipient interest.

39.4(5) A site including any building located thereon or project acquired or used for homebuyer activities must be held in fee simple title by the recipient or homebuyer upon the disbursement of HOME funds and throughout the contract term with the authority. An installment contract or leasehold interest is not an acceptable recipient or homebuyer interest.

265—39.5(16) Application procedure. HOME applications will be received from eligible applicants in the online system prescribed by the authority as often as the state expects funding from HUD. At a minimum, applications will include the amount of funds requested, a description of the need for the funds, documentation of other available committed funding sources, the source of required local match, and the estimated number of persons to be served by the applicant. Maximum and minimum grant awards will be established by the authority for each application round.

265—39.6(16) Application requirements. An application that meets the following threshold criteria will be considered for HOME assistance.

39.6(1) The application proposes a housing activity consistent with the HOME fund purpose and eligibility requirements and the state consolidated plan approved by HUD.

39.6(2) The application documents the applicant's capacity to administer the proposed activity. Such documentation may include evidence of successful administration of prior housing activities. The authority reserves sole discretion to deny funding to an applicant that has failed to comply with federal or state requirements in the administration of a previous project funded by the state of Iowa or that failed to comply with federal requirements in the administration of a previous project funded in any other state. Documentation of the ability of the applicant to provide technical services and the availability of certified lead professionals and contractors either trained in safe work practices or certified as abatement contractors may also be required as applicable to the HOME fund activity.

39.6(3) Recipients of funds for homeownership as defined by 24 CFR §92.254 may allow the beneficiaries of the funds to use a principal mortgage loan product from a third party that meets the following criteria:

a. With the exception of Habitat for Humanity principal mortgage loan products, the principal mortgage loan is the only repayable loan in all individual homebuyer assistance projects.

b. The HOME assistance must be recorded in second lien position to the principal mortgage loan, if one exists. Recipients of HOME homebuyer assistance must maintain their assistance security agreements in the above-stated recording position throughout the applicable period of affordability and will not be allowed to subordinate the required recording position to any other form of assistance, such as home equity loans. A homebuyer search is required, and any collection/unpaid obligation that would become a judgment or any judgments must be paid in full prior to closing.

c. Any mortgage lending entity's principal mortgage loan products may be used provided the entity's principal mortgage includes the following terms:

(1) Fully amortized, fixed-rate loan with rate not to exceed Fannie Mae 90-day yield + 0.125 percent;

(2) No less than a 15-year, fully amortized, fixed-rate mortgage will be allowed; and

(3) No adjustable rate mortgages or balloon payment types of mortgages will be allowed.

265—39.7(16) Application review criteria.

39.7(1) The authority will evaluate applications and make funding decisions based on general activity criteria, need, impact, feasibility, and activity administration based upon the specific type of activity to be undertaken. The general activity criteria will be included in the application. Training will be offered prior to the application deadline to provide information and technical assistance to potential applicants.

39.7(2) Notice of the availability of funding and the funding round requirements will be placed on the authority's website at opportunityiowa.gov.

265—39.8(16) Allocation of funds.

39.8(1) The authority may retain up to 10 percent of the state's annual HOME allocation from HUD for administrative costs associated with program implementation and operation.

39.8(2) Not less than 15 percent of the state's annual HOME allocation is reserved for eligible housing activities developed, sponsored or owned by CHDOs unless HUD allows a lower percentage.

39.8(3) The authority reserves the right to negotiate the amount of funds provided for general administration, but the maximum amount of the total HOME award that may be used for general administrative costs is 10 percent of the HOME award. Only local government and nonprofit recipients are eligible for general administrative funds.

39.8(4) The authority reserves the right to negotiate the amount and terms of a HOME award.

39.8(5) The authority reserves the right to make award decisions such that the state maintains the required level of local match to HOME funds.

265—39.9(16) Administration of awards. Applicants selected to receive HOME awards will be notified by letter from the authority's director or designee. The authority and the recipient or subrecipient will execute a contract prepared by the authority.

265—39.10(16) Requests for funds. Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Adequate and itemized documentation supporting the amount of funds requested must be provided to and approved by the authority prior to release of funds. For rental projects, the authority may retain up to 10 percent of the total HOME award for up to 30 days after the recipient satisfactorily completes the work, all HOME-assisted units have been initially occupied, and a final draw and completion form has been submitted to and approved by the authority.

265—39.11(16) References. All references to the Code of Federal Regulations, United States Code, and federal acts, including the Cranston-Gonzalez National Affordable Housing Act of 1990 and the United States Housing Act of 1937, in this chapter are as in effect [effective date of this rulemaking].

These rules are intended to implement Iowa Code section 16.5(1)*"f"* and *"m"* and the Cranston-Gonzalez National Affordable Housing Act of 1990.

Regulatory Analysis

Notice of Intended Action to be published: Subrule 8.3(5)
"Fees"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A.6C, 22.3, and 22.3A

State or federal law(s) implemented by the rulemaking: Iowa Code sections 17A.6C, 22.3, and 22.3A

Public Hearing

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

August 28, 2025	Room G14
11 a.m.	1007 East Grand Avenue
	Des Moines, Iowa

Public Comment

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

Brad Horn, General Counsel
Iowa Department of Management
1007 East Grand Avenue, Room G13
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Purpose and Summary

Guidance from the Iowa Public Information Board (IPIB) in the recent past makes clear that State agencies should be charging the actual costs associated with agency compliance with an open records request, including the actual hourly rate of the employee performing the services, as opposed to a generic hourly rate. Therefore, the Department of Management proposes through this Regulatory Analysis to update the Department's rules to align with the IPIB guidance regarding the charging of fees to ensure compliance with IPIB Open Records Act guidance. The proposed language in this Regulatory Analysis is gleaned directly from the IPIB rules.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

As with the current rule, any person who seeks records pursuant to Iowa Code chapter 22 will bear the burden of paying for costs incurred by the Department in complying with an open records request.

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

Taxpayers benefit from the proposed subrule by ensuring that excessive costs of open records compliance are not thrust on the taxpayer by allowing for the recovery of actual costs associated with large Open Records Act requests.

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 goal of this rulemaking is to allow the Department to charge for actual costs, which is consistent with IPIB guidance. There are no other quantitative impacts perceived.

- **Qualitative description of impact:**

Not applicable.

3. **Costs to the State:**

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

There are no additional enforcement costs borne by the State.

- **Anticipated effect on State revenues:**

Insofar as the proposed rulemaking would require that actual costs be charged and that the least expensive staffing be used, the net effect of this minor change in policy is not anticipated to change State revenues.

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

Inaction is not appropriate because the existing subrule is out of step with IPIB guidance on the values to be charged for compliance with open records obligations.

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

No less costly alternatives are available. The IPIB has made clear that actual hourly rates should be charged. This concept could be written into the Iowa Code, but that determination is for the General Assembly. Absent legislative action, the proposed subrule is needed.

6. **Alternative methods considered by the agency:**

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

No alternative methods for meeting this obligation are available.

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

No such alternative methods are available.

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 have no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind subrule 8.3(5) and adopt the following **new** subrule in lieu thereof:

8.3(5) *Fees.*

a. Copying costs. Price schedules for regularly published records and for copies of records not regularly published will be posted by the department. Copies may be made by or for members of the public at cost as determined and posted by the custodian of the record. The cost of postage and of other services provided in connection with the request may be charged as appropriate.

b. Search and supervisory fee. An hourly fee may be charged for actual department costs and hourly fees in searching for and supervising the examination and copying of requested records. The department may also charge an hourly fee for attorney review of potentially responsive records to the extent that attorney review is necessary based on the nature of the records. The fee will be based upon the actual hourly rate of the employee involved and other actual costs incurred. The department will endeavor to utilize the employee with the lowest hourly rate available with the requisite skills to perform the services in question. No fee will be charged if the records are not made available for inspection, if the time required does not exceed three hours in duration, or if the time required for the search was the result of a department error or a recordkeeping problem.

c. Advance deposits.

(1) The department may require a requester to make an advance deposit of the estimated fee.

(2) When a requester has previously failed to pay a fee charged under this subrule, the department may require advance payment of the full amount of any estimated fee before the department processes a new or pending request for access to records from that requester, as well as payment in full of the amount previously owed.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapters 106, 108, 110, and 111
"Changes to Conform to 2025 Iowa Acts, House File 972"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 2025 Iowa Acts, House File 972
State or federal law(s) implemented by the rulemaking: 2025 Iowa Acts, House File 972

Public Hearing

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

August 26, 2025 2 p.m.	Microsoft Teams Meeting ID: 217 057 970 823 5 Passcode: M3ue7ZD7

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 of Health and Human Services and advise of specific needs.

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which 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:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The purpose of this proposed rulemaking is to rescind chapters that have been made obsolete by 2025 Iowa Acts, House File 972. Section 4 of the legislation strikes Iowa Code section 135.107(2) and 135.107(3), which provides rulemaking authority for Chapter 110. Section 17 of the legislation repeals Iowa Code sections 135.176 and 135.193, which provides rulemaking authority for Chapter 108 and Chapter 106, respectively. Finally, section 17 of the legislation also repeals Iowa Code section 135.175, which is associated with Chapter 111.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this rulemaking.

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

The rulemaking has no specific benefit other than implementing new legislation.

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:**

Four chapters are rescinded in this proposed rulemaking.

- **Qualitative description of impact:**

The proposed rulemaking rescinds existing chapters describing existing graduate medical education incentive programs. The existing programs are being consolidated and replaced by a new Healthcare Professional Incentive Program.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs associated with the proposed rulemaking.

- **Anticipated effect on State revenues:**

The proposed rulemaking has no impact on State revenues.

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

Rulemaking to rescind the chapters is appropriate because the rulemaking authority for the chapters is repealed in 2025 Iowa Acts, House File 972.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 106**.

ITEM 2. Rescind and reserve **641—Chapter 108**.

ITEM 3. Rescind and reserve **641—Chapter 110**.

ITEM 4. Rescind and reserve **641—Chapter 111**.

Regulatory Analysis

Notice of Intended Action to be published: 701—Chapter 1000
"General Requirements"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 123.10 and 123.37

State or federal law(s) implemented by the rulemaking: Iowa Code sections 123.4, 123.10, 123.24, 123.30, and 123.37

Public Hearing

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

August 26, 2025 11 a.m. to 12 noon	Virtual video conference: meet.google.com/kky-ijyt-mqw

Public Comment

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

Madelyn Cutler
Department of Revenue
Hoover State Office Building
1305 Walnut Street
Des Moines, Iowa 50306
Phone: 515.724.2924
Email: madelyn.cutler@iowa.gov

Purpose and Summary

The purpose of this proposed rulemaking is to provide updated Department processes. Rule 701—1000.28(123) is proposed to be amended to accurately reflect the fee charged to class "E" licensees for dishonored payment of alcoholic liquor purchases and to include the option of using a surety bond to satisfy outstanding obligations to the Department for alcoholic liquor payments.

Additionally, the Department is directed under Iowa Code section 123.37(4) to adopt rules establishing procedures for payment of disputed taxes imposed under Iowa Code chapter 123. The proposed new rule provides class "A" and special class "A" beer permittees, class "A" wine permittees, and wine direct shipper permittees with the procedure on how to dispute the taxes and related penalties they are subject to under Iowa Code chapter 123.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Class "E" licensees are subject to a fee for each dishonored payment for the purchase of alcoholic liquor; however, no other classes of persons have been identified to bear the costs of the rest of the proposed rulemaking.

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

Class "A" and special class "A" beer permittees, class "A" wine permittees, and wine direct shipper permittees will benefit from the proposed rulemaking by better understanding the procedure on how to dispute the taxes and related penalties they are subject to under Iowa Code chapter 123.

Additionally, class "E" retail alcohol licensees will benefit from having knowledge of the fee they may be charged for dishonored payment of alcoholic liquor and the option to utilize a surety bond to satisfy outstanding obligations for alcoholic liquor.

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:**

If subrule 1000.28(2) is not amended to reflect the accurate fee amount, the Department will absorb the costs of any fees higher than $20 per payment. If the Department is able to collect a fee in the exact amount charged by the financial institution providing payment services, then the Department will not absorb any additional costs. There is no economic impact from the rest of the proposed rulemaking beyond what is contained in statute.

- **Qualitative description of impact:**

This proposed rulemaking reduces confusion and provides clarity and useful guidance for licensees and permittees.

3. **Costs to the State:**

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

There are no costs to the agency as a result of implementing the rules beyond those that would otherwise be required to administer the statutes.

- **Anticipated effect on State revenues:**

If subrule 1000.28(2) is not amended to reflect the accurate fee amount, the Department will absorb the costs of any fees higher than $20 per payment. If the Department is able to collect a fee in the exact amount charged by the financial institution providing payment services, then the Department will not absorb any additional costs. There is no anticipated effect on State revenues for the rest of the proposed rulemaking.

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

There are no costs associated with the proposed rulemaking. If the Department is able to collect a fee in the exact amount charged by the financial institution providing payment services, then the Department will not absorb any additional costs. The benefits of the proposed rulemaking are reducing confusion and providing clarity and useful guidance for licensees and permittees.

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

The proposed rulemaking is not costly or intrusive.

6. **Alternative methods considered by the agency:**

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

The Department considered the possibility of not providing the new rule for the procedure on beer barrel and wine gallonage tax disputes in this chapter but determined that it provides useful guidance to permittees. Additionally, the Department considered leaving the fee for dishonored payment for alcoholic beverages at $20 but determined having an inaccurate fee would be a disservice to the State.

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

The Department is required by Iowa Code section 123.37 to provide a rule establishing procedures on how to dispute beer barrel and wine gallonage taxes. The proposed amendments to rule 701—1000.28(123) provide class "E" licensees with an option of using a surety bond to satisfy outstanding obligations to the Department.

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?

This rulemaking does not have a substantial impact on small business since it does not make any special distinctions for small businesses.

Text of Proposed Rulemaking

ITEM 1. Amend rule 701—1000.28(123) as follows:

701—1000.28(123) Dishonored payment for alcoholic liquor.

1000.28(1) *Certified funds status.* If a class "E" retail alcohol licensee tenders payment for alcoholic liquor that is subsequently dishonored, the licensee will enter a certified funds status for a duration determined by the director. During the certified funds status period, the licensee will tender a bank draft in exact payment in advance of the licensee's alcoholic liquor delivery.

1000.28(2) *Fee.* ~~The department may collect from the licensee a $20 fee for each dishonored payment for the purchase of alcoholic liquor.~~ For each dishonored payment for the purchase of alcoholic liquor, the department may collect a fee in the exact amount charged by the financial institution providing payment services.

1000.28(3) *Automatic license renewal.* Any class "E" retail alcohol licensee that is enrolled in automatic license renewal and tenders payment for alcoholic liquor that is subsequently dishonored will be unenrolled from automatic license renewal.

1000.28(4) *Bond collection.* The director may collect from a surety bond in order to satisfy any outstanding obligations for dishonored payments.

This rule is intended to implement Iowa Code sections 123.4, 123.24, 123.30, and 123.35.

ITEM 2. Adopt the following **new** rule 701—1000.32(123):

701—1000.32(123) Procedures for disputed beer barrel and wine gallonage taxes. This rule governs the application of payments for all taxes and penalties imposed under Iowa Code chapter 123.

1000.32(1) *Requirements.* Class "A" and special class "A" beer permittees, class "A" wine permittees, and wine direct shipper permittees are required to file and pay taxes and related penalties as required by Iowa Code chapter 123.

1000.32(2) *Notice of assessment.* Taxes are subject to audits performed by the department. Upon the completion of an audit, the department will send the permittee an audit findings letter and notice of assessment. A permittee has 30 days to dispute the findings provided by the notice of assessment.

1000.32(3) *Appeal process.*

a. Pursuant to Iowa Code section 123.37, a permittee who disputes the amount of tax imposed must pay all tax and penalty pertaining to the disputed tax liability prior to appealing the disputed tax liability to the director.

b. Once all tax and penalty liabilities are paid, a permittee must follow the procedures outlined in rule 701—6.4(99G,123,17A) to request an appeal. Once received, the appeal will then proceed in accordance with 701—Chapter 6.

c. Assessed tax liabilities can be compromised and settled with the department at any time throughout the appeal process.

This rule is intended to implement Iowa Code section 123.37.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 54
"Placement"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A, section 84A.1, and chapter 96 and Executive Order 10

Public Hearing

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

August 26, 2025
9:30 a.m.

Microsoft Teams
Meeting ID: 275 535 538 261 1
Passcode: zX7gi2Xm
Dial in by phone: +1 469.998.6043
Find a local number
Phone conference ID: 810 814 813#

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by Iowa Workforce Development no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 are no quantitative impacts.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 54**.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 56
"Youth Affairs"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A, section 84A.1, and chapter 96 and Executive Order 10

Public Hearing

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

August 26, 2025 10 a.m.	Microsoft Teams Meeting ID: 254 664 975 752 8 Passcode: Nw7NF9M5 Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 352 122 926#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 are no quantitative impacts.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 56**.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 57
"Work Force Investment Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A, section 84A.1, and chapter 96 and Executive Order 10

Public Hearing

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

August 26, 2025
10:30 a.m.

Microsoft Teams
Meeting ID: 220 354 044 389 6
Passcode: rj9Mr26G
Dial in by phone: +1 469.998.6043
Find a local number
Phone conference ID: 517 366 600#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 are no quantitative impacts.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 57**.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 58
"Iowa Job Training Partnership Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A and 84A

Public Hearing

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

August 26, 2025 11 a.m.	Microsoft Teams Meeting ID: 246 336 272 508 3 Passcode: YL7vw2HC Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 318 801 259#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 are no quantitative impacts.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 58**.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 59
"Mentor Advisory Board"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A and 84A

Public Hearing

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

August 26, 2025 11:30 a.m.	Microsoft Teams Meeting ID: 217 805 887 897 Passcode: KT2Uv9MM Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 634 345 319#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 quantitative impact.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 59**.

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 61
"Strategic Workforce Development Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 84A
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A and 84A

Public Hearing

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

August 26, 2025 1 p.m.	Microsoft Teams Meeting ID: 221 963 719 106 4 Passcode: tG6Md6L8 Dial in by phone: +1 469.998.6043 Find a local number Phone conference ID: 435 989 85#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of this rulemaking is to remove a chapter that references outdated citations.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 quantitative impact.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

This rulemaking does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **871—Chapter 61**.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 64
"Workforce Development Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 84A, 17A and 260F
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 260F

Public Hearing

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

August 26, 2025
9 a.m.

Microsoft Teams
Meeting ID: 275 535 538 261 1
Passcode: zX7gi2Xm
Dial in by phone: +1 469.998.6043
Find a local number
Phone conference ID: 810 814 813#

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by Iowa Workforce Development no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Rebecca Stonawski
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.868.1939
Email: rebecca.stonawski@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify the allocation of moneys from the Workforce Development Fund under Iowa Code chapter 260F.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

The general public and stakeholders will bear the costs.

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

The general public and stakeholders 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 quantitative impact.

- **Qualitative description of impact:**

There is no qualitative impact.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 64 and adopt the following **new** chapter in lieu thereof:

CHAPTER 64
WORKFORCE DEVELOPMENT FUND

871—64.1(15,76GA,ch1180) Purpose. The purpose of the workforce development fund is to provide revenue for programs that address the workforce development needs of the state. Moneys are appropriated to the fund from the workforce development fund account and are to be used for projects under Iowa Code chapter 260F.

871—64.2(15,76GA,ch1180) Definitions.

"Agreement" means an informal agreement between the department and a grantee that authorizes expenditure of a workforce development fund award.

"Contract" means a formal agreement executed by the department and a grantee for purposes of operating a program under the workforce development fund.

"Department" or *"IWD"* means Iowa workforce development.

"Director" means the director of Iowa workforce development.

"Grantee" means any entity receiving a workforce development fund award from Iowa workforce development.

871—64.3(15,76GA,ch1180) Workforce development fund account. A workforce development fund account is established in the office of the treasurer of state under control of the department. Upon payment in full of a certificate of participation or other obligation issued to fund a job training program under Iowa Code chapter 260E, including a certificate of participation repaid in whole or in part by the supplemental new jobs credit from withholding under Iowa Code section 260J.1, the community college providing the job training program will notify the department of the amount paid by the employer or business to the community college to retire the certificate during the last 12 months of withholding collections. The department will notify the department of revenue of that amount. The department of revenue will then credit to the workforce development fund account, established in Iowa Code section 84G.3, 25 percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department will prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers that will be transferred to the workforce development fund account in any year is $7,750,000. The legislature will make an annual appropriation from the workforce development fund account to the workforce development fund.

871—64.4(15,76GA,ch1180) Workforce development fund allocation. The director will submit a copy of the proposed allocation of funds from the workforce development fund to be made for the next fiscal year for the programs and purposes intended to the chairpersons of the joint economic development appropriations subcommittee of the general assembly. Notwithstanding Iowa Code section 8.39, the plan may provide for increased or decreased allocations if the demand for a program indicates that the need is greater or lesser than the allocation for that program. Workforce development funds are received quarterly. The sequence in which the funds are allocated to the various programs under the workforce development fund will be determined by the department based upon the demand for the respective programs.

871—64.5(15,76GA,ch1180) Workforce development fund reporting. The director will provide annual reports to the legislative services agency on the status of the funds. Unobligated and unencumbered moneys remaining in the workforce development fund or any of its accounts on June 30 of each year will be considered part of the fund for purposes of the next year's allocation.

These rules are intended to implement Iowa Code chapter 260F.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Regulatory Analysis

Notice of Intended Action to be published: 871—Chapter 78
"Employment Agency Licensing"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 84I and 17A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 84I

Public Hearing

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

August 26, 2025
1:30 p.m.

Microsoft Teams
Meeting ID: 237 875 027 562 2
Passcode: bQ68vp9e
Dial in by phone: +1 469.998.6043
Find a local number
Phone conference ID: 753 603 984#

Public Comment

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

Brooke Axiotis
Iowa Workforce Development
1000 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.802.9245
Email: brooke.axiotis@iwd.iowa.gov

Purpose and Summary

The purpose of these proposed rules is to clarify the employment agency licensing process.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

There are no costs associated with this proposed rulemaking.

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

The general public and stakeholders 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 quantitative impact.

- **Qualitative description of impact:**

The general public and stakeholders will receive streamlined information.

3. **Costs to the State:**

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

There are no implementation and enforcement costs.

- **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:**

Not applicable.

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

Not applicable.

6. **Alternative methods considered by the agency:**

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

Not applicable.

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

Not applicable.

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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 871—Chapter 78 and adopt the following **new** chapter in lieu thereof:

Title V
EMPLOYMENT AGENCY LICENSING

CHAPTER 78
EMPLOYMENT AGENCY LICENSING

871—78.1(84I) Definitions. In addition to the definitions found in Iowa Code chapter 84I, the following definition applies:

"Agency" means employment agency.

871—78.2(84I) Application and license.

78.2(1) *Application.* An application for a license must be made in writing to the director on the form provided by the director. The applicant shall also complete and submit the employee-paid fee schedule form provided by the director; $75 nonrefundable fee; and all contract forms to be signed by an employee. The application shall also be accompanied by a surety company bond in the sum of

$30,000, to be approved by the director and conditioned to pay any damages that may accrue to any person due to a wrongful act or violation of law on the part of the applicant in the conduct of business.

78.2(2) *Name.* No agency shall use any name, symbol or abbreviation deceptively similar to or reasonably likely to be confused with the name used by an existing agency, any governmental unit, or nonprofit organization.

78.2(3) *Change in officers.* A change in the name of any person required to be reported on the application under Iowa Code chapter 84I shall be forwarded to the director within ten days of the change.

78.2(4) *Change in address.* The agency shall notify the director of any change of address prior to the change.

78.2(5) *Multiple locations.* A separate license shall be required for each separate office location operated by an agency.

78.2(6) *Nontransferable.* A license is nontransferable.

871—78.3(84I) Nonemployment agency activity. The following activities do not require an employment agency license:

1. Appraisal of an employee's qualifications.
2. Development of career goals and marketing plans.
3. Preparation and printing of résumés.
4. Instruction on interview techniques and networking.
5. Counseling on negotiating pay and fringe benefits.
6. Assistance in obtaining employment when provided by schools, colleges, trade unions, and similar organizations for their students or members if any fees paid are for tuition, training, or dues and would be charged even if the student or member did not attempt to utilize the organization's employment search services.
7. Furnishing or procuring theatrical, stage, or platform attractions or amusement enterprises.
8. Any activity by a governmental unit.

871—78.4(84I) Complaints. Written complaints by an aggrieved party will be investigated. The director will notify the aggrieved party in writing of the outcome of the investigation. The director may take any appropriate action, including denial, revocation, reprimand, and suspension.

871—78.5(17A,84I,252J) Denials, revocations, reprimands and suspensions.

78.5(1) The director may deny, revoke, or suspend a license or issue a reprimand when the director finds that any of the following conditions exist:

a. The license applicant has violated any of the provisions of Iowa Code chapter 84I or the rules of this chapter; or

b. The child support recovery unit of the department of health and human services has issued a certificate of noncompliance to an employment agency; or

c. The license application or its required attachments are inaccurate, incomplete or otherwise insufficient.

78.5(2) Contested cases shall be governed by Iowa Code chapter 17A and 875—Chapter 1, Division V.

871—78.6(84I) Permissible fees charged by agency.

78.6(1) The total amount charged to any employee in any form by an agency shall not exceed 15 percent of the employee's gross earnings from that employer for which the agency procured the job in any pay period for a period of time not to exceed the first 12 months from the date of employment.

78.6(2) Fees due the agency are payable as earned; however, the employee may knowingly agree to pay the fee in advance, with the full understanding that the employee is not required to do so, and the agency guarantees to refund any amounts in excess of 15 percent of actual gross earnings, when ascertained.

78.6(3) No agency or any person connected therewith shall require any employee to execute any negotiable instrument, assignment of earnings, or note except for that amount of fee that is past due to the agency.

78.6(4) Each agency shall keep conspicuously posted at its place of business a copy of the agency's schedule of fees on file with the director. The schedules shall be printed in not less than 8-point type.

78.6(5) Each employee who has paid the fee in advance must be notified at the employee's last-known address by the agency at the time the employee makes the final payment on the fee that the employee may have a refund due if the employee has paid more than 15 percent of the gross earnings of the employee's first year of employment.

871—78.7 Reserved.

871—78.8(84I) Contracts and fee schedules.

78.8(1) *Schedules furnished.* Any schedule of fees to be charged by an agency to employees shall be furnished to all employees at the time of making an application with the agency.

78.8(2) *Required content of all contracts.*

a. Contracts and fee schedules shall not contain smaller than 8-point type.

b. Contracts and fee schedules shall contain no ambiguous, false or misleading information.

c. All contracts and fee schedules must clearly state that the agency is licensed by Iowa Workforce Development and that inquiries may be made via mail to Iowa Workforce Development, 1000 East Grand Avenue, Des Moines, Iowa 50319, or by telephone to 1.866.239.0843.

78.8(3) *Additional required content for employee-paid fee contracts.*

a. Each employee-paid fee contract shall contain a provision limiting to one year from the date of referral the period for which an agency may assess a placement fee for referral of that employee to that employer.

b. Where the agency provides the option for advance payment, the contract and employee-paid fee schedule must clearly state that the employee knowingly agrees to pay the fee in advance with the full understanding that the employee is not required to do so and that the agency guarantees to refund any amount in excess of 15 percent of the employee's gross earnings from that employer for which the agency procured the job for a period of time not to exceed the first 12 months from the date of employment, when ascertained.

c. All employee-paid fee contracts and fee schedules must state the fee in dollar amounts as well as percentages.

These rules are intended to implement Iowa Code chapter 84I.

ARC 9452C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Notice of Intended Action

Proposing rulemaking related to state licensed warehouses and warehouse operators and providing an opportunity for public comment

The Agriculture and Land Stewardship Department hereby proposes to rescind Chapter 90, "State Licensed Warehouses and Warehouse Operators," Iowa Administrative Code, and to adopt a new Chapter 90 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This proposed rulemaking implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgement of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is consolidated into a single chapter. 21—Chapters 93, 94, and 95 are rescinded in **ARC 9457C** herein.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

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 comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on September 26, 2025. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Hoover State Office Building
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.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).

Emergency Rulemaking Adopted by Reference

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 9455C**, IAB 8/6/25). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.

ARC 9453C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Notice of Intended Action

Proposing rulemaking related to licensed grain dealers and providing an opportunity for public comment

The Agriculture and Land Stewardship Department hereby proposes to rescind Chapter 91, "Licensed Grain Dealers," Iowa Administrative Code, and to adopt a new Chapter 91 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This rule implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgement of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is consolidated into a single chapter. 21—Chapters 93, 94, and 95 are rescinded in **ARC 9457C** herein.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

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 comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on September 26, 2025. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Hoover Building
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.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).

Emergency Rulemaking Adopted by Reference

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 9456C**, IAB 8/6/25). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.

ARC 9454C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Notice of Intended Action

Proposing rulemaking related to the grain indemnity fund and providing an opportunity for public comment

The Agriculture and Land Stewardship Department hereby proposes to rescind Chapter 92, "Participation in Grain Indemnity Fund"; to adopt a new Chapter 92, "Grain Indemnity Fund—Board Organization, Operations and Claims"; and to rescind Chapter 93, "Grain Indemnity Fund Board—Organization and Operations," Chapter 94, "Claims Against the Grain Depositors and Sellers Indemnity Fund," and Chapter 95, "Civil Penalties," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This rulemaking implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgement of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is proposed to be consolidated into a single chapter. 21—Chapters 93, 94, and 95 are proposed to be rescinded.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

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 comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on September 26, 2025. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship

Hoover Building
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.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).

Emergency Rulemaking Adopted by Reference

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 9457C**, IAB 8/6/25). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.

ARC 9460C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to general provisions and providing an opportunity for public comment

The State Appeal Board hereby proposes to rescind Chapter 1, "Tort Claims," and to adopt a new Chapter 1, "General Provisions," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 25 and sections 24.26 and 24.30 through 24.32.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 25 and sections 24.26 and 24.30 through 24.32.

Purpose and Summary

The Board is proposing to rescind Chapter 1 and replace it with new rules in a new structure. The current chapter includes definitions, information about the Board, and the form and content submission obligations for tort claims. The Board plans to restructure its rules entirely to make the entire set of rules easier to follow.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 29, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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 543—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
GENERAL PROVISIONS

543—1.1(669) Definitions.

"Award" means the same as defined in Iowa Code section 669.2.

"Board" means "state appeal board" as defined in Iowa Code section 24.26.

"Board's mailing address" means State Capitol Building, 1007 East Grand Avenue, Room G13, Des Moines, Iowa 50319.

"Claim" means the same as defined in Iowa Code section 669.2.

"Department" means the department of management.

"Director" means the director of the department.

"Employee of the state" means the same as defined in Iowa Code section 669.2.

"Executive secretary" means executive secretary of the board.

"State agency" means the same as defined in Iowa Code section 669.2.

543—1.2(17A) Organization. The board is a unit of government within the department. The board oversees claims made against the state. Correspondence to the board should be sent to the board's mailing address. Requests for information about the board may be made to the executive secretary at the board's mailing address. The three voting members of the board are:

1. Treasurer of state. Telephone: 515.281.5366.
2. Auditor of state. Telephone: 515.281.5834.
3. Director of the department. Telephone: 515.281.3322.

543—1.3(669) Meetings of the board. The board will meet at a time and place fixed by the chairperson or a quorum of the board.

1.3(1) *Session.* The board will be considered in continuous session for the purpose of entering orders, issuing determinations, and making awards.

1.3(2) *Quorum.* A majority of board members constitutes a quorum of the board. All decisions of the board may be made by a quorum of the board.

1.3(3) *Executive secretary.* The director will appoint an employee of the department to serve as the executive secretary.

These rules are intended to implement Iowa Code chapter 17A and section 25.2.

ARC 9461C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to tort claims and providing an opportunity for public comment

The State Appeal Board hereby proposes to rescind Chapter 2, "General Provisions," and to adopt a new Chapter 2, "Tort Claims," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 25 and sections 24.26 and 24.30 through 24.32.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 25 and sections 24.26 and 24.30 through 24.32.

Purpose and Summary

The Board is proposing to rescind Chapter 2 and replace it with new rules in a new structure. The current structure of the Board's chapters includes some background information about the Board in existing 543—Chapter 1 and other components in existing Chapter 2. Existing 543—Chapter 1 also

includes rules addressing how individuals submit tort claims. The blending of concepts in different chapters was deemed confusing and unworkable going forward, so 543—Chapters 1 and 2 are proposed to be replaced, with the new 543—Chapter 1 setting out general background information about the Board and the new Chapter 2 dedicated to tort claims, which represent the highest volume of appeals seen by the Board. This restructuring is intended to make it easier for citizens seeking to interact with the Board to find the information they need to do so.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 29, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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 543—Chapter 2 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2
TORT CLAIMS

543—2.1(669) Form of claims.

2.1(1) *Place of filing.* Tort claims will be filed with the executive secretary at the board's address. The board may make forms available to facilitate submission of a claim.

2.1(2) *Names, signatures, and verification.* To be valid, a claim needs to be legible and state the name, address, telephone number, and age of the person making the claim; the name, address and telephone number of the claimant's attorney preparing the claim, if any; and their signatures. Claims must also be verified as being true and that the information provided is accurate to the best of the claimant's knowledge.

2.1(3) *Designation by number.* The executive secretary will assign a number to each claim. Thereafter, claims may be referred to by the assigned number.

543—2.2(669) Content. Valid claims need to include all information as required by the board's official submission form.

543—2.3(669) Attorney general. The executive secretary will convey each claim to the special assistant attorney general assigned to the board. The special assistant attorney general will investigate the claim and is empowered to administer oaths, take testimony, and conduct discovery in accordance with the Iowa Rules of Civil Procedure. The special assistant attorney general may compel the attendance of witnesses and certify to any district court for contempt.

543—2.4(669) Notification. The special assistant attorney general will notify the claimant or the claimant's attorney, in writing, of the board's determination and any award.

543—2.5(669) Release. The claimant is obligated to execute a release of the claim and covenant not to sue in consideration of acceptance of the award.

543—2.6(669) Acceptance. Return of the executed release and covenant not to sue will constitute acceptance of the award in full settlement of the claim.

543—2.7(669) Warrant. Upon acceptance of the award, completion of the release, and a determination by the board that attorneys' fees requested are reasonable, the board will issue a warrant in the agreed amount, payable to claimant and the claimant's attorney.

543—2.8(669) Withdrawal. Submitted claims may be withdrawn at any time through written notice addressed to the board at the board's mailing address.

These rules are intended to implement Iowa Code chapter 17A and section 669.3(3).

ARC 9464C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to general claims and providing an opportunity for public comment

The State Appeal Board hereby proposes to rescind Chapter 3, "General Claims," Iowa Administrative Code, and to adopt a new Chapter 3 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

Purpose and Summary

The Board is proposing to rescind and repromulgate Chapter 3. The statements in the existing chapter were evaluated to ensure the rules were minimally necessary to convey to the public information on how to submit a general claim to the Board and information applicable to the Board's action on that claim. The rules were updated to apply new definitions, remove restrictive words and phrases, and remove any antiquated concepts.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319

Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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 543—Chapter 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
GENERAL CLAIMS

543—3.1(25) Claims. General claims include but are not limited to the listing of claims found in Iowa Code section 25.2. General claims will be filed on a form supplied by the board's executive secretary. Claims will be filed with and processed directly by the state agency allegedly responsible for payment when the claim is for an outdated invoice that is from a previous fiscal year and the amount of the reversion is sufficient to pay the claim. If a claim meets this criteria, then the agency will recommend approval of the claim. The claim is then to be submitted to the department of administrative services state accounting enterprise, which will process such claims. The state agency will keep a record of such claims and will report to the board at the board's next regularly scheduled meeting. The claim will be submitted to the department of administrative services state accounting enterprise on the form prescribed by the board. The department of administrative services state accounting enterprise is authorized by the board to pay such claims from the board appropriation if sufficient moneys have been reverted from the state agency involved. If sufficient moneys have not been reverted, or if the state agency or the department of administrative services state accounting enterprise recommends denial of the claim, the claim is to be forwarded by the state agency to the board for consideration. A record of denied claims will be submitted quarterly to the board by the state agency.

3.1(1) *Place of filing.* The original and one copy of the general claim should be addressed to the board's mailing address.

3.1(2) *Names and signatures.* General claims will state the name, address and telephone number of the claimant and be signed.

3.1(3) *Designation.* A general claim will indicate that it is a general claim filed pursuant to Iowa Code chapter 25.

3.1(4) *Designation by number.* The executive secretary of the board will assign a number to each general claim. Thereafter, the claim may be referred to by such number. If a claim meets the conditions for direct state agency adjudication of the claim, a number will not be assigned.

543—3.2(25) Content. All general claims will set forth information as follows.

3.2(1) *Services rendered or merchandise purchased.* An itemized statement indicating the services or merchandise, the name of the state agency or employee involved, and, if available, a bill for the same will be attached.

3.2(2) *Refunds.* A detailed statement of the reasons for the refund, indicating the state agency involved, will be attached.

3.2(3) *Documentation.* Sufficient documentation to support the claim will be attached.

3.2(4) *Amount.* All amounts for which the claim is filed will be stated and itemized.

543—3.3(25) Investigation. The special assistant attorney general assigned will investigate a general claim. The special assistant attorney general may administer oaths and may take testimony and conduct discovery in accordance with the Iowa Rules of Civil Procedure, Division V. The special assistant attorney general may compel the attendance of witnesses and certify to any district court for contempt. All information from the investigation will be included with the report to the board.

543—3.4(25) Notification. The special assistant attorney general will notify the claimant or the claimant's attorney, in writing, of the board's determination and any award.

543—3.5(25) Warrant. Upon acceptance of the award, the board will issue a warrant in the agreed amount, payable to claimant or the claimant's attorney.

543—3.6(25) Withdrawal. Submitted claims may be withdrawn at any time through written notice addressed to the board at the board's mailing address.

These rules are intended to implement Iowa Code chapter 25.

ARC 9465C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to budget appeals and providing an opportunity for public comment

The State Appeal Board hereby proposes to adopt a new Chapter 4, "Budget Appeals," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

Purpose and Summary

The Board is proposing to repromulgate the rules in existing 543—Chapter 5 as a new Chapter 4. 543—Chapter 5 is proposed to be rescinded herein (IAB 8/6/25), and the new Chapter 4 is proposed to be adopted. The statements in the existing 543—Chapter 5 were evaluated to ensure the rules were minimally necessary to convey to the public information on how to submit a budget appeal to the Board

and information applicable to the Board's action on that claim. The rules were updated to apply new definitions, remove restrictive words and phrases, and remove any antiquated concepts. Rules that were in 543—Chapter 5 that were not directly related to budget appeals were relocated to ensure the focus of the proposed Chapter 4 remained on budget appeals and not ancillary matters.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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. Adopt the following **new** 543—Chapter 4:

CHAPTER 4
BUDGET APPEALS

543—4.1(24) Budget appeals. In resolving appeals filed under Iowa Code chapter 24, the board possesses broad discretionary power to determine how objections are presented and the conduct of hearings and appeals. All proceedings will be simple and informal unless applicable law dictates formality.

543—4.2(24) Inquiries. Inquiries as to procedures may be directed to any board member at the members' respective telephone numbers or the executive secretary or board members at the board's address.

543—4.3(24) Filings.

4.3(1) The number of signatures needed for a budget appeal under Iowa Code chapter 24 is based on voting records. Voting record information is obtained from the county auditor (election commissioner). Verification of the signatures will be made by the board.

4.3(2) For a budget or amendment appeal for all local governments other than a city, the appeal has to be signed by a number of persons in the municipality (local government) equal to one-fourth of 1 percent of those voting for the office of president of the United States or governor, as the case may be, at the last general election in said municipality, but the number will not be less than 10, and the number need not be more than 100 persons.

4.3(3) For a city budget or amendment appeal, the protest has to be signed by qualified electors equal in number to one-fourth of 1 percent of the votes cast for governor in the last preceding general election in the city, but the number will not be less than 10 and the number need not be more than 100 persons.

4.3(4) Filings of appeal petitions are to be with the county auditor of the county in which the local government is located or, if more than one county is involved, in that county where the principal administrative offices are located.

4.3(5) It is the responsibility of the county auditor to notify the board and the appropriate local government upon receipt of an appeal petition. Such filing by the county auditor is to consist of a copy of the appeal petition, together with a complete copy of the certified budget under appeal. Filing with the board is through its executive secretary.

4.3(6) Any appeal and supporting documents will be legible. Copies of relevant documents are acceptable.

4.3(7) Signatures will be accompanied by legible and full mailing addresses.

4.3(8) Petitioners need not have appeared and entered objection at the public hearing at which the protested budget was considered.

4.3(9) The board will extend statutory deadlines by the same elapsed time constraints when tardy certification occurs or whenever a different certification date is established by a special charter city.

4.3(10) If more than one appeal with reasonably related issues is filed against the same budget, the board may consolidate or concurrently consider the appeals in a single hearing and may issue a consolidated decision.

4.3(11) Appeals may be submitted in any form. The content of the appeal should include:

a. Name of the local government budget being appealed.

b. Statutory authority under which the appeal is taken (Iowa Code chapter 384 for cities and Iowa Code chapter 24 for all other local governments).

c. Decision being protested, summarizing key objections and basic reasons for such objections.

This general statement may be expanded at the formal hearing with oral testimony, written briefs, exhibits or other substantive documentation.

4.3(12) Illustration of appeal format.

To: State Appeal Board
Iowa State Capitol
Des Moines, IA 50319

We, the undersigned, protest the action of the officials of ____(local government)____ in certification of their 20____–____ budget and request an appeal hearing.

We offer the following objections and reasons in summary form as basis for our appeal under Iowa Code chapter ____ :

Objection 1 (cite)
Reasons: (brief explanation)
Objection 2 (cite)
Reasons: (brief explanation)
(Add such other sections as needed to identify each basic objection and supporting reasons.)

Date	Signatures	Full mailing address with Zip code.
	1.	(Additional signature sheets may be attached without the full heading, it being assumed those subscribing their names are fully aware of the stated appeal, objections and reasons. Minimal headings on attached sheets should indicate "Protest to _____(local government)_____ Budget, 20 ____–____.")
	2.	
	3.	
	10.	
	100.	

4.3(13) The burden is upon objectors for any proposed item that was included in the budget of the previous year with proposal for reduction or exclusion of the specific items. These arguments need not be fully developed in the appeal petition.

4.3(14) The burden is on the local government certifying or levying officials (as opposed to staff) to show any new item in the budget, or any increase in any item thereof, is necessary, reasonable and in the interest of the public welfare.

543—4.4(24) Scheduling and notice of hearings.

4.4(1) Dates for hearings will be set by the board. When a date is set, notice will be given by certified mail, return receipt requested, to the first ten names on the petition and to the appropriate officials of the local government.

4.4(2) This notice will be mailed at least five days prior to the hearing.

543—4.5(24) Hearings.

4.5(1) Hearings will be held at scheduled times within the county where the local government is located or headquartered. All parties assume their own expenses except as may otherwise be specifically provided by rule or law.

4.5(2) The board may conduct the hearing or may appoint a deputy (hearing officer) to conduct the hearing and report findings and recommendations to the board for its decision.

4.5(3) The hearing will be held in a public place and will be open to the public. The hearing will be conducted so as to give all parties a fair opportunity to be heard.

4.5(4) The board's executive secretary will prepare an official record of all proceedings, including testimony and exhibits. Testimony taken by a mechanical recording device may be incorporated by reference if a transcript is not made. A reasonable amount will be charged to cover the cost of providing a duplicate tape or a copy of the transcription for either party. Tapes will be retained for five years following the decision.

4.5(5) If a party entitled to a hearing fails to appear, that party will be deemed to have waived opportunity for the hearing or to participate in the hearing unless there is good cause for such failure.

4.5(6) Legal counsel will be at the discretion and expense of either party to the appeal.

4.5(7) Parties appearing before the board should select one or two persons to serve as primary spokespersons for their position.

4.5(8) The board will exclude evidence that is irrelevant, immaterial or unduly repetitious.

4.5(9) Written or printed materials will be in sufficient quantity to supply at least three copies for the board and one copy for the other party to the appeal.

4.5(10) Any party requesting a certified shorthand or court reporter will make arrangements for such attendance and expense.

4.5(11) At the outset of each hearing, the presiding board officer will indicate disposition of rulings on procedural questions and outline ground rules and time limitations to seek to give equal opportunity to both parties and basically permit:

a. Objectors' basic arguments.

b. Local government officials' basic arguments and rebuttal.

c. Rebuttal by objectors.

d. Presentation by authorized third party intervenors.

e. If desired, closing remarks by objectors.

f. If desired, closing remarks by local government officials.

g. Time permitting, comments by interested citizens.

h. Announcement as to adjournment, filing of additional briefs and the probable timing for the decision.

4.5(12) As deemed necessary, the board may examine the entire budget under appeal including cash reserves (balances), funding sources and expenditures of all types including actual or allowable transfers so those specific items under appeal may be fully examined and evaluated in perspective in arriving at a decision on the appeal.

4.5(13) The board will listen to testimony and arguments from all those concerned, take the matters under advisement, and make a decision setting out the findings of fact and conclusions of law on which the decision is based.

4.5(14) Board members or the presiding hearing officer will be free to ask questions of anyone at any point during any hearing.

4.5(15) The parties may agree upon pertinent facts in the proceedings by stipulation in writing filed at any stage in the proceedings or orally made at the hearing.

4.5(16) Any party served notice of hearing may seek to show cause for a continuance to a date certain at or before the time set for hearing.

4.5(17) The board may adjourn a hearing from time to time at its discretion.

4.5(18) Upon filing of a request by a third party to intervene, the board chairperson will determine whether the applicant has a legitimate interest in the proceedings and can contribute materially to the interpretation and settlement of the issues. Both original parties to the appeal will be advised of participation by a third party. If participation is denied, the written denial will include reasons for the denial.

4.5(19) If a K-12 school budget is appealed, that portion of expenditures attributable to the area education agency will be defended by a knowledgeable official of the area education agency.

4.5(20) At the conclusion of arguments, the board may entertain oral closing argument or additional briefing at its discretion.

4.5(21) Prior to a final decision, the board may reopen a hearing when new pertinent evidence becomes available that could not, with reasonable diligence, have been presented at the original hearing. This hearing need not be held in the county of original jurisdiction.

4.5(22) Any board member who has a possible conflict of interest in any matter resulting in a hearing will recuse themselves from serving during the hearing and from participation in the deliberations and decision resulting from the hearing. In the event one or more board members are recused, the board's decision will be made and issued by a majority of the remaining board members.

4.5(23) A member of the board does not have a conflict of interest by reason of residency within the geographical boundaries of the local government whose budget is appealed.

543—4.6(24) Decision.

4.6(1) The board will issue a written decision. The decision will include:

a. Identification of parties and basic issues.

b. Summary of findings of fact.

c. Summary of conclusions of law.

d. Decision.

e. Reasons for decision.

f. Order for implementation of the decision.

4.6(2) The board may approve, disapprove, or reduce items under appeal but in no event may it increase a budget, expenditure, tax levy or assessment or any item contained therein.

4.6(3) The decision is final and binding unless there is a rehearing or judicial review of the decision.

4.6(4) Either party may request rehearing, stating the specific grounds thereof and the relief sought, within 20 days after the issuance of the final decision. Such requests will be deemed denied unless the board sets a rehearing date within 20 days after the request is filed. This hearing need not be held in the county of original jurisdiction.

4.6(5) The board will notify the county auditor and both parties of the board's decision. Where other county auditors are affected, the county auditor is obligated to promptly inform the other county auditors of the board's decision and order.

543—4.7(24) Amendments.

4.7(1) Protests of amendments to budgets will be considered within the same general procedures and time constraints as are applicable to original budgets.

4.7(2) Any local budget has to be amended by May 31 of the current fiscal year to allow time for a protest hearing to be held and decision rendered before June 30. The amendment of a budget after May 31, that is properly appealed but without adequate time for hearing and decision before June 30, will be ruled null and void.

These rules are intended to implement Iowa Code sections 24.26 through 24.32.

ARC 9462C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to uniform rules and providing an opportunity for public comment

The State Appeal Board hereby proposes to rescind Chapter 5, "Budget Appeals," and to adopt a new Chapter 5, "Uniform Rules," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 24.26, 24.30 through 24.32 and 25.2 and Executive Order 10.

Purpose and Summary

Under the Board's current rules, numerous provisions sought to address concepts covered by the Uniform Rules on Agency Procedure. Guidance provided by the Governor's staff has been to use the Uniform Rules wherever possible and to only make minimal changes to those Uniform Rules where necessary. Applying that guidance, the Board plans to rescind existing 543—Chapters 6 and 7 and

consolidate those concepts into a single new Chapter 5 focused on the Uniform Rules. The content of the existing Chapter 5 has been added to a new 543—Chapter 4 herein (IAB 8/6/25). This rulemaking rescinds the now-duplicative Chapter 5 and adopts this new Chapter 5 in its place. 543—Chapters 6 and 7 are proposed to be rescinded herein (IAB 8/6/25). The full set of Uniform Rules is proposed to be adopted by the Board, with internal references in those rules updated to reflect the Board's information or otherwise made to incorporate the rules into the Board's set of administrative rules. The only substantive provisions retained from current 543—Chapters 6 and 7 relate to fair information practices, where the Board's existing rules were thought to provide a benefit to the Board and citizens over the current Uniform Rules.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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 543—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
UNIFORM RULES

The board hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure, which are published at www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf on the general assembly's website.

543—5.1(17A,22) Fair information practices. The board hereby adopts, with the following exceptions and amendments, the uniform rules on agency procedure relating to fair information practices, which are published at www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf on the general assembly's website. For purposes of this rule, the following designations are made:

5.1(1) In lieu of the words "(official or body issuing these rules)", insert "board".

5.1(2) In lieu of the word "agency", insert "board".

5.1(3) In lieu of the words "(insert agency head)", insert "chairperson of the board".

5.1(4) In lieu of the words "(insert agency name and address)", insert "the board at the board's mailing address".

5.1(5) In lieu of the words "(insert customary office hours and, if agency does not have customary office hours of at least thirty hours per week, insert hours specified in Iowa Code section 22.4)", insert "8 a.m. to 4:30 p.m. daily, excluding Saturdays, Sundays, and legal holidays".

5.1(6) In lieu of the words "(specify time period)", insert "30 minutes".

5.1(7) In lieu of the words "(An agency wishing to deal with search fees authorized by law should do so here.)", delete the statement.

5.1(8) In lieu of the words "(designate office)", insert "the board's executive secretary".

5.1(9) In lieu of the words "(and, where applicable, the time period during which the record may be disclosed)", insert "and, where applicable, the time period during which the record may be disclosed".

5.1(10) In lieu of the words "(Additional requirements may be necessary for special classes of records.)", insert "Additional obligations may be necessary for special classes of records".

5.1(11) In lieu of the words "(Each agency should revise its forms to provide this information.)", delete the statement.

543—5.2(17A,22) Additional fair information practices—uses and disclosures of information.

5.2(1) *General.* Board records are open for public inspection and copying unless otherwise provided by applicable law.

5.2(2) *Uses and disclosures of individually identifiable information.* To the extent allowed by law, uses or disclosures of confidential records may occur with or without the consent of the subject. Types of uses or disclosures that occur without the subject's consent include but are not necessarily limited to the following:

a. Use or disclosure for a routine use in relation to the work of the board, as long as such use or disclosure is made subject to the same confidentiality obligations imposed on the board.

b. Use or disclosure for statistical research purposes or reporting as long as the information is deidentified in advance.

c. Use or disclosure for civil or criminal law enforcement activities to the extent authorized by law.

d. Disclosure to an individual pursuant to a showing of compelling circumstances affecting the health or safety of any individual.

e. Disclosure to the legislative services agency under Iowa Code section 2A.3.

f. Use or disclosure in the course of employee disciplinary proceedings.

g. Use or disclosure in response to a court order or subpoena.

5.2(3) *Complaints to public officials.* A letter from a subject of a confidential record held by the board to a public official that seeks the official's intervention on behalf of the subject in a matter that involves the board will, to the extent permitted by law, be treated as an authorization to release sufficient information about the subject to the official to resolve the matter.

5.2(4) *Release to subject.* The subject of a confidential record may submit a request to review confidential records about that person. However, the board need not release the record to the subject to the extent that the record is confidential under applicable law. Records that may be declared confidential include but are not necessarily limited to records that are predecisional draft documents, peace officers' investigative reports, records that are subject to the attorney/client privilege, and records that are subject to the attorney work product doctrine. When a record has multiple identifiable subjects with interest in the confidentiality of the record, the board may take reasonable steps to protect confidential information relating to another subject.

543—5.3(17A) Petition for rulemaking. The board hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to petitions for rulemaking, which are published at www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf on the general assembly's website. For purposes of this rule, the following designations are made:

5.3(1) In lieu of the word "agency", insert "board".

5.3(2) In lieu of the words "(designate office)", insert "board's mailing address".

5.3(3) In lieu of the phrase "designate official by full title and address", insert "chairperson of the board at the board's mailing address".

543—5.4(17A) Declaratory orders. The board hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to declaratory orders, which are published at www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf on the general assembly's website. For purposes of this rule, the following designations are made:

5.4(1) In lieu of the words "designate agency", insert "board".

5.4(2) In lieu of the words "designate office", insert the "board's mailing address".

5.4(3) In lieu of the words "(An agency may wish to describe here a simplified alternative petition form that would be more appropriate for some members of its clientele in light of their particular circumstances.)", delete this sentence.

5.4(4) In lieu of the words "Within ____ days (15 or less)" found in rule X.2, insert "Within 15 days".

5.4(5) In lieu of the words "within ____ days of the filing of a petition" in rule X.3(1), insert "within 15 days of the filing of a petition".

5.4(6) In lieu of the words "(after time for notice under X.2(17A))", insert "15 days following receipt of notice from the board that a petition has been filed".

5.4(7) In lieu of the words "(agency name)", insert "board".

5.4(8) In lieu of the words "(specify office and address)", insert "the board at the board's mailing address".

5.4(9) In lieu of the words "(designate agency head)", insert "the chairperson of the board".

5.4(10) In lieu of the words "(uniform rule on contested cases X.12(17A))" and "(contested case uniform rule X.2(17A))", insert "uniform rule on contested cases X.12".

5.4(11) In lieu of the sentence "(The agency may specify any provisions of Iowa Code sections 17A.10 through 17A.18 on contested case proceedings to apply to proceedings for declaratory orders.)", delete the statement.

5.4(12) In lieu of the sentence "(Where the agency's experience enables it to define in advance other specific reasons for refusing to issue a declaratory order, it should include them here.)", delete the statement.

5.4(13) In lieu of the phrase "(who consent to be bound)", insert "who consent to be bound".

543—5.5(17A) Board procedure for rulemaking. The board hereby adopts, with the following exceptions and amendments, the Uniform Rules on Agency Procedure relating to agency procedure for rulemaking, which are published at www.legis.iowa.gov/DOCS/Rules/Current/UniformRules.pdf on the general assembly's website. For purposes of this rule, the following designations are made:

5.5(1) In lieu of the words "(commission, board, council, director)", insert "board".

5.5(2) In lieu of the word "agency", insert "board".

5.5(3) In lieu of the words "(specify time period)", insert "one calendar year".

5.5(4) In lieu of the words "(identify office and address)", insert "the executive secretary at the board's mailing address".

5.5(5) In lieu of the words "(designate office and telephone number)", insert "the executive secretary at 515.281.3078".

5.5(6) In lieu of the words "(designate office)", insert "the board's mailing address".

5.5(7) In lieu of the words "(specify the office and address)", insert "the board's mailing address".

5.5(8) In lieu of the words "(agency head)", insert "chairperson of the board".

5.5(9) In lieu of the words "(Alternatively, the agency can maintain the file indefinitely.)" and "(*NOTE: Alternatively to X.13(2)"j" and the amendment of X.13(4), an agency could keep a separate file of significant written criticisms to rules and maintain those for five years.)", delete the statements.

5.5(10) In lieu of the words "(at actual cost)", insert "at actual cost".

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

ARC 9463C

APPEAL BOARD, STATE[543]

Notice of Intended Action

Proposing rulemaking related to public records and fair information practices and agency procedure for rulemaking and providing an opportunity for public comment

The State Appeal Board hereby proposes to rescind Chapter 6, "Public Records and Fair Information Practices," and Chapter 7, "Agency Procedure for Rule Making," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 24.26, 24.30 through 24.32 and 25.2.

Purpose and Summary

Under the Board's current rules, numerous provisions sought to address concepts covered by the Uniform Rules on Agency Procedure. Guidance provided by the Governor's staff has been to use the Uniform Rules wherever possible and to only make minimal changes to those Uniform Rules where necessary. Applying that guidance, the Board is proposing to rescind and reserve Chapters 6 and 7 and has consolidated those concepts into a single new 543—Chapter 5 focused on the Uniform Rules. The new 543—Chapter 5 is proposed herein (IAB 8/6/25). This proposed rulemaking simply rescinds Chapters 6 and 7.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on October 30, 2024. A public hearing was held on the following date(s):

- November 19, 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 Board for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Board no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Brad Horn, General Counsel
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

Public Hearing

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

August 29, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue Des Moines, Iowa
September 5, 2025 9 to 10 a.m.	State Capitol, Room G14 1007 East Grand Avenue 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 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 and reserve **543—Chapter 6**.

ITEM 2. Rescind and reserve **543—Chapter 7**.

ARC 9458C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to debarment from participation in authority programs and transactions and providing an opportunity for public comment

The Economic Development Authority hereby proposes to adopt new Chapter 2, "Debarment from Participation in Authority Programs and Transactions," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 15.106E.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.106E.

Purpose and Summary

The Authority proposes to adopt a new Chapter 2 to implement Iowa Code section 15.106E as enacted by 2024 Iowa Acts, Senate File 2289. The new chapter establishes the factors the Authority will consider and the process that will be followed to prohibit bad actors from participating in Authority programs and transactions.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on May 14, 2025. A public hearing was held on the following date(s):

- June 3, 2025

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 Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

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. Adopt the following **new** 261—Chapter 2:

CHAPTER 2
DEBARMENT FROM PARTICIPATION IN AUTHORITY PROGRAMS AND TRANSACTIONS

261—2.1(15) Definitions.

"Affiliate" means any entity that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another entity or person. "Control" as used in this definition means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract or otherwise. A voting interest of 10 percent or more creates a rebuttable presumption of control.

"Authority" means the economic development authority created in Iowa Code section 15.105.

"Debar" or *"debarment"* means action taken by the authority to prohibit a person from receiving an award of financial assistance or from being selected as a vendor pursuant to Iowa Code section 15.106E and this chapter.

"Director" means the director of the authority.

"Person" means the same as defined in Iowa Code section 4.1(20).

"Principal" means an officer, director, or owner.

"Respondent" means a person the authority intends to debar or has debarred.

"Vendor" means a person that provides goods or services to the authority.

261—2.2(15) Factors considered.

2.2(1) The authority may debar a person in any of the circumstances listed in Iowa Code section 15.106E(1). The authority will consider the following factors to determine whether debarment is warranted:

a. Whether the person had effective standards of conduct and internal control systems in place at the time the cause for debarment occurred or has adopted such procedures.

b. Whether the person brought the cause for debarment to the attention of the authority in a timely manner.

c. Whether the person has fully investigated the circumstances surrounding the cause for debarment and, if so, has made the result of the investigation available to the authority.

d. Whether the person cooperated fully with the authority or other government agencies during any investigation or court or administrative action related to the cause for debarment.

e. Whether the person has paid or has agreed to pay all applicable criminal, civil, and administrative liability relating the cause for debarment, including any investigative or administrative costs incurred by the authority, and has made or agreed to make full restitution as applicable.

f. Whether the person has taken appropriate disciplinary action against the individuals responsible for the cause for debarment.

g. Whether the person has implemented or agreed to implement remedial measures, including any identified by the authority.

h. Whether the person has had adequate time to eliminate the circumstances that led to the cause for debarment.

i. Whether the person or relevant principals in an organization recognize and understand the seriousness of the misconduct giving rise to the cause for debarment.

j. Whether the federal government, another state, or another state agency has issued a debarment or other prohibition comparable to debarment based on the same or similar conduct that constitutes cause for debarment by the authority.

k. Any other factors deemed relevant to the cause for debarment by the authority.

2.2(2) The existence or nonexistence of any mitigating factors or remedial measures, including those set forth in subrule 2.2(1), is not necessarily determinative of whether the authority will debar a person.

261—2.3(15) Debarment procedure.

2.3(1) Upon receipt of information that a person has engaged in conduct that could constitute cause for debarment, the director will determine whether to debar a person based on all information available to the authority or whether additional information is required to make such a determination.

2.3(2) If the director determines debarment is warranted, the person and any affiliates, principals, or employees to be debarred will be given prompt notice in writing of the following:

a. That the person is debarred and the identity of any affiliates, principals, or employees who are debarred;

b. The circumstance(s) in Iowa Code section 15.106E(1) relied on by the authority to impose debarment;

c. The conduct or information upon which the debarment is based;

d. The period of debarment, including effective dates; and

e. The effect of the proposed debarment, including identification of authority programs or transactions to which the debarment applies.

2.3(3) If the director determines that additional information is required, the person and any affiliates, principals, or employees who may be debarred will be given prompt notice in writing of the following:

a. That debarment is being considered;

b. The circumstance(s) in Iowa Code section 15.106E(1) relied on by the authority to propose debarment;

c. The conduct or information upon which the proposed debarment is based;

d. The period of proposed debarment, including effective dates;

e. The effect of the proposed debarment, including identification of authority programs or transactions to which the debarment may apply; and

f. The additional information sought by the authority to determine whether debarment is warranted, when the respondent must provide such information, and the effect of failure to provide such information to the satisfaction of the authority.

2.3(4) After following the procedure identified in subrule 2.3(3), the director will promptly notify in writing the person and any affected affiliates, employees, or principals whether debarment is imposed. If debarment is imposed, notification will be provided in accordance with subrule 2.3(2).

2.3(5) The authority may, in its discretion, enter into an agreement with a person establishing terms and conditions for continued or future participation in authority programs or transactions in lieu of debarment.

261—2.4(15) Period and scope of debarment.

2.4(1) Debarment will be for a period commensurate with the acts or omissions of the person to be debarred. A person will not be debarred for an initial period that exceeds three years. The authority may impose an additional period of debarment if, prior to the expiration of an initial period of debarment, the authority determines an additional period of debarment is warranted.

2.4(2) A person may be debarred from one or more authority programs or transactions or from all authority programs and transactions.

261—2.5(15) Request for review and response.

2.5(1) A person that has been debarred by the authority may request a review of the authority's determination pursuant to Iowa Code section 15.106E(3). The request may include any information relevant to demonstrate the authority's determination was based on a clear error of material factor or law or that the authority's determination was arbitrary, capricious, or an abuse of discretion.

2.5(2) The authority will issue a decision on the request for review in accordance with Iowa Code section 15.106E(3).

261—2.6(15) Request for reinstatement after debarment.

2.6(1) A person that has been debarred may submit a request for reinstatement during the period of debarment if:

a. New information becomes available that is relevant to the cause for debarment and that was not previously discoverable;

b. Criminal charges or civil or administrative actions related to the cause for debarment have been dismissed or a criminal conviction or civil judgment related to the cause for debarment has been reversed;

c. A debarment or comparable prohibition imposed by the federal government, another state, or another state agency, upon which the authority debarment was based, has been reversed;

d. A bona fide change in ownership or management of the person debarred has occurred; or

e. The person is able to supply other proof that the causes for debarment have been eliminated.

2.6(2) A request for reinstatement must be submitted to the director. The petition must be accompanied by written evidence that supports the request.

2.6(3) The authority will issue a decision on a request for reinstatement within 60 calendar days of the receipt of the request. The authority may approve, deny, or modify the debarment based on all information available to the authority and based upon the factors identified in rule 261—2.2(15). The authority shall issue its decision in writing and provide written notice of the decision to the person and any affected affiliates, principals, or employees.

261—2.7(15) Additional remedies. The authority may impose additional consequences for a cause for debarment that are allowed under any authority programs in which a debarred person is participating or any existing agreements between the authority and a debarred person.

These rules are intended to implement Iowa Code section 15.106E.

ARC 9466C

HUMAN SERVICES DEPARTMENT[441]

Amended Notice of Intended Action

Proposing rulemaking related to family planning program and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 87, "Family Planning Program," Iowa Administrative Code, and to adopt a new Chapter 87 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 217.6 and 217.41B.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 217.41B and 2024 Iowa Acts, Senate File 2251.

Purpose and Summary

This rulemaking is in response to Executive Order 10. This proposed chapter outlines the details of eligibility criteria, funding, provider criteria, and covered services for the Family Planning Program. This rulemaking also makes conforming changes as a result of 2024 Iowa Acts, Senate File 2251, section 1, enacted May 8, 2024, and effective January 1, 2025.

Reason for Amendment of Notice of Intended Action

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 8, 2025, as **ARC 8711C**. No public comments were received.

Changes from the Notice have been made to remove references to Title X in anticipation of cuts to federal Title X funding. The Department is holding an additional public hearing on the proposed 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 441—Chapter 6.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: victoria.daniels@hhs.iowa.gov

Public Hearing

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

August 26, 2025 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 217 057 970 823 5 Passcode: M3ue7ZD7

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 441—Chapter 87 and adopt the following **new** chapter in lieu thereof:

CHAPTER 87
FAMILY PLANNING PROGRAM

441—87.1(217) Definitions.

"Applicant" means a person who applies for assistance under the family planning program described in this chapter.

"Authorized agency" means an agency or entity with an executed memorandum of understanding (MOU) with the department authorizing the agency to perform point-of-service eligibility determinations for the family planning program.

"Citizen" or *"citizenship"* includes both citizens of the United States and nationals of the United States as defined in 8 U.S.C. Section 1101(a)(22) as amended to August 1, 2024.

"Family planning services" means pregnancy prevention and related reproductive health services.

"Federal poverty level" means the levels published and updated periodically in the Federal Register by the United States Department of Health and Human Services (DHHS) under the authority of 42 U.S.C. Section 9902(2) as amended to August 1, 2024, and revised annually on April 1.

"INA" means the Immigration and Nationality Act of 1952. All references to the INA herein are as amended to August 1, 2024.

"Member" means a person who has been determined eligible and is a current or former recipient of family planning program services.

"Noncitizen" means the same as the term "alien" as defined at 8 U.S.C. Section 1101(a)(3) as amended to August 1, 2024.

"Qualified noncitizen" means the same as the term "qualified alien" as defined at 8 U.S.C. Section 1641(b) and (c), as amended to August 1, 2024, and refers to a person who is:

1. Lawfully admitted for permanent residence in the United States under the INA;
2. Granted asylum in the United States under Section 208 of the INA;
3. A refugee admitted to the United States under Section 207 of the INA;
4. Paroled into the United States under Section 212(d)(5) of the INA for a period of at least one year;
5. A person whose deportation from the United States is withheld under Section 243(h) of the INA as in effect before April 1, 1997, or under Section 241(b)(3) of the INA;
6. Granted conditional entry to the United States pursuant to Section 203(a)(7) of the INA as in effect before April 1, 1980;
7. An Amerasian admitted to the United States as described in 8 U.S.C. Section 1612(b)(2)(A)(i)(V) as amended to August 1, 2024;
8. A Cuban/Haitian entrant to the United States as described in 8 U.S.C. Section 1641(b)(7) as amended to August 1, 2024;

9. A battered noncitizen as described in 8 U.S.C. Section 1641(c) as amended to August 1, 2024;

10. Certified as a victim of trafficking as described in Section 107(b)(1)(A) of PL 106-386 as amended to August 1, 2024;

11. An American Indian born in Canada to whom Section 289 of the INA applies or a member of a federally recognized Indian tribe as defined in 25 U.S.C. Section 450b(e) as amended to August 1, 2024;

12. Under the age of 21 and lawfully residing in the United States as allowed by 42 U.S.C. Section 1396b(v)(4)(A)(ii) as amended to August 1, 2024; or

13. Lawfully residing in the United States in accordance with a Compact of Free Association with the government of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau as described in 8 U.S.C. Section 1612(b)(2)(G) as amended by Section 208 of Division CC of PL 116-260 as amended to August 1, 2024.

"Qualifying quarters" means all of the qualifying quarters of coverage as defined under Title II of the Social Security Act as amended to August 1, 2024, worked by a parent of a noncitizen while the noncitizen was under the age of 18 and all of the qualifying quarters worked by a spouse of the noncitizen during their marriage if the noncitizen remains married to the spouse or the spouse is deceased. No qualifying quarters of coverage that are creditable under Title II of the Social Security Act as amended to August 1, 2024, for any period beginning after December 31, 1996, may be credited to a noncitizen if the parent or spouse of the noncitizen received any federal means-tested public benefit during the period for which the qualifying quarter is credited.

441—87.2(217) Eligibility. Eligibility for the family planning program will be determined according to the provisions of this rule.

87.2(1) *Persons covered.* Subject to funding as described in subrule 87.7(1) and to the requirements of subrules 87.2(2), 87.2(4), and 87.2(6), assistance for family planning services will be available to the following individuals who are not enrolled in medical assistance pursuant to 441—Chapter 74 or 441—Chapter 75:

a. Women who were enrolled in medical assistance when their pregnancy ended and who are capable of bearing children but are not pregnant. Eligibility for these women extends for 12 consecutive months after the month when the postpartum period described in Iowa Code section 249A.3 ends;

b. Women who are under the age of 55, who are capable of bearing children but are not pregnant, and who have household income that does not exceed 300 percent of the federal poverty level as determined pursuant to subrule 87.2(3);

c. Men who are under the age of 55, who are capable of fathering children, and who have household income that does not exceed 300 percent of the federal poverty level as determined pursuant to subrule 87.2(3).

87.2(2) *Furnishing of social security number.* As a condition of eligibility, except as provided by paragraph 87.2(2)*"a,"* an applicant or member must provide to the department or authorized agency, as applicable, all social security numbers issued to each individual (including children) for whom family planning services are sought.

a. The requirement of furnishing a social security number does not apply to an individual who:

(1) Is not eligible to receive a social security number;

(2) Does not have a social security number and may only be issued a social security number for a valid nonwork reason in accordance with 20 CFR §422.104 as amended to March 15, 2022; or

(3) Refuses to obtain a social security number because of a well-established religious objection. For this purpose, a well-established religious objection means that the individual:

1. Is a member of a recognized religious sect or division of a sect; and

2. Adheres to the tenets or teachings of the sect or division of the sect and for that reason is conscientiously opposed to applying for or using a national identification number.

b. If a required social security number has not been issued or is not known, the individual seeking coverage under the family planning program must cooperate with the department or authorized agency, as applicable, in applying for a social security number with the Social Security Administration or in requesting the Social Security Administration to furnish the number.

87.2(3) *Determination of household income.* The department will determine the countable household income of an individual applying under paragraph 87.2(1)*"b"* or *"c"* as follows:

a. Household composition.

(1) The household includes the applicant or member, any dependent children, as defined below, living in the same home as the applicant or member, and any spouse living in the same home as the applicant or member, except when a dependent child or spouse has elected to receive supplemental security income under Title XVI of the Social Security Act as amended to August 1, 2024.

(2) Definition of dependent children. A dependent child is one under the age of 18 years or aged 18 years who is a full-time student in a secondary school, or in the equivalent level of vocational or technical training, and who is reasonably expected to complete the program before reaching the age of 19.

b. Earned income. All earned income that is received by a member of the household shall be counted except for earnings of a child who is a full-time student as defined in subparagraph 87.2(3)*"a"*(1). Earned income including but not limited to the following will be counted:

(1) Salary.

(2) Wages.

(3) Tips.

(4) Bonuses.

(5) Commissions.

(6) Income from Job Corps.

(7) Earnings from self-employment defined as gross income less the allowable costs of producing the income.

c. Unearned income. The following unearned income of all household members will be counted:

(1) Unemployment insurance benefits.

(2) Child support.

(3) Alimony.

(4) Social security and railroad retirement benefits.

(5) Workers' compensation and disability payments.

(6) Benefits paid by the U.S. Department of Veterans Affairs to disabled members of the armed forces or survivors of deceased veterans.

d. Deemed income. Income deeming for a sponsored alien will be determined pursuant to subrule 87.2(5).

e. Deductions. Deductions from income will be made for any payments made by household members for the following:

(1) Court-ordered child support, alimony, or spousal support paid to nonhousehold members.

(2) Twenty percent of nonexempt earnings.

(3) Child care expenses or expenses related to care for an incapacitated adult. This deduction cannot exceed $200 per month for each child under the age of two and $175 per month for each adult or child aged two or older.

87.2(4) *Citizenship or alienage requirements.*

a. To be eligible for the family planning program, a person must be one of the following:

(1) A citizen or national of the United States.

(2) A qualified noncitizen continuously present (as described in Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility, under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) at 62 CFR §61415 dated November 11, 1997, as amended to August 1, 2024) in the United States since August 22, 1996.

(3) A qualified noncitizen under the age of 21.

(4) A refugee admitted to the United States under Section 207 of the INA.

(5) A noncitizen who has been granted asylum under Section 208 of the INA.

(6) A noncitizen whose deportation is withheld under Section 243(h) or 241(b)(3) of the INA.

(7) A qualified noncitizen veteran who has an honorable discharge that is not due to alienage.

(8) A qualified noncitizen who is on active duty in the armed forces of the United States other than active duty for training.

(9) A qualified noncitizen who is the spouse or unmarried dependent child of a qualified noncitizen described in subparagraph 87.2(4)*"a"*(7) or *"a"*(8), including a surviving spouse who has not remarried.

(10) A qualified noncitizen who has resided in the United States for a period of at least five years beginning on the date of the qualified noncitizen's entry into the United States with a status within the meaning of subparagraph 87.2(4)*"a"*(1), *"a"*(4), or *"a"*(9) under the definition of "qualified noncitizen" in rule 441—87.1(217).

(11) An Amerasian admitted as described in 8 U.S.C. Section 1612(b)(2)(A)(i)(V) as amended to August 1, 2024.

(12) A Cuban/Haitian entrant as described in 8 U.S.C. Section 1641(b)(7) as amended to August 1, 2024.

(13) A certified victim of trafficking as described in Section 107(b)(1)(A) of PL 106-386 as amended to August 1, 2024.

(14) An American Indian born in Canada to whom Section 289 of the INA applies or who is a member of a federally recognized Indian tribe as defined in 25 U.S.C. Section 450b(e) as amended to August 1, 2024.

(15) An Iraqi or Afghan immigrant treated as a refugee pursuant to Section 1244(g) of PL 110-181 as amended to August 1, 2024, or to Section 602(b)(8) of PL 111-8 as amended to August 1, 2024.

(16) An Afghan paroled into the United States treated as a refugee pursuant to Section 2502 of PL 117-43 as amended to August 1, 2024.

(17) A qualified noncitizen lawfully residing in the United States in accordance with a Compact of Free Association with the government of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau as described in 8 U.S.C. Section 1612(b)(2)(G) as amended by Section 208 of Division CC of PL 116-260 as amended to August 1, 2024.

(18) A conditional entrant pursuant to Section 203(a)(7) of the INA as in effect before April 1, 1980.

b. As a condition of eligibility, all applicants for or members of the family planning program shall attest to their citizenship or qualified noncitizen status by signing the application or review form.

c. Except as provided in paragraph 87.2(4)*"h,"* applicants or members for whom an attestation of United States citizenship has been made pursuant to paragraph 87.2(4)*"b"* will present satisfactory documentation of citizenship as described in paragraph 87.2(4)*"d"* or *"e."* A reference to a form in paragraph 87.2(4)*"d"* or *"e"* includes any successor form. An applicant or member who attests to citizenship must also verify the applicant's identity. An applicant or member shall have a reasonable period to obtain and provide required documentation of citizenship or nationality.

(1) For the purposes of this requirement, the "reasonable period" begins on the date a written request for documentation is issued to an applicant or member and continues for 90 days.

(2) Family planning services will be approved for new applicants and continue for members not previously required to provide documentation of citizenship or nationality until the end of the reasonable period to obtain and provide required documentation of citizenship or nationality.

d. Any one of the following documents must be accepted as satisfactory documentation of citizenship and identity:

(1) A United States passport, including a U.S. passport card issued by the U.S. Department of State, without regard to any expiration date as long as such passport or card was issued without limitation.

(2) A Certificate of Naturalization.

(3) A Certificate of United States Citizenship.

(4) A valid U.S. state-issued driver's license, but only if the state issuing the license does either of the following prior to issuance of the license:

1. Requires proof of United States citizenship; or

2. Obtains a social security number from the applicant and verifies before certification that the number is valid and is assigned to the applicant who is a citizen.

(5) Documentation issued by a federally recognized Indian tribe as described at 42 CFR §435.407 as amended to March 15, 2022, including but not limited to a tribal enrollment card, a Certificate of

Degree of Indian Blood, a tribal census document, or a document on tribal letterhead issued under the signature of the appropriate tribal official. Acceptable documentation:

1. Identifies the federally recognized Indian tribe that issued the document;
2. Identifies the individual by name; and
3. Confirms the individual's membership, enrollment, or affiliation with the tribe.

(6) Another document that provides proof of United States citizenship and provides a reliable means of documentation of personal identity, as the Secretary of the U.S. Department of Health and Human Services may specify by regulation pursuant to 42 U.S.C. Section 1396b(x)(3)(B)(v) as amended to August 1, 2024.

e. Satisfactory documentation of citizenship and identity may also be demonstrated by the combination of any identity document described in paragraph 87.2(4)*"f"* and any one of the following:

(1) A U.S. public birth certificate showing birth in one of the 50 states, the District of Columbia, Puerto Rico (if born on or after January 13, 1941), Guam, the U.S. Virgin Islands, American Samoa, Swain's Island, or the Commonwealth of the Northern Mariana Islands (CNMI) (if born after November 4, 1986 (CNMI local time)). The birth record document may be issued by a state, commonwealth, territory, or local jurisdiction. If the document shows that the individual was born in Puerto Rico or the Northern Mariana Islands before the applicable date referenced in this paragraph, the individual may be a collectively naturalized citizen. The following establishes U.S. citizenship for collectively naturalized individuals:

1. Puerto Rico: Evidence of birth in Puerto Rico and the applicant's statement that the applicant was residing in the U.S., a U.S. possession, or Puerto Rico on or after January 13, 1941.
2. CNMI (formerly part of the Trust Territory of the Pacific Islands (TTPI)): Evidence of birth in the CNMI; evidence of TTPI citizenship and residence in the CNMI, the U.S., or a U.S. territory or possession on or after November 3, 1986 (CNMI local time); and the applicant's statement that the applicant did not owe allegiance to a foreign state on November 4, 1986 (CNMI local time); evidence of TTPI citizenship, continuous residence in the CNMI since before November 3, 1981 (CNMI local time); voter registration before January 1, 1975; and the applicant's statement that the applicant did not owe allegiance to a foreign state on November 4, 1986 (CNMI local time); evidence of continuous domicile in the CNMI since before January 1, 1974, and the applicant's statement that the applicant did not owe allegiance to a foreign state on November 4, 1986 (CNMI local time).

NOTE: If a person entered the CNMI as a nonimmigrant and lived in the CNMI since January 1, 1974, this does not constitute continuous domicile and the individual is not a U.S. citizen.

(2) A Certification of Report of Birth, issued to U.S. citizens who were born outside the U.S.

(3) A Report of Birth Abroad of a U.S. citizen.

(4) A certificate of birth in the U.S.

(5) A U.S. Citizen I.D. card.

(6) A Northern Marianas Identification Card issued by the U.S. Department of Homeland Security (or predecessor agency).

(7) A final adoption decree showing the child's name and U.S. place of birth or, if an adoption is not final, a statement from a state-approved adoption agency that shows the child's name and U.S. place of birth.

(8) Evidence of U.S. Civil Service employment before June 1, 1976.

(9) A U.S. military record showing a U.S. place of birth.

(10) Documentation that a child meets the requirements of Section 101 of the Child Citizenship Act of 2000 as amended to August 1, 2024 (8 U.S.C. Section 1431).

(11) Medical records, including but not limited to hospital, clinic, or doctor records or admission papers from a nursing facility, skilled care facility, or other institution that indicate a U.S. place of birth.

(12) A life, health, or other insurance record that indicates a U.S. place of birth.

(13) An official religious record recorded in the U.S. showing that the birth occurred in the U.S.

(14) School records, including preschool, Head Start, and day care, showing the child's name and U.S. place of birth.

(15) Federal or state census records showing U.S. citizenship or a U.S. place of birth.

If the applicant does not have one of the documents listed in paragraph 87.2(4)*"d"* or subparagraphs 87.2(4)*"e"*(1) through *"e"*(15), the applicant may submit an affidavit using a form prescribed by the department, signed under penalty of perjury by another individual who can reasonably attest to the applicant's citizenship. Such affidavit must contain the applicant's name, date of birth, and place of U.S. birth. The affidavit is not required to be notarized.

f. Any of the following documents must be accepted as satisfactory documentation of identity, provided the document has a photograph or other identifying information sufficient to establish identity, including but not limited to name, age, sex, race, height, weight, eye color, or address:

(1) Identity documents listed at 8 CFR §274a.2(b)(1)(v)(B)(1) as amended to March 15, 2022, except a driver's license issued by a Canadian government authority.

(2) A driver's license issued by a state or territory.

(3) A school identification card.

(4) A U.S. military card or draft record.

(5) An identification card issued by the federal, state, or local government.

(6) A military dependent's identification card.

(7) A U.S. Coast Guard Merchant Mariner card.

(8) For children under age 19, a clinic, doctor, hospital, or school record, including preschool or day care records.

(9) Two other documents containing consistent information that corroborates an applicant's identity. Such documents include but are not limited to employer identification cards; high school, high school equivalency, and college diplomas; marriage certificates; divorce decrees; and property deeds or titles.

(10) A finding of identity from a federal agency or another state agency, including but not limited to a public assistance, law enforcement, internal revenue or tax bureau, or corrections agency, if the agency has verified and certified the identity of the individual.

If the applicant does not have any document specified in subparagraphs 87.2(4)*"f"*(1) through *"f"*(10), the applicant may submit an affidavit using a form prescribed by the department signed under penalty of perjury by another individual who can reasonably attest to the applicant's identity. Such affidavit must contain the applicant's name and other identifying information establishing identity, as described in paragraph 87.2(4)*"f."* The affidavit is not required to be notarized.

g. The department or authorized agency, as applicable, must accept a photocopy, facsimile, scanned, or other copy of a document listed in paragraph 87.2(4)*"d," "e,"* or *"f"* to the same extent as an original document, unless information on the submitted copy is inconsistent with other information available or there is reason to question the validity of, or information in, the document. The department must provide assistance in a timely manner to persons who need assistance in securing satisfactory documentation of citizenship or identity.

h. A person for whom an attestation of United States citizenship has been made pursuant to paragraph 87.2(4)*"b"* is not required to present documentation of citizenship and identity for the family planning program if any of the following circumstances apply:

(1) The person is entitled to or enrolled for benefits under any part of Title XVIII of the federal Social Security Act (Medicare) as amended to August 1, 2024.

(2) The person is receiving federal social security disability insurance (SSDI) benefits under Title II of the federal Social Security Act, Section 223 or 202, based on disability (as defined in Section 223(d) of the Act as amended to August 1, 2024).

(3) The person is receiving supplemental security income (SSI) benefits under Title XVI of the federal Social Security Act as amended to August 1, 2024.

(4) The person is or was exempted while assisted by child welfare services funded under Part B of Title IV of the federal Social Security Act as amended to August 1, 2024, on the basis of being a child in foster care as defined in Iowa Code section 232.2(20B). This exemption does not apply, and the person is subject to the citizenship and identity documentation requirements described in paragraph 87.2(4)*"c,"* when services under Part B of Title IV as amended to August 1, 2024, were terminated due to failure to meet citizenship requirements.

(5) The person is or was exempted while assisted by foster care as defined in Iowa Code section 232.2(20B) or adoption assistance funded under Part E of Title IV of the federal Social Security Act as amended to August 1, 2024. This exemption does not apply, and the person is subject to the citizenship and identity documentation requirements described in paragraph 87.2(4)*"c,"* when services under Part E of Title IV as amended to August 1, 2024, were terminated due to failure to meet citizenship requirements.

(6) The person has previously presented satisfactory documentation of citizenship and identity, as specified by the United States Secretary of Health and Human Services.

(7) The person was deemed eligible for medical assistance pursuant to 42 U.S.C. Section 1396a(e)(4) as amended to August 1, 2024, on or after July 1, 2006, as the newborn of a Medicaid-eligible mother.

(8) The person was eligible for medical assistance pursuant to 42 U.S.C. Section 1397ll(e) as amended to August 1, 2024, as the newborn of a mother eligible for assistance under a State Children's Health Insurance Program (SCHIP) pursuant to Title XXI of the Social Security Act as amended to August 1, 2024.

i. Except as provided in paragraph 87.2(4)*"h,"* applicants or members for whom an attestation of qualified noncitizen status has been made pursuant to paragraph 87.2(4)*"b"* will present satisfactory documentation of qualified noncitizen status. Satisfactory documentation of qualified noncitizen status is documentation issued by the U.S. Citizenship and Immigration Services (USCIS) (formerly Immigration and Naturalization Service (INS)) of the Department of Homeland Security that identifies the person's qualified noncitizen status.

87.2(5) *Deeming of sponsor's income.*

a. When a qualified noncitizen admitted for lawful permanent residence is sponsored by a person who executed an affidavit of support as described in 8 U.S.C. Section 1631(a)(1) as amended to August 1, 2024, on behalf of the qualified noncitizen, the income of the sponsor will be deemed to determine eligibility for the sponsored qualified noncitizen. The amount deemed to the sponsored qualified noncitizen will be the total countable income of the sponsor determined pursuant to paragraphs 87.2(3)*"b"* through *"d."*

b. An indigent qualified noncitizen is exempt from the deeming of a sponsor's income for 12 months after indigence is determined. A qualified noncitizen will be considered indigent if:

(1) The qualified noncitizen does not live with the sponsor; and

(2) The qualified noncitizen's gross income, including any income actually received from or made available by the sponsor, is less than 100 percent of the federal poverty level for the sponsored qualified noncitizen's household size.

c. A battered qualified noncitizen as described in 8 U.S.C. Section 1641(c) as amended to August 1, 2024, is exempt from the deeming of a sponsor's income for 12 months.

d. Deeming of the sponsor's income does not apply when:

(1) The sponsored qualified noncitizen attains citizenship through naturalization pursuant to Chapter 2 of Title II of the INA.

(2) The sponsored qualified noncitizen has earned 40 qualifying quarters of coverage as defined in Title II of the Social Security Act as amended to August 1, 2024, or can be credited with 40 creditable qualifying quarters as defined in rule 441—87.1(217).

(3) The sponsored qualified noncitizen or the sponsor dies.

(4) The sponsored qualified noncitizen is a child under the age of 21 as allowed by 42 U.S.C. Section 1396b(v)(4)(A)(ii) as amended to August 1, 2024.

87.2(6) *Residency requirements.* Residency in Iowa is a condition of eligibility for the family planning program.

a. Definition of resident. A resident of Iowa is one:

(1) Who is living in Iowa voluntarily with the intention of making that person's home there and not for a temporary purpose. A person is a resident of Iowa when living there on other than a temporary basis. Residence will not depend upon the reason for which the individual entered the state, except insofar as it may bear upon whether the individual is there voluntarily or for a temporary purpose; or

(2) Who, at the time of application, is living in Iowa, is not receiving assistance from another state, and entered Iowa with a job commitment or seeking employment in Iowa, whether or not currently employed.

b. Retention of residence. Residence is retained until abandoned. Temporary absence from Iowa, with subsequent returns to Iowa, or intent to return when the purposes of the absence have been accomplished does not interrupt continuity of residence.

87.2(7) *Investigation by quality control or the department of inspections, appeals, and licensing.* As a condition of eligibility, an applicant or member must cooperate with the department when the applicant's or member's case is selected by quality control or the department of inspections, appeals, and licensing for verification of eligibility unless the investigation revolves solely around the circumstances of a person whose income does not affect family planning program eligibility. (More information can be found in 481—Chapter 72.) Failure to cooperate will serve as a basis for denial of an application or cancellation of family planning program eligibility. Once a person's eligibility is denied or canceled for failure to cooperate, the person may reapply but cannot be determined eligible until cooperation occurs.

87.2(8) *Funding contingency.* Initial and continuing eligibility for family planning services under this program is subject to the availability of funding appropriated for this purpose.

a. When appropriated funding is exhausted, ongoing eligibility will be terminated and new applications will be denied.

b. When appropriated funding becomes available, applications submitted thereafter will be considered on a first-come, first-served basis, based on the date of approval.

441—87.3(217) Enrollment.

87.3(1) *Application.* An individual who requests assistance for family planning services shall file an application on a form prescribed by the department. A woman eligible under paragraph 87.2(1)*"a"* is not required to file an application for assistance under this program. The department will automatically redetermine eligibility upon loss of other Medicaid eligibility within 12 months after the month when the postpartum period described in Iowa Code section 249A.3 ends.

87.3(2) *Place of filing.* An application may be filed at any department office or authorized agency.

87.3(3) *Information or verification needed to determine eligibility.* The department or authorized agency, as applicable, will notify the applicant or member, authorized representative, or responsible person in writing of the information or verification required to establish eligibility. This notice must be provided to the applicant or member, authorized representative, or responsible person personally or by mail or fax.

a. The department or authorized agency, as applicable, will allow the applicant or member, authorized representative, or responsible person ten calendar days to supply the information or verification requested.

b. The department or authorized agency, as applicable, may extend the deadline for a reasonable period of time when the applicant or member, authorized representative, or responsible person is making reasonable efforts but is unable to secure the required information or verification.

c. If benefits are denied for failure to provide information or verification and the information or verification is provided within 14 calendar days of the effective date of the denial, the department or authorized agency, as applicable, will complete the eligibility determination as though the information or verification were received timely. If the fourteenth calendar day falls on a weekend or state holiday, the applicant or member, authorized representative, or responsible person will have until the next business day to provide the information.

87.3(4) *Annual review.* An individual who requests that assistance continue for family planning services shall complete a form prescribed by the department. The member must submit the completed review form before the end of the eligibility period to any location specified in subrule 87.3(2).

87.3(5) *Time limit for decision.* An application or review form will be processed by the department or authorized agency with which the form was filed. A determination of eligibility will be made within 45 days of receipt of the application or review form.

87.3(6) *Notice of decision.* The individual will be notified in writing of the decision regarding eligibility for the family planning program in accordance with 441—Chapter 16.

441—87.4(217) Effective date of eligibility. Subject to the availability of funding appropriated for this purpose, assistance for family planning services under this program will be effective on the first day of the month of application or the first day of the month in which all eligibility requirements are met, whichever is later. Assistance will not be available under this program for any months prior to the month of application.

441—87.5(217) Period of eligibility. Eligibility for family planning services under this program will be limited to a period of 12 months from the effective date of eligibility, or the duration of appropriated funding, whichever is less. A new application or annual redetermination of eligibility is required for benefits to continue beyond 12 months.

441—87.6(217) Reporting changes.

87.6(1) *Required changes to report.* An individual applying for or receiving family planning services under this program shall report the following changes within ten days from the date the change is known:

a. Change in mailing address;

b. No longer a resident of Iowa;

c. A woman becomes pregnant;

d. No longer capable of bearing or fathering children;

e. Becomes Medicaid or Iowa health and wellness plan eligible, except women meeting criteria in paragraph 87.2(1)*"a"*; or

f. Turns 55 years of age.

87.6(2) *Disregard of changes.* An individual found to be eligible upon application or annual redetermination of eligibility will remain eligible for 12 months or the duration of appropriated funding, whichever is less, regardless of any change in income or household size.

441—87.7(217) Funding of family planning services program.

87.7(1) *Distribution of funds.* Distribution of family planning services program funds shall be made to eligible, approved, and participating family planning providers subject to rule 441—87.11(217). Eligible family planning providers shall not include any provider that performs abortions or that maintains or operates a facility where abortions are performed and must attest to this fact. Effective July 1, 2018, eligible family planning providers shall be interpreted to include a distinct location of a nonprofit health care delivery system, if the distinct location provides family planning services but does not perform abortions or maintain or operate as a facility where abortions are performed. For the purposes of this subrule, "nonprofit health care delivery system" means an Iowa nonprofit corporation that controls, directly or indirectly, a regional health care network consisting of hospital facilities and various ambulatory and clinic locations that provide a range of primary, secondary, and tertiary inpatient, outpatient, and physician services. For the purposes of this subrule, "abortion" does not include any of the following:

a. The treatment of a woman for a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death.

b. The treatment of a woman for a spontaneous abortion, commonly known as a miscarriage, when not all of the products of human conception are expelled.

87.7(2) *Recovery.* The department will recover from a member all funds incorrectly expended to or on behalf of the member for family planning program services.

441—87.8(217) Availability of services. Family planning services are payable for an individual enrolled in this program only when care is received at or authorized by a participating family planning provider.

87.8(1) Sterilization is a covered service subject to the limitations in 441—Chapter 78.

87.8(2) Covered services cannot include abortion services.

441—87.9(217) Payment of covered services. Payment for family planning services covered under this chapter, including services authorized but not provided by a participating family planning provider, can be made only to participating family planning providers on a fee schedule determined by the department. Family planning services program funds distributed in accordance with this rule will not be used for direct or indirect costs, including but not limited to administrative costs or expenses, overhead, employee salaries, rent, and telephone and other utility costs, related to providing abortions as specified in subrule 87.7(1).

87.9(1) *Fee schedule.* The fee schedule will include the amount of payment for each service and any limits on the service (e.g., a routine Pap smear is payable once annually).

87.9(2) *Third-party payments.* This program is the payer of last resort for services covered in this chapter. Any third-party payment received by the family planning agency or other provider of services plus any payments under this program cannot exceed the fee schedule allowance.

87.9(3) *Supplementation.* Payment made under this program is to be considered payment in full.

441—87.10(217) Submission of claims.

87.10(1) Family planning providers that participate in the program can submit claims to Iowa Medicaid for services rendered no later than 45 days from the last day of the month in which services were provided.

87.10(2) Following a successful review of the claim, Iowa Medicaid will make payments to the family planning provider subject to the availability of funding and the allocation of available funds under subrule 87.7(1).

441—87.11(217) Providers eligible to participate.

87.11(1) Providers must be enrolled with the Iowa Medicaid program, subject to 441—Chapter 79, and otherwise qualified to provide family planning services under Medicaid, subject to the limitations related to abortions, as specified above under subrule 87.7(1). Effective July 1, 2018, as a condition of eligibility as a provider under the family planning services program, each distinct location of a nonprofit health care delivery system will enroll in the program as a separate provider, be assigned a distinct provider identification number, and complete an attestation that abortions are not performed at the distinct location. For the purposes of this subrule, "nonprofit health care delivery system" has the same meaning as provided under subrule 87.7(1).

87.11(2) Process for enrollment. Providers wishing to enroll under the state family planning program must complete the following steps:

a. Must complete enrollment with Iowa Medicaid.

b. Must complete a form prescribed by the department regarding nonprovision of abortions, pursuant to requirements referenced above under subrule 87.7(1).

c. Forms must be sent to the department at P.O. Box 36450, Des Moines, Iowa 50315.

These rules are intended to implement Iowa Code section 217.41B.

ARC 9459C

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

Proposing rulemaking related to debarment from participation in authority programs and transactions and providing an opportunity for public comment

The Iowa Finance Authority hereby proposes to adopt new Chapter 5, "Debarment from Participation in Authority Programs and Transactions," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 16.5E.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 16.5E.

Purpose and Summary

The Authority proposes to adopt a new Chapter 5 to implement Iowa Code section 16.5E as enacted by 2024 Iowa Acts, Senate File 2387. The new chapter establishes the factors the Authority will consider and the process that will be followed to prohibit bad actors from participating in Authority programs and transactions.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on May 14, 2025. A public hearing was held on the following date(s):

- June 3, 2025

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 Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Lisa Connell
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50309
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

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. Adopt the following **new** 265—Chapter 5:

CHAPTER 5
DEBARMENT FROM PARTICIPATION IN AUTHORITY PROGRAMS AND TRANSACTIONS

265—5.1(16) Definitions.

"Affiliate" means any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another entity or person. "Control" as used in this definition means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an enterprise through ownership, by contract or otherwise. A voting interest of 10 percent or more creates a rebuttable presumption of control.

"Authority" means the Iowa finance authority created in Iowa Code section 16.1A.

"Debar" or *"debarment"* means action taken by the authority to prohibit a person from receiving an award of financial assistance or from being selected as a vendor pursuant to Iowa Code section 16.5E and this chapter.

"Director" means the director of the authority.

"Person" means the same as defined in Iowa Code section 4.1(20).

"Principal" means an officer, director, or owner.

"Respondent" means a person the authority intends to debar or has debarred.

"Vendor" means a person who provides goods or services to the authority.

265—5.2(16) Factors considered.

5.2(1) The authority may debar a person in any of the circumstances listed in Iowa Code section 16.5E(1). The authority will consider the following factors to determine whether debarment is warranted:

a. Whether the person had effective standards of conduct and internal control systems in place at the time the cause for debarment occurred or has adopted such procedures.

b. Whether the person brought the cause for debarment to the attention of the authority in a timely manner.

c. Whether the person has fully investigated the circumstances surrounding the cause for debarment and, if so, has made the result of the investigation available to the authority.

d. Whether the person cooperated fully with the authority or other government agencies during any investigation or court or administrative action related to the cause for debarment.

e. Whether the person has paid or has agreed to pay all applicable criminal, civil, and administrative liability relating to the cause for debarment, including any investigative or administrative costs incurred by the authority, and has made or agreed to make full restitution as applicable.

f. Whether the person has taken appropriate disciplinary action against the individuals responsible for the cause for debarment.

g. Whether the person has implemented or agreed to implement remedial measures, including any identified by the authority.

h. Whether the person has had adequate time to eliminate the circumstances that led to the cause for debarment.

i. Whether the person or relevant principals in an organization recognize and understand the seriousness of the misconduct giving rise to the cause for debarment.

j. Whether the federal government, another state, or another state agency has issued a debarment or other prohibition comparable to debarment based on the same or similar conduct that constitutes cause for debarment by the authority.

k. Any other factors deemed relevant to the cause for debarment by the authority.

5.2(2) The existence or nonexistence of any mitigating factors or remedial measures, including those set forth in subrule 5.2(1), is not necessarily determinative of whether the authority will debar a person.

265—5.3(16) Debarment procedure.

5.3(1) Upon receipt of information that a person has engaged in conduct that could constitute cause for debarment, the director will determine whether to debar the person based on all information available to the authority or whether additional information is required to make such a determination.

5.3(2) If the director determines debarment is warranted, the person and any affiliates, principals, or employees to be debarred will be given prompt notice in writing of the following:

a. That the person is debarred and the identity of any affiliates, principals, or employees who are debarred;

b. The circumstance(s) in Iowa Code section 16.5E(1) relied on by the authority to impose debarment;

c. The conduct or information upon which the debarment is based;

d. The period of debarment, including effective dates; and

e. The effect of the proposed debarment, including identification of authority programs or transactions to which the debarment applies.

5.3(3) If the director determines that additional information is required, the person and any affiliates, principals, or employees who may be debarred will be given prompt notice in writing of the following:

a. That debarment is being considered;

b. The circumstance(s) in Iowa Code section 16.5E(1) relied on by the authority to propose debarment;

c. The conduct or information upon which the proposed debarment is based;

d. The period of proposed debarment, including effective dates;

e. The effect of the proposed debarment, including identification of authority programs or transactions to which the debarment may apply; and

f. The additional information sought by the authority to determine whether debarment is warranted, when the respondent must provide such information, and the effect of failure to provide such information to the satisfaction of the authority.

5.3(4) After following the procedure identified in subrule 5.3(3), the director will promptly notify in writing the person and any affected affiliates, employees, or principals whether debarment is imposed. If debarment is imposed, notification will be provided in accordance with subrule 5.3(2).

5.3(5) The authority may, in its discretion, enter into an agreement with a person establishing terms and conditions for continued or future participation in authority programs or transactions in lieu of debarment.

265—5.4(16) Period and scope of debarment.

5.4(1) Debarment will be for a period commensurate with the acts or omissions of the person to be debarred. A person will not be debarred for an initial period that exceeds three years. The authority may impose an additional period of debarment if, prior to the expiration of an initial period of debarment, the authority determines an additional period of debarment is warranted.

5.4(2) A person may be debarred from one or more authority programs or transactions or from all authority programs and transactions.

265—5.5(16) Request for review and response.

5.5(1) A person that has been debarred by the authority may request a review of the authority's determination pursuant to Iowa Code section 16.5E(3). The request may include any information relevant to demonstrate that the authority's determination was based on a clear error of material factor or law or that the authority's determination was arbitrary, capricious, or an abuse of discretion.

5.5(2) The authority will issue a decision on the request for review in accordance with Iowa Code section 16.5E(3).

265—5.6(16) Request for reinstatement after debarment.

5.6(1) A person that has been debarred may submit a request for reinstatement during the period of debarment if:

a. New information becomes available that is relevant to the cause for debarment and that was not previously discoverable;

b. Criminal charges or civil or administrative actions related to the cause for debarment have been dismissed or a criminal conviction or civil judgment related to the cause for debarment has been reversed;

c. A debarment or comparable prohibition imposed by the federal government, another state, or another state agency upon which the authority debarment was based has been reversed;

d. A bona fide change in ownership or management of the person debarred has occurred; or

e. The person is able to supply other proof that the causes for debarment have been eliminated.

5.6(2) A request for reinstatement must be submitted to the director. The petition must be accompanied by written evidence that supports the request.

5.6(3) The authority will issue a decision on a request for reinstatement within 60 calendar days of the receipt of the request. The authority may approve, deny, or modify the debarment based on all information available to the authority and based upon the factors identified in rule 265—5.2(16). The authority shall issue its decision in writing and provide written notice of the decision to the person and any affected affiliates, principals, or employees.

265—5.7(16) Additional remedies. The authority may impose additional consequences for a cause for debarment that are allowed under any authority programs in which a debarred person is participating or any existing agreements between the authority and a debarred person.

These rules are intended to implement Iowa Code section 16.5E.

ARC 9451C

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to city requests for closure of primary road extensions and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 151, "City Requests for Closure of Primary Road Extensions," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 307.12(1)"j."

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 321.348.

Purpose and Summary

The Department proposes to permanently rescind Chapter 151 because there is no specific rulemaking authority within the Iowa Code that requires these rules. The Department is proposing to instead publish an instructional memorandum that will be available on the Department's website to provide guidance for the requirements and procedures for closing primary road extensions in cities for reasons other than fire, construction, or repair.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on April 30, 2025. A public hearing was held on the following date(s):

- May 21, 2025

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 761—Chapter 11.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on August 26, 2025. Comments should be directed to:

Sara Siedsma
Department of Transportation
DOT Rules Administrator, Office of the Director
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.237.3058
Email: sara.siedsma@iowadot.us

Public Hearing

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

August 26, 2025 9 to 9:30 a.m.	Microsoft Teams Link Or dial: 515.817.6093 Conference ID: 737 937 923#
August 26, 2025 2:30 to 3 p.m.	Microsoft Teams Link Or dial: 515.817.6093 Conference ID: 185 787 020#

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 impairments, should contact Sara Siedsma 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 and reserve **761—Chapter 151**.

ARC 9455C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Adopted and Filed Emergency

Rulemaking related to state licensed warehouses and warehouse operators

The Agriculture and Land Stewardship Department hereby rescinds Chapter 90, "State Licensed Warehouses and Warehouse Operators," Iowa Administrative Code, and adopts a new Chapter 90 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This rulemaking implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgement of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is consolidated into a single chapter. 21—Chapters 93, 94, and 95 are rescinded in **ARC 9457C** herein.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

Reason for Adoption of Rulemaking Without Prior Notice and Opportunity for Public Participation

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608, section 23.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)"b"(1)(a), the Department also finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective on July 10, 2025, because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608, section 23.

Adoption of Rulemaking

This rulemaking was adopted by the Department on July 9, 2025.

Concurrent Publication of Notice of Intended Action

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as **ARC 9452C** to allow for public comment.

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.

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 became effective on July 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 21—Chapter 90 and adopt the following **new** chapter in lieu thereof:

CHAPTER 90
STATE LICENSED WAREHOUSES AND WAREHOUSE OPERATORS

21—90.1(203C) Definitions. For this chapter, the following definitions apply:

"Bureau" means the grain warehouse bureau of the department of agriculture and land stewardship.

"Generally accepted accounting principles" means accounting principles generally accepted in the United States of America, in accordance with the U.S. Financial Accounting Standards Board, or international financial reporting standards, in accordance with the International Accounting Standards Board.

"Indemnity fund" means the Iowa grain depositors and sellers indemnity fund created in Iowa Code chapter 203D.

"Provider" means a person approved by the department to maintain a secure electronic central filing system of electronic warehouse receipt records pursuant to Iowa Code section 203C.18.

"Provider agreement" means an agreement required by this chapter that is entered into between the department and a provider.

"Received" means the earliest of the following:

1. The date a state warehouse examiner acknowledges receipt.
2. The date stamped "received" in the grain warehouse bureau.
3. The date postmarked, if the item is properly addressed to the Grain Warehouse Bureau, Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, Des Moines, Iowa 50319.

"Scale ticket" means the same as "scale weigh tickets" as defined in Iowa Code section 203C.1(23).

"USDA" means the United States Department of Agriculture and its divisions and agencies, including but not limited to the Farm Service Agency.

"USDA provider agreement" means the agreement entered into between the USDA and a provider and that is printed on USDA Form WA-460 and any addenda thereto.

"User agreement" means an agreement required by this chapter that is entered into between a provider and a warehouse operator licensed by the department pursuant to the provisions of Iowa Code chapter 203C.

21—90.2(203C) Types of products to be warehoused. Products to be warehoused shall be divided into two general types or classes as follows:

90.2(1) Bulk grain, which is grain that is not contained in sacks.

90.2(2) Agricultural and farm consumable products other than bulk grain. Such products include those suitable for storage in quantity, canned agricultural products and products used in producing other agricultural products.

21—90.3(203C,203D) Application for a warehouse operator license. The bureau may require the applicant to file updated information if the information on the application is no longer current. The application, insurance certificate, financial statement, tariff, license fee, indemnity fund fee and background information on a person applying for the license and on the managers shall be on file before a license is issued. The bureau chief may require an inspection of the proposed facilities prior to the issuance of a warehouse operator license.

21—90.4(203C) Warehouse operator license. Separate class licenses bearing the same number may be issued to the same business entity authorizing the storage of bulk grain under one license and the storage of products other than bulk grain under the other license (Class 2 warehouse). The separate licenses may be for the same facilities provided the warehouse or warehouses described in the application are suitable for the safe storage of the products intended to be stored.

90.4(1) *Warehouse operator license—nontransferable.* Warehouse operator licenses are not transferable between different legal entities. Warehouse operator licenses may be amended to cover a name change of the same legal entity. The licensee shall give the bureau notice of a proposed name change. The bureau shall confirm the name change with the secretary of state or other governmental agency prior to amending the license.

90.4(2) *Surrender of license.* The license shall be surrendered to the bureau immediately upon cancellation, suspension, or revocation of such license.

21—90.5(203C) Posting of license. The warehouse operator license certificate, including the warehouse diagram, shall be posted at all times in a conspicuous location in the place of business. A license certificate shall be posted in each location where grain is delivered or weighed. Upon receipt of an amended license, the warehouse operator shall immediately post the amended license and remove the old license.

21—90.6(203C) Renewal, expiration and reinstatement of license—payment of license fee.

90.6(1) *Renewals.* The bureau shall send to each licensed warehouse operator written notice that the application, the license fee and the indemnity fund fee for annual renewal of the warehouse operator license shall be received in accordance with Iowa Code section 203C.37. If the bureau does not receive the application and fees by the due date, the license shall expire. A license that has expired may be reinstated within 30 days of the date of expiration conditioned on the applicant's meeting all statutory requirements and submitting a completed application within 30 days of the expiration.

90.6(2) *Proration of fees.* Fees for license periods of less than one year shall be prorated on a month-to-month basis. Fees for license periods of less than one year shall be applicable only under the following circumstances:

a. When an application for a new license is filed; or

b. When the fiscal year of a license holder is changed.

21—90.7(203C) Financial statements.

90.7(1) *New license applicants.* To obtain a warehouse operator license, an applicant shall submit a financial statement that shall:

a. Be prepared within three months from the date of filing and comply with paragraph 90.7(2)*"a"* or *"b"*; or

b. Be prepared as of the applicant's usual fiscal year end and comply with paragraph 90.7(2)*"a"* or *"b,"* and the applicant has continuously been in business for one year or more, and the applicant has submitted any additional financial information required by the bureau; or

c. Be a forecasted financial statement prepared by a certified public accountant licensed in this state, and the applicant is a new business entity that is in the process of transferring funds into the business entity. An applicant who files a forecasted financial statement pursuant to this paragraph shall file a financial statement that complies with paragraph 90.7(2)*"a"* or *"b,"* within one month after the date the license is issued by the bureau.

90.7(2) *Financial statement requirements.* Financial statements filed pursuant to subrules 90.7(1), 90.7(3), 90.7(4) and 90.7(11) shall be prepared in accordance with generally accepted accounting principles.

90.7(3) *Sole proprietorship financial statements.* An individual licensed as a sole proprietorship shall file a financial statement that conforms with the provisions of subrules 90.7(2) and 90.7(4) on the proprietorship business. The individual shall also file a personal statement of financial condition that conforms with the provisions of subrules 90.7(2) and 90.7(4). The personal statement of financial condition shall also disclose the historical cost basis for assets as provided in Iowa Code section 203C.6.

90.7(4) *Filing date of annual statements.* Every licensee shall prepare financial statements at the close of the licensee's designated fiscal year and shall file the statements and the bureau's financial information form with the bureau not later than three months thereafter. These financial statements shall be prepared in accordance with generally accepted accounting principles and shall consist, at a minimum, of a balance sheet, statement of income, statement of cash flow, and accompanying notes to the financial statements. The bureau shall notify every licensee during the month after the close of the licensee's fiscal year that the licensee's financial statement is due three months after the close of the licensee's fiscal year.

90.7(5) *Additional disclosures required in the financial statement.* Unless the following information is disclosed in the fiscal year end financial statements, the licensee's certified public accountant shall file with the financial statements a separate letter disclosing the information:

a. A reconciliation of differences in the grain obligations as shown in the financial statement and the daily position record.

b. Amount and kind of grain on collateral warehouse receipts.

c. Amount and kind of company-owned grain that is being stored in unlicensed facilities or that has been transferred to another warehouse.

d. Bushel and dollar amounts of all outstanding grain payables, including a breakdown of the bushels and dollars of each deferred-payment contract and deferred-price contract.

e. Gross grain sales for the fiscal year.

f. Gross nongrain sales for the fiscal year.

g. Cost of all goods sold for the fiscal year.

h. Depreciation expense for the fiscal year.

i. Interest expense for the fiscal year.

j. Number of bushels of grain purchased under each grain dealer's license. For purposes of this paragraph, "purchases" shall mean all grain to which the grain dealer has obtained title during the grain dealer's fiscal year.

90.7(6) *Filing extension.*

a. The bureau chief may grant an extension of one month for the filing of financial statements upon receipt of the following:

(1) A letter from the warehouse operator's certified public accountant stating the reason for filing the extension request and that work has been done on preparing the financial statements.

(2) An affidavit from the warehouse operator stating that the warehouse operator meets the financial responsibility requirements of Iowa Code section 203C.6, or that the licensee shall file additional bond in an amount to cover any net worth deficiency as provided in Iowa Code section 203C.6, based upon the licensed certified public accountant's best estimate of the licensee's financial position.

b. Warehouse operators who file false affidavits under this rule may be prosecuted under Iowa Code section 203C.36. Subrule 90.7(6) does not apply to the filing of financial statements required under the provisions of subrules 90.7(10), 90.7(11) and 90.7(12).

90.7(7) *Asset valuation.* The licensee may submit to the bureau a written request for asset valuation. The written request shall be accompanied by the appraisal and shall have been prepared by a licensed appraiser in this state and shall list the appraiser's credentials. Before an appraisal will be accepted by the bureau, the licensee shall show a positive net worth. All appraisals are subject to approval by the bureau chief. The bureau chief shall notify the licensee within five working days if the appraisal is unacceptable. Any approved asset valuation may be used in any financial statements prepared by or for the licensee in accordance with subrule 90.7(2).

90.7(8) *Appraisals.* Competent appraisals on file with the bureau shall be valid for use in determining asset value for a maximum period of three years. Thereafter, a new appraisal for asset valuation shall be required and shall be used for a like period of time. In the event the certified public accountant expresses doubt as to the licensee's ability to continue as a going concern, the bureau shall not allow an appraisal to be used to meet net worth requirements. All assets included in the appraisal shall be depreciated by the bureau using the following schedule:

a. Buildings and attached equipment—15 years.

b. Rolling stock (trucks)—five years.

c. Equipment—five years.

90.7(9) *Assets allowed in meeting financial requirements.*

a. Corporations, limited liability companies and partnerships. When the bureau determines the net worth for corporations, limited liability companies and partnerships, related party assets that require financial disclosure per financial accounting standards shall be disallowed. These assets shall be excluded unless the licensee can show the bureau sufficient documentation to assure the bureau that the assets are collectible.

b. Sole proprietors. When the bureau determines the net worth for sole proprietors, related party assets shall be excluded unless the licensee can show the department sufficient documentation to explain

why these assets should be included. Only that part of the value of an asset that is subject to execution shall be allowed by the bureau in determining net worth. When a liability associated with an exempt asset (whether the asset is included or not) exceeds the original cost (or fair market value after an appraisal approved by the bureau), such excess shall be shown as a liability with appropriate footnotes to the financial statement. An applicant or a licensed warehouse operator shall complete the bureau's financial information form regarding this matter and submit the form with the financial statements.

90.7(10) *Net worth deficiency monthly financial statements.* Every licensee who has a net worth deficiency and who has filed additional bond shall file monthly financial statements with the bureau by the end of the next month until the net worth meets the requirements of Iowa Code section 203C.6 for a minimum of three consecutive months. These financial statements shall contain a minimum of a balance sheet and statement of income and shall be prepared in accordance with generally accepted accounting principles.

90.7(11) *Financial statement.* The bureau chief may require a licensee to submit financial statements on a monthly or quarterly basis to verify the operator's financial status, to verify compliance with Iowa Code section 203C.6, or when any of the following occurs:

a. Quantity shortage;

b. Quality shortage;

c. Payment is made by use of a check or electronic funds transfer and a financial institution refuses payment because of insufficient moneys in the licensee's account;

d. Recordkeeping violations;

e. Other documented evidence that indicates that the licensee's financial condition has deteriorated since the filing of the licensee's last financial statement; or

f. A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on a statistical model provided in Iowa Code section 203C.40.

These financial statements shall be filed with the bureau by the end of the next month and by the end of every month thereafter until no longer required by the bureau. These financial statements shall contain a minimum of a balance sheet and statement of income and shall be prepared in accordance with generally accepted accounting principles.

90.7(12) *Additional information.* The bureau chief may require an applicant or licensee to provide the bureau with any other information reasonably related to the business of a warehouse operator and work papers supporting the financial statements.

90.7(13) *Penalty for failure to timely supply financial statements.* The department may suspend the license of any warehouse operator who fails to provide the required financial statements within the time limits prescribed by these rules.

21—90.8(203C) Bonds and irrevocable letters of credit. Bonds filed with the bureau shall be on forms prescribed by the bureau. Irrevocable letters of credit filed with the bureau shall be on the form prescribed by the bureau. Bonds and irrevocable letters of credit shall be written so as to provide funds to protect depositors having storage in the warehouse as described in the particular license issued to a warehouse operator.

90.8(1) *Agricultural products other than bulk grain.* When the net worth of a licensee is less than that required by Iowa Code section 203C.13, the licensee may increase the bond or file an irrevocable letter of credit with the bureau to cover the net worth deficiency as provided by Iowa Code section 203C.13.

90.8(2) *Inadequate net worth—storage of bulk grain.* When the net worth of a licensee authorized to store bulk grain is less than that required by Iowa Code section 203C.6, the licensee may file a bond or an irrevocable letter of credit with the bureau to cover the net worth deficiency as provided by Iowa Code section 203C.6.

90.8(3) *Bond or irrevocable letters of credit as department may require.* In addition to the minimum amount as provided by Iowa Code section 203C.13 and in addition to an amount to cover the net worth deficiency as provided by Iowa Code section 203C.6, the bureau chief may require a bond or

an irrevocable letter of credit to be filed in an amount determined by the department for any of the following reasons:

a. Quality deficiency in stored grain;

b. Quantity deficiency in stored grain;

c. Use of temporary storage facilities or emergency storage by licensee; or

d. Documented evidence of the excessive use of lost warehouse receipt release forms by the licensee.

90.8(4) *Minimum amount of indemnification.* The amount of bond, additional bond, or irrevocable letter of credit prescribed under subrule 90.8(1), 90.8(2) or 90.8(3) is the minimum amount that shall be accepted by the bureau. A bond or irrevocable letter of credit in a higher amount may be filed if the warehouse operator deems it advisable in the operation of the warehouse business.

90.8(5) *Quality and quantity deficiency bonds.* Quality and quantity deficiency bonds shall be for a minimum of 45 days.

90.8(6) *Replacement bond or irrevocable letter of credit.* The bureau shall send a written notice and information and forms for filing the required replacement bond or irrevocable letter of credit, unless the bond or irrevocable letter of credit is no longer necessary. When the licensee's failure to file a replacement bond or irrevocable letter of credit causes revocation of the warehouse operator license, the bureau chief shall give notice of such revocation to each holder of an outstanding warehouse receipt and all persons known to have grain retained in open storage.

90.8(7) *Cancellation of bond or irrevocable letter of credit.* The issuer shall send the cancellation notice to the bureau by ordinary or certified mail. The notice shall be in accordance with the provisions of the bond or irrevocable letter of credit. The time period for notice of cancellation stated in the bond or irrevocable letter of credit commences on the date when the bureau receives the notice. The bureau shall send written acknowledgment of the cancellation of the bond or irrevocable letter of credit to the issuer and the principal.

90.8(8) *Claims against bonds or letters of credit.*

a. Persons who may file claims—time of filing. These rules are applicable only in those instances where a bond or irrevocable letter of credit has been filed to satisfy Iowa Code section 203C.6, 203C.11 or 203.13. If a bond or irrevocable letter of credit is on file with the department, a depositor may file a claim with the bureau for satisfaction of a loss under the warehouse operator's bond or irrevocable letter of credit pursuant to Iowa Code section 203C.14.

(1) A claim must not be filed prior to the incurrence date, which is the earlier of the following:

1. The revocation, termination, or cancellation of the license of the warehouse operator; or
2. The filing of a petition in bankruptcy by a warehouse operator.

(2) To be timely, a claim must be filed within 120 days of the incurrence date.

b. The failure to make a timely claim relieves the issuer and the grain depositors and sellers indemnity fund provided in Iowa Code chapter 203D of all obligations to the claimant.

c. Determination of eligible claims. The bureau will determine a claim to be eligible for payment if the bureau finds all of the following:

(1) The claim was timely filed;

(2) The claimant qualifies as a depositor; and

(3) There is adequate documentation to establish the existence of a claim and to determine the amount of the loss.

d. Value of loss. The dollar value of a claim incurred by a depositor shall not exceed the price of that grain if the grain were U.S. No. 2 grain according to standards adopted by the Federal Grain Inspection Service of the USDA. The price of the grain shall be determined in accordance with the relevant date used to determine the price described in paragraph 90.8(8)*"a."* The department may adjust the price of the grain if necessary to better account for the condition of the grain when it is stored. The value of the claim shall be presumed to be based upon the fair market price, free on board from the site of the grain warehouse that is being paid to producers for grain by the grain terminal operator or grain processor nearest the grain dealer on the date of the license revocation or cancellation or the filing of a petition in bankruptcy. If more than one date applies to a claim, the bureau may choose between the two.

However, the bureau may accept an alternative valuation of a claim upon a showing of just cause by the depositor. All depositors filing claims under this rule will be bound by the value determined by the bureau. The value of the loss is the outstanding balance on the validated claim at the time of payment.

e. Procedure—appeal. The bureau will provide for notice to each depositor upon the bureau's determination of eligibility and value of loss. Within 20 days of the notice, the depositor may file a petition for hearing for review of either determination with the district court in the county in which the depositor resides or in Polk County.

f. Payment of claims. Upon a determination of the status of all claims, and after the filing period has run, the bureau will provide a report to all valid, timely filed claimants. If there are no appeals filed pursuant to subrule 90.8(5), the bureau will make payment either in full or pro rata in the event the value of the is greater than the amount of the bonds or irrevocable letter of credit. If an appeal is filed, the bureau will make payment upon conclusion of those proceedings.

g. Claims made by depositor under this rule are separate from any claim filed for indemnification from the grain depositors and sellers indemnity fund pursuant to Iowa Code chapter 203D and shall not be calculated within the indemnification limit, except to determine eligible claims under the fund.

21—90.9(203C) Insurance. Insurance shall be carried in an insurance company or companies authorized to do business in this state and shall be provided by and carried in the name of the warehouse operator. Each policy providing such coverage must have attached thereto an Iowa warehouse endorsement form as prescribed by the department. An insurance policy may include more than one location, and a location may be insured by more than one policy.

90.9(1) *Certificate of insurance.* As evidence that insurance coverage has been provided, the licensee shall file with the department a certificate of insurance form as prescribed by the department.

a. Not more than one policy shall be included on one certificate of insurance.

b. Where one policy provides coverage for two or more licenses or locations and coverage is provided separately at each location, a separate certificate of insurance shall be executed for each license or location shown on the policy. Each certificate shall show the total amount of insurance provided by the policy for the license or locations for which the certificate is provided.

c. Where one policy provides coverage for two or more licenses or locations and coverage is provided on a blanket basis at all locations, one certificate of insurance shall be executed for the policy. The certificate shall show the amount of insurance provided by the policy.

90.9(2) *Cancellation of insurance.* When the department receives notice from an insurance company that the company is canceling the insurance of a licensed warehouse, the department shall send written notice to the warehouse operator. The notice shall explain the department's enforcement action that will result from the warehouse operator's noncompliance. The department shall suspend the warehouse operator license if the department does not receive proof of replacement insurance by the insurance cancellation date. The department shall immediately conduct an inspection of the licensed warehouse upon suspension of the license.

90.9(3) *Expiration of insurance.* The department shall send the warehouse operator a reminder letter 30 days prior to the effective date of the expiration of the insurance of a licensed warehouse. The notice shall explain the department's enforcement action that will result from the warehouse operator's noncompliance. The department shall suspend the warehouse operator license if replacement insurance is not received by the department by the expiration date. The department shall immediately conduct an inspection of the licensed warehouse upon suspension of the license.

90.9(4) *Insufficient insurance.* The department shall provide written notice to the warehouse operator when the department has evidence that the value of commodities in the warehouse is greater than the limit of liability of the insurance policy. The notice shall explain the department's enforcement action that will result from the warehouse operator's noncompliance. The department shall suspend the warehouse operator license if the department does not receive proof of sufficient insurance coverage within 30 days of the notice. The department shall immediately conduct an inspection of the licensed warehouse upon suspension of the license.

21—90.10(203C) Notice to the warehouse bureau.

90.10(1) The licensee shall notify the bureau prior to:

a. Change of ownership of a warehouse.

b. Change in name or business address of a warehouse or warehouse operator.

c. The use of additional storage facilities that are not covered under the warehouse operator license.

d. The use of any facility under the warehouse operator license for storage of a product other than that for which it is licensed.

e. The changing of the licensee's fiscal year.

f. Using any bin or facility that has had a structural change.

g. The ceasing of operations.

90.10(2) The licensee shall notify the bureau within 24 hours after the licensee knows or should have known any of the following:

a. Loss or damage to stored products or to licensed storage facilities;

b. Licensee's net worth falling below the amount required by Iowa Code section 203C.6 and if the amount of the deficiency is not covered by a net worth deficiency bond as required by Iowa Code section 203C.6; or

c. Any quality or quantity deficiency of grain.

90.10(3) The licensee shall notify the bureau within ten days after the licensee knows or should have known any of the following:

a. Termination of a lease on storage facilities, or the leasing of a facility under license to any other person;

b. The death of an individual or any member of a partnership operating a warehouse; or

c. Any change in management.

21—90.11(203C) Issuance of warehouse receipts. A warehouse receipt shall be issued no later than the close of the next business day following demand by the depositor or depositor's agent. The original (white) warehouse receipt shall be given to the depositor upon demand. The depositor's copy (green) shall be given to the depositor upon issuance of the warehouse receipt. The warehouse operator's copy (yellow) shall be maintained by the warehouse operator in a separate file in numerical order while the warehouse receipt is outstanding.

90.11(1) *Unpriced grain deemed held for storage after 30 days.* Pursuant to Iowa Code section 203C.17, the 30-day provision is applicable only when there has been no commitment for storage by the depositor or the warehouse operator fails to have a policy posted in a conspicuous location in the place of business. Grain shall be considered as storage in less than 30 days if the receiving warehouse operator has a policy specifying when such grain shall be considered as storage. Such policy shall be posted at all times in a conspicuous location in the place of business. Grain held in storage after the thirtieth day or after the time period less than 30 days in accordance with the warehouse operator's posted policy for which warehouse receipts have not been issued shall be considered as open storage. The warehouse operator's tariff charges shall apply to open storage from date of deposit. Open storage shall be considered as a storage obligation.

90.11(2) *Information on warehouse receipts.* Not more than one product, or grade, or value of product shall be shown on a warehouse receipt. All grade factors pertinent to determining grade shall be shown on warehouse receipts issued for bulk grain, and any other information pertinent to the product, stored under warehouse receipt, should clearly be stated under the heading "Remarks." The warehouse operator, in the inspection of the grain upon delivery, shall perform a sufficient amount of sampling of the grain to ensure a representative application of the grade factors to the grain. All warehouse receipts issued shall designate the person to whom the receipt is issued and whether it is issued negotiable or nonnegotiable.

a. All warehouse receipts shall be issued on an accurate and complete basis. All applicable areas shall be filled in. Any of the following errors shall be cause to cancel and reissue the warehouse receipt:

(1) Illegible changes or appearance of change in overall amount;

(2) Change in the type of grain; or

(3) Changing the warehouse receipt from negotiable to nonnegotiable or vice versa.

b. Any alterations not directly prohibited shall be made by strike-through and replacement. No correction material shall be used. The person making the change shall initial and date the change. All copies shall be altered identically.

90.11(3) *Restrictions on the issuance of collateral warehouse receipts.* Collateral receipts cannot be issued for grain represented by credit-sale contract, except for the percentage of bushels paid for through advances to sellers on grain purchased by credit-sale contract. The amount and percentage of advances shall be shown on the face of the credit-sale contract or on a listing that identifies the contracts and the amount of the advances.

21—90.12(203C) Cancellation of warehouse receipts. Upon delivery of the product represented by a warehouse receipt, the original receipt shall be marked "canceled," signed or initialed, and dated upon the face thereof by the warehouse operator or an authorized agent. The warehouse operator shall then retain possession of the warehouse receipt in a separate numerical order of receipts canceled by the licensee but not yet marked with the warehouse bureau's stamp and shall present the receipt to be canceled with the department's stamp at the time of any inspection or examination of the warehouse records. Cancellation shall mean that the obligation is removed from the bureau's records. The warehouse operator shall, upon request of the bureau, forward any such warehouse receipts to the bureau's office to be canceled with the department's stamp. Before the bureau stamps the receipt "canceled" with the department's stamp, any negotiable receipts that have been used as collateral by the licensee shall have the lender's release date and signature on the reverse side indicating when the receipt was released.

90.12(1) *Partial delivery of negotiable warehouse receipted commodity.* If only a portion of the product represented by a negotiable warehouse receipt is delivered, such warehouse receipt shall be signed or initialed, dated and marked "canceled" by the warehouse operator or an authorized agent upon the face thereof. A new (or replacement) warehouse receipt shall be issued covering the balance of the product remaining in storage the same day as the original warehouse receipt is canceled. This replacement warehouse receipt, in the space provided under the "Remarks," shall be marked "Balance of warehouse receipt No. ____," and the canceled warehouse receipt number shall be inserted in that space.

90.12(2) *Voided warehouse receipts.* Original warehouse receipts voided on the day of issuance by the warehouse operator for any reason shall be so marked, signed or initialed, and dated and held to be stamped with the department's cancellation stamp in the same manner as any other warehouse receipt.

90.12(3) *Warehouse receipt cancellation procedure.*

a. The warehouse operator shall have the original warehouse receipt in possession.

b. The warehouse operator shall mark the face of the warehouse receipt "canceled," sign or initial and date it.

c. The purchase of grain from a warehouse receipt shall be recorded on a document that is numbered at the time of printing and that contains the following information:

(1) Seller's name;

(2) Warehouse receipt number;

(3) Number of bushels;

(4) Price;

(5) Items deducted from gross proceeds;

(6) Net value; and

(7) Check number, invoice reference, or credit-sale contract reference number.

One copy of the document shall be maintained by the licensee for inspection, and one copy shall be given to the seller.

90.12(4) *Surrender of warehouse receipts on cancellation, expiration, suspension or revocation of license.* When a warehouse operator license has expired or is canceled, suspended or revoked, all unused warehouse receipts under such license shall be surrendered to the bureau.

The bureau shall notify the warehouse operator that all outstanding warehouse receipts shall be returned to the bureau's office no later than 120 days from the date of cancellation, expiration, or revocation of the license.

90.12(5) *Purchase or return of grain, replacement receipt issued, or cancellation of outstanding receipts, upon cancellation, expiration, or revocation of warehouse operator license.* When a warehouse operator license has expired or is canceled or revoked, all stored grain shall be either purchased and payment made, or returned within 30 days to the holders of warehouse receipts or unpriced scale tickets, except when the warehouse is continuing operation under new ownership or when storage obligations are assumed by another licensee. Upon completion of delivery to the receipt holder or the reissuance of the receipt under a new license, the warehouse operator shall immediately mark "canceled," sign or initial and date such receipt on the face of the original copy, and forward such receipt to the bureau's office to be stamped with the department's cancellation stamp. When the storage obligations are assumed by a new licensee from a warehouse whose license is expired or has been canceled or revoked, replacement warehouse receipts shall be issued.

90.12(6) *Delivery conditioned upon return of outstanding warehouse receipt.* No product represented by an outstanding warehouse receipt shall be delivered until the original outstanding warehouse receipt is returned to the warehouse operator. The receipt shall be held by the warehouse operator as an open warehouse receipt until the delivery is completed. If periodic partial delivery is made against a nonnegotiable warehouse receipt, the delivery shall be documented on the back of the original warehouse receipt or other method of documentation approved by the bureau showing the net balance in store. Original nonnegotiable warehouse receipts may be maintained in alphabetical or numerical order. If partial delivery is made against a negotiable warehouse receipt, the warehouse receipt shall be canceled and a replacement warehouse receipt issued for the balance in store.

90.12(7) *Cancellation of warehouse receipt conditioned on removal from storage, purchase and payment, reissuance of receipt, or execution of a credit-sale contract.* No warehouse receipt shall be canceled by the warehouse operator unless:

a. The product represented by the receipt has been removed from storage;

b. The product has been purchased and payment made;

c. A replacement receipt is issued at the time the receipt is canceled; or

d. The product represented by the receipt is purchased and a credit-sale contract is properly executed.

21—90.13(203C) Lost or destroyed receipt. If a warehouse receipt is lost or destroyed, one of three methods shall be used in canceling the receipt. The following procedures shall be adhered to:

90.13(1) *Depositor's lost warehouse receipt release.* If the depositor or warehouse receipt holder has lost the receipt and is either selling all of the grain to the warehouse operator or removing all of the grain from storage, a Lost Warehouse Receipt Release shall be used. The release shall be completed in duplicate and signed by the receipt holder and shall be notarized. Both copies shall be retained in the warehouse records in lieu of the original copy of the receipt, which shall be given to the bureau at the time of an examination. One copy of the release shall be filed with the bureau at the time of an examination.

90.13(2) *Bond for issuance of duplicate receipts.* If the depositor has lost a warehouse receipt and needs a duplicate warehouse receipt, the depositor shall obtain a bond made in favor of the warehouse operator in accordance with the provisions of Iowa Code section 554.7601 (Uniform Commercial Code). This bond shall be in the amount of at least double the market value of the commodity at the time of posting the bond. A copy of the bond shall also be filed with the bureau. Upon issuance of a duplicate receipt, it shall be marked "Duplicate of lost warehouse receipt No. ____," in the space provided under "Remarks," and the lost warehouse receipt number shall be inserted in that space. The bond shall be in the warehouse operator's possession prior to the issuance of a duplicate receipt.

90.13(3) *Licensee's lost warehouse receipt affidavit.* If a warehouse receipt has been lost or destroyed by the warehouse operator, the warehouse operator shall prepare an affidavit in duplicate, signed before a notary public, stating that the warehouse receipt was lost or destroyed on or about (date).

The affidavit shall also state that after a diligent search was made, the warehouse receipt cannot be found and that no obligation is due any person under that warehouse receipt. The affidavit shall further state that if the lost receipt is found, it shall be forwarded immediately to the bureau for cancellation. If a depositor's name is on record under the warehouse receipt, the bureau may require that the warehouse operator also obtain a written statement from the depositor that confirms that the depositor has been paid for the grain or the depositor has received the grain back and that the depositor has no further claim against said receipt. The affidavits shall be held in lieu of the original copy of the warehouse receipt. The original copy shall be given to the bureau at the time of an examination.

21—90.14(203C) Warehouse receipts.

90.14(1) *Warehouse receipt forms.* Warehouse receipt forms shall be 8.5 inches wide by 7 inches long or 8.5 inches wide by 11 inches long and shall be printed in not less than triplicate. The original receipt shall be white, and the weight of the paper shall be 26-pound Defensa® premium Safety Paper; the warehouse operator's copy shall be yellow, and the weight of the paper shall be 16-pound; and the owner's copy shall be green, and the weight of the paper shall not be less than 16-pound base. Numbering is to be in red ink on the original and red ink or carbon impression on the warehouse operator's and owner's copies. Receipts issued for bulk grain and receipts issued for agricultural products other than bulk grain shall be in a form prescribed by the department. The bureau shall have control over the printing of warehouse receipts.

90.14(2) *Electronic warehouse receipts.* A warehouse operator licensed in accordance with the provisions of Iowa Code chapter 203C may contract with an independent provider to issue electronic warehouse receipts for grain and other agricultural products subject to the provisions of this chapter. The provider shall be approved by the department.

90.14(3) *Electronic warehouse receipt providers and provider agreements.* A provider shall be independent of any outside influence or bias in action or appearance. A provider shall enter into a provider agreement with the department prior to being approved by the department. A provider shall file and maintain electronic warehouse receipts only on behalf of licensed warehouse operators who contract with the provider for those services. The provider agreement shall be subject to, but not be limited to, the provisions of paragraphs 90.14(3)*"a"* through *"k."*

a. Provider to be approved by the USDA. No provider shall be approved by the department unless the provider is first approved as an electronic warehouse receipt provider by the USDA pursuant to the provisions of 7 CFR Part 735. Upon department request, a provider shall provide a copy of the provider's executed USDA Form WA-460 and any addenda, and any other documentation requested by the department to confirm that the provider is a USDA-approved provider in good standing.

b. USDA action against providers. In the event that the USDA shall take action to deny, withdraw, suspend, reinstate or terminate a USDA provider agreement, the department shall automatically take the same action and the provider shall be subject to such action by the department. A provider shall notify the department of any such actions taken by the USDA.

c. Provider to service only licensed warehouse operators. A provider shall enter into user agreements under the terms of this rule only with warehouse operators licensed in accordance with the provisions of Iowa Code chapter 203C. A provider shall not issue electronic warehouse receipts for grain or other agricultural products on behalf of a warehouse operator in the state of Iowa unless the warehouse operator is licensed in accordance with the provisions of Iowa Code chapter 203C or licensed by the USDA in accordance with the applicable requirements.

d. Notice requirements for providers.

(1) When entering into a new user agreement, a provider shall provide written notice to the department.

(2) All notices to the USDA required by 7 CFR Part 735 (2019) and in the USDA provider agreement shall also be served upon the department except as specifically exempted in the provider agreement.

(3) In the user agreement, a provider shall include a notice to the warehouse operator that the data on the provider's central filing system is subject to disclosure to the department and the USDA.

e. Provisions to cease issuing electronic warehouse receipts. Upon notice by the department that a warehouse operator license issued under Iowa Code chapter 203C has expired or has been canceled, suspended or revoked, a provider shall prohibit the warehouse operator from issuing any electronic warehouse receipts until further notice from the department.

f. Department access to electronic warehouse receipt data. A provider shall allow the department unrestricted access to the central filing system for electronic warehouse receipts issued on behalf of warehouse operators licensed by the department. The electronic warehouse receipt data shall be maintained for six years after cancellation of the receipts. Access shall be made available in a manner that allows interaction with department warehouse examinations. Access shall be free of any charge or costs to the department.

g. Information profile. Upon issuance of a new user agreement to a warehouse operator licensed under Iowa Code chapter 203C, the provider shall notify the department and request an information profile. The department shall provide an information profile about the warehouse operator to the provider. The information profile shall consist of identifying information unique to each warehouse operator and shall be contained within each electronic warehouse receipt issued by a warehouse operator. The information profile shall include all statements and content required for warehouse receipts by the laws of the state of Iowa and as required by the provisions of the USDA Form WA-460 and any addenda pursuant to paragraph 90.14(3)*"a."* This information profile shall include but not be limited to the following:

(1) The warehouse operator's name;

(2) The type of business organization and the state under whose laws the business is organized;

(3) The location of the warehouse operator's corporate headquarters and the location of the warehouse;

(4) The warehouse operator's license number; and

(5) For grain warehouse receipts, the following statement: "The warehouse operator named herein, licensed under Iowa Code chapter 203C, has received for storage bulk grain of the amount, kind and grade, as determined in accordance with the official grain standards of the United States, for which this receipt is issued, subject to the provisions of Iowa Code chapters 203C and 203D and the applicable rules. Said grain is fully insured, unless otherwise allowed by law and noted within this receipt, by the above-named warehouse operator against loss or damage by fire, windstorm and inherent explosion."

h. Termination of provider agreement. The department or provider may terminate the provider agreement upon 60 days' written notice to the other party. The department shall terminate a provider agreement on less than 60 days' notice in accordance with paragraph 90.14(3)*"b."* Upon termination of the provider agreement, the provider shall immediately surrender copies of the electronic data and paper records to the department for any electronic warehouse receipts contained within the central filing system. Such data and paper record copies, however, are limited to electronic warehouse receipts issued by warehouse operators licensed under the provisions of Iowa Code chapter 203C.

i. Authorization, jurisdiction and liability. A provider shall be authorized to transact business in the state of Iowa and shall consent to jurisdiction in the state of Iowa and venue in Polk County, Iowa. A provider shall be liable to the department for costs incurred by the department as a result of action taken in the event of a failure of the central filing system or any inability to provide the access required in paragraph 90.14(3)*"f."*

j. Nonexclusive use. A warehouse operator shall not be required to issue warehouse receipts in electronic form.

k. Receiverships and indemnity fund claims—department as electronic warehouse receipt holder.

(1) A provider shall allow for the department and the grain indemnity fund board to be a sole or joint holder of an electronic warehouse receipt when the issuing warehouse operator's license has been revoked and either one or both of the following apply:

1. The electronic warehouse receipt has been surrendered to the department by a claimant for the proceeds of a grain receivership pursuant to Iowa Code chapter 203C.

2. The electronic warehouse receipt has been surrendered to the department or the grain indemnity fund board by a claimant for payment of a grain indemnity fund claim pursuant to Iowa Code chapter 203D.

(2) When an electronic receipt holder files a claim against a grain receivership or against the grain indemnity fund, the department shall obtain the consent and instruction of the holder to change the holder information on the provider's central filing system. The provider shall take any action ordered by the department in regard to an electronic warehouse receipt involved with a grain receivership or a grain indemnity fund claim. The department shall provide documentary evidence of the claim and any resulting required action to the provider. The department may order any action including but not limited to the following:

1. Reducing the quantity and value of the product represented by an electronic receipt upon payment of partial value from either receivership proceeds or the grain indemnity fund;

2. Prohibiting an electronic warehouse receipt from being negotiated or otherwise transferred without the department's consent due to payment of partial value from either receivership proceeds or the grain indemnity fund;

3. Canceling a warehouse receipt upon payment of full value to a claimant from receivership proceeds, and issuing a replacement receipt to the department if needed.

90.14(4) *Electronic warehouse receipt users and agreements.* Prior to engaging in the issuance of electronic warehouse receipts, a warehouse operator shall enter into a user agreement with a provider approved by the department. All electronic warehouse receipts issued by the warehouse operator shall be issued through and filed in the provider's electronic central filing system. As used in this subrule, "warehouse operator" means a warehouse operator who has obtained a license for the operation of a warehouse under Iowa Code section 203C.6. The use of electronic warehouse receipts is subject to the provisions of paragraphs 90.14(3)*"a"* through *"g."*

a. Warehouse operator to use only one provider. A warehouse operator shall issue electronic warehouse receipts through only one provider.

b. Changing providers. Subject to the provisions of a user agreement in effect, a warehouse operator may change providers once per year. The provider shall follow the transfer terms specified in USDA Form WA-460 and any addenda pursuant to paragraph 90.14(3)*"a."* The warehouse operator shall notify the department of a change in provider.

c. Numbering of receipts—no duplication. Electronic warehouse receipts shall be numbered and shall be issued consecutively starting with the number specified to the provider by the department. A warehouse operator shall not at any time have an electronic warehouse receipt and a paper warehouse receipt outstanding for the same lot of grain.

d. Nonexclusive use. A warehouse operator shall not require a depositor to accept an electronic warehouse receipt in lieu of a paper warehouse receipt.

e. Receipt holder power of attorney. A warehouse operator or a third party may not handle electronic warehouse receipts on behalf of a depositor unless a written power of attorney to do so has been provided by the depositor. Such power of attorney shall be provided to the department for inspection and verification upon the department's request.

f. Issuance and cancellation of receipts. The provisions for issuance and cancellation of warehouse receipts found in rules 21—90.11(203C) and 21—90.12(203C) shall apply to electronic warehouse receipts except to the extent that the rules are not applicable to electronic warehouse receipts. A warehouse operator shall not cancel an electronic warehouse receipt unless the warehouse operator is the holder of the warehouse receipt.

21—90.15(203C) Tariffs. After being properly numbered and dated by the bureau, tariffs shall be returned to the licensee for posting in a conspicuous location. A copy of the tariff shall be posted in each location where grain is weighed and delivered.

90.15(1) *Application of tariff.* The tariff rates applicable to stored products shall be those as contained in the tariff on file with the bureau at the time the product is received for storage. The tariff rates shall be applicable on an annual basis from date of deposit. If a tariff is amended, the charges shall

be applied in accordance with subrule 90.15(3). Tariff charges shall cease upon cancellation, expiration, or revocation of a warehouse operator license. Tariff charges shall continue in accordance with the rates as filed by the successor warehouse operator. In the determination of the applicable rates to be applied under the successor warehouse operator's tariff, the date of deposit under the new tariff shall be the actual date of deposit. No charges shall apply to grain held for less than 30 days and for which no warehouse receipt has been issued unless the warehouse operator has a posted policy that provides for a shorter time period.

90.15(2) *Supplemental tariff.* The warehouse operator may file with the bureau a supplemental tariff that sets tariff rates for grain meeting special descriptive standards or characteristics. The supplemental tariff shall include the special descriptive standards or characteristics and the rates that will apply to grain meeting those standards or characteristics. The supplemental tariff shall be posted next to the regular warehouse tariff.

90.15(3) *Amending tariff.* The warehouse operator may amend a tariff by filing a new tariff with the bureau, including all supplemental tariffs. The amended tariff shall contain rates as specified by the warehouse operator. The previous tariff shall be posted and continue to apply on all products that are received prior to the effective date of the amended tariff until the anniversary date of deposit unless the new tariff is lower, in which case the amended tariff shall become effective immediately. The amended tariff shall apply to any products received after the effective date of the amendment. The amended tariff shall apply to any products stored under the previous tariff on the anniversary date of the storage period. The effective date of the amended tariff will be the date on which the tariff is received by the bureau or a specified later date.

90.15(4) *Documentation of tariff charges.* Documents on which storage is billed, including bushels and type of commodity, must contain a reference to each warehouse receipt or storage document.

21—90.16(203C) Records. A warehouse operator shall maintain complete and sufficient records to show all deposits, purchases, sales, storage obligations and loadouts of the warehouse.

90.16(1) *Maintaining warehouse receipts.* Unused warehouse receipts shall be maintained in numerical order. The warehouse operator's copy (yellow) of outstanding warehouse receipts and the original copy (white) of warehouse receipts canceled since the previous examination shall be maintained in separate numerical sequences.

90.16(2) *Daily position record.* The daily position record shall summarize one month's activity in a format approved by the bureau. The daily position record shall indicate at least the increases and decreases and ending balances on a daily basis for total stocks, open storage, warehouse-receipted, unpaid company-owned, and paid company-owned, and shall indicated the ending balance of total company-owned. The daily position record shall reflect the obligations in the appropriate columns. A separate daily position record shall be maintained:

a. For each kind and class of grain; and

b. For each type of commodity that is identity-preserved in licensed facilities.

All daily entries to the daily position record shall reflect transactions made through that day's close of business unless another time of day is elected by the licensee and applied by the licensee on a consistent basis.

90.16(3) *Scale tickets.*

a. Unless the warehouse operator utilizes a computer system that sequentially numbers and prints scale weight tickets, every warehouse operator shall have prenumbered scale tickets.

Every scale ticket shall show, at a minimum, the following:

(1) The warehouse operator's name and location where the grain was delivered;

(2) Date;

(3) Depositor's name;

(4) Gross weight, tare weight, and delivered weight;

(5) Type of product or commodity; and

(6) An indication of whether product or commodity is being received or loaded out.

b. One copy of each ticket will be maintained in numerical order by the warehouse operator as part of the records unless the warehouse operator uses a computer system that sequentially numbers and prints scale tickets and the scale ticket information can be retrieved and reprinted by the computer system. A scale ticket printed at the time of weighing shall be the document of record.

c. All copies of reprinted scale tickets shall be marked "duplicate" or "reprint". All scale ticket forms in the possession of a warehouse operator will have been permanently and consecutively numbered at the time of printing. The licensee will be responsible for providing a list of all scale tickets used at each location.

90.16(4) *Settlement sheets.* Unless the warehouse operator utilizes a computer system that sequentially numbers and prints settlement sheets as generated, every warehouse operator shall have prenumbered settlement sheets. All settlement sheets shall show, at a minimum, the following:

a. The warehouse operator's name and location;

b. The seller's name and address;

c. Date(s) of deliveries;

d. Scale ticket numbers;

e. Amount, kind and grade factors of the grain; and

f. Method of settlement:

(1) If priced, the price per bushel, the quantity of grain priced and the date of pricing.

(2) If paid for, the date, price per bushel, the quantity of grain paid for, the amount of payment and check number or electronic funds transfer number, or a computer generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(3) If credit-sale contract, the contract type, date and number and the quantity of grain transferred to the contract, or a computer generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(4) If warehouse receipt, the receipt number, date of issuance and quantity of grain transferred to the receipt, or a computer generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(5) If removed from the warehouse, the delivery document numbers, dates and amounts of the shipments.

Copies of all settlement sheets shall be maintained in numerical or alphabetical order by the warehouse operator as part of the records unless the warehouse operator uses a computer system approved in writing by the bureau that sequentially numbers and prints settlement sheets and the settlement sheets can be retrieved on and reprinted by the computer system. A copy of the settlement sheet shall be given to the depositor upon demand, upon the issuance of a credit-sale contract, upon the issuance of a warehouse receipt or upon the completion of returning the commodity to the depositor. Any settlement sheet used in the pricing of grain for the purpose of sale to the warehouse operator shall have the price shown on all copies of such settlement sheet. Deliveries and settlement transactions shall be posted to the settlement sheet on a daily basis unless a computer system utilized can generate a scale ticket summary sheet for each depositor.

90.16(5) *Multiple locations.* If the licensee operates multiple locations under one license, the branch locations may maintain a separate series of the following documents:

a. Scale tickets;

b. Settlement sheets;

c. Credit-sale contracts;

d. Warehouse receipts; and

e. Checks.

However, upon issuance, the warehouse operator's copy (yellow) of all warehouse receipts and a copy of each credit-sale contract shall be returned to the main location.

90.16(6) *Inspection.* For the purpose of inspection, the hours of 8 a.m. to 5 p.m., except Saturday, Sunday and holidays, shall be considered as ordinary business hours. All financial records, grain records and payment records shall be available for inspection by the bureau during ordinary business hours and any other time specified by the bureau in writing. All records shall be made available within the state of

Iowa upon request. Any records requested by the bureau may be required to be available to the bureau within 72 hours.

90.16(7) *Retention of records.* Such records shall be kept as required under Iowa Code section 203C.2 for the stated time period even if a license has expired or has been canceled or revoked.

90.16(8) *Grade factors on scale tickets.* All grade factors for determining the quality and grade of grain in accordance with the official grain standards shall be documented on scale tickets or supplemental records at time of deposit.

21—90.17(203C) Adjustment of records.

90.17(1) *Adjustment of inventory for operational shrink.* The department may require a licensee to take an operational shrink not to exceed .5 percent on grain received on a monthly basis.

90.17(2) *Other inventory adjustments.* Any reduction of record obligation shall be justified. Any increase in adjustments of record obligation shall be made only upon department approval or request. An upward adjustment may be made to the records at any time that a total weigh-up for a particular kind of grain is made and all records of the weigh-up have been maintained for verification. The licensee may make upward adjustments for rail and barge shipments based upon actual unloaded weights when the origin weights were estimated. Outbound truck shipments must be weighed on the licensee's scale if one is available. A warehouse operator may voluntarily adjust the records at the time of examination when the measured inventory exceeds the record obligation in an amount in excess of 1.5 percent. All adjustments shall be readily identifiable in the daily position record. Unless the delivered weight is adjusted for and reflects dry bushels, all adjustments for moisture shall be shown in the records. A computer-generated scale ticket listing that shows gross weights and net weights will satisfy the requirements of this rule.

21—90.18(203C) Monthly grain statements. A grain statement shall be prepared at the close of business at the end of each calendar month and filed with the bureau by the tenth of the following month. This grain statement shall be on a form or in a format prescribed by the bureau. The bureau shall furnish forms to the warehouse operator upon request. A grain statement shall be filed for each calendar month regardless of whether or not the warehouse operator has products in storage.

21—90.19(203C) Grain stored in another warehouse. Upon approval by the bureau, a warehouse operator may store grain in another licensed warehouse.

90.19(1) *Decision criteria.* The department shall consider the following in deciding to approve or deny a warehouse operator's request to store grain in another licensed warehouse:

a. The other licensed warehouse is located in Iowa and is either licensed by the department pursuant to Iowa Code chapter 203C or licensed by the USDA in accordance with the applicable requirements.

b. The other licensed warehouse is located in another state and is licensed by the USDA in accordance with the applicable requirements.

c. The other licensed warehouse is located in another state and is licensed pursuant to that state's statutes and that state's warehouse license provides all of the following:

(1) Financial requirements and examination programs essentially equivalent to Iowa's;

(2) Insurance coverage equivalent to Iowa's; and

(3) Indemnification, surety bond coverage, letter of credit or other security satisfactory to the department.

90.19(2) *Notice and licensing.* Upon receipt of a written request from a warehouse operator to store a specified amount of grain in another warehouse and confirmation of compliance with Iowa Code section 203C.6, the bureau shall issue an amended license to the warehouse operator. The amended license shall show the number of bushels that the warehouse operator is authorized to store in another warehouse. The warehouse operator shall not store grain in another warehouse prior to the issuance of the amended warehouse operator license.

90.19(3) *Net worth requirement.* The number of bushels of grain to be stored in another warehouse shall be added to the warehouse operator's gross capacity. The warehouse operator must have sufficient

net worth to cover the gross capacity or provide a deficiency bond or irrevocable letter of credit as provided for in Iowa Code section 203C.6. The net worth requirements of Iowa Code section 203C.6 shall not apply to transfers of grain between warehouses licensed by the same entity.

90.19(4) *Trust warehouse receipts.* A warehouse operator who stores grain in another warehouse shall obtain a nonnegotiable warehouse receipt for the grain stored. The warehouse receipt shall be on an official form as specified in 21—90.14(203C), an official United States Department of Agriculture authorized bonded warehouse receipt, or on an official form as specified in the regulations of the state in which the warehouse receipt is issued.

90.19(5) *Recordkeeping—daily position record.* Grain stored in another warehouse under the provisions of this rule shall be reflected in the total stocks section and the appropriate obligations section of the warehouse operator's daily position record.

90.19(6) *Recordkeeping—shipment records.* Grain shipped to another warehouse operator under the provisions of this rule shall be documented on scale tickets. The warehouse operator shall either clearly indicate "forwarded grain" on the scale ticket or maintain a supplementary record of such shipments. The warehouse operator shall at all times maintain a record of the amount of grain stored in another elevator.

90.19(7) *Monthly grain statement requirement.* On the monthly statements filed pursuant to rule 21—90.18(203C), a warehouse operator shall disclose the amount of each type of grain stored in another warehouse.

21—90.20(203C) Warehouse operator's obligation and storage. If, at the time of an examination, a shortage is determined, a warehouse operator shall purchase and make actual payment in the manner approved by the bureau for a sufficient quantity and quality of the commodity to fully cover the shortage by the end of the second business day after notice by the bureau, excluding weekends or holidays, unless the bureau chief receives within the same time period a confirmation from a surety company or financial institution for 100 percent bonding of the deficiency. Any shortage secured by 100 percent bonding within the allotted time period shall be covered in full within 30 days from the discovery of the shortage. A warehouse operator who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligation based on an examination by the department shall not purchase grain by credit-sale contract to correct the shortage of grain. The department may suspend the license of any licensee who has a shortage and who is unable to satisfy the requirements of this rule.

21—90.21(203C) Storing of products. Bulk grain in storage shall be stored in such a manner that the amount of grain in the storage facility can be readily determined. A product other than bulk grain shall be stored in such a manner that it can be readily inspected and the amount and kind thereof determined. The maintenance, conditioning, care, or surveillance shall be given to stored products as is required to maintain the quality, grade, and safe storage of the products. Nothing shall be placed or stored in a licensed facility that will in any way contaminate the stored products or cause any degrading of grade or value. Storage facilities shall not be overfilled. There shall be sufficient overhead airspace to provide adequate ventilation and to allow the examiner to readily determine the quality and quantity of the grain. The bureau chief may require the installation of overhead ventilation fans in facilities when in the bureau chief's judgment such fans are needed to preserve the quality of stored products. The bureau chief may require the installation of aeration equipment in storage facilities when it is deemed necessary to preserve the quality of stored products.

90.21(1) *Storage of contaminating products or more than one type of agricultural product.* Facilities may be licensed for both bulk grain and agricultural products other than bulk grain; however, if products of a contaminating nature are stored in the facility, the facility shall be removed from the license for any other agricultural products. If more than one type of an agricultural product is being stored in a facility, proper measures shall be implemented to keep such products from intermingling.

90.21(2) *Stored products in licensed facilities.* All stored products shall be maintained in licensed facilities.

21—90.22(203C) Facilities. No facility shall be considered suitable for the storage of bulk grain unless the warehouse has the necessary equipment such as grain leg, portable augers or vacuvators for handling, receiving, and loading out of grain.

90.22(1) *No connection between facilities.* No unlicensed facility shall be connected to a licensed facility unless prior approval is obtained from the bureau.

90.22(2) *Scale required.* All licensees shall have an approved scale for inbound deliveries made by depositors.

21—90.23(203C) Maintenance of storage facilities. All licensed storage facilities shall be maintained in such manner as to be suitable for the proper and safe storage of the particular product or products to be stored therein. Safe and adequate means of ingress and egress to the various storage units and grounds of the warehouse complex shall be provided and maintained by the warehouse operator. Sufficient louvers, outlets, overhead ventilation fans, aeration ducts and fans or any combination of these shall be maintained in each storage facility to prevent deterioration or spoilage and to maintain proper and safe storage of stored products.

90.23(1) *Inspection safety specifications for ladders and lifts on storage units.* Storage units having entrances over 20 feet to a maximum of 100 feet above floor level shall be equipped with a fixed ladder, an attached circular or spiral stairway, an alternating tower-type stairway or a safe and adequate lift. Storage units having entrances in excess of 100 feet above floor level shall be equipped with an adequate electric lift. Catwalks or walkways between storage units may be provided in lieu of ladders or lifts between facilities. Rungs on fixed ladders shall be spaced not to exceed 1-foot centers, and there shall be sufficient space between the ladder rung and face of the structure to permit a safe foothold. Landing platforms shall be provided for each 30 feet of fixed ladder or fraction thereof for ladders constructed after December 31, 2005. Landing platforms shall be provided for each offset of fixed ladder sections regardless of the length of the ladder sections. Any facilities with a safety cable and belt hookup that were approved for licensing prior to September 1, 1992, shall continue to be approved provided they are maintained in a safe working order. Any facilities with a fixed ladder more than 20 feet in length, but not more than 24 feet in length, that were approved for licensing prior to December 31, 2005, shall continue to be approved provided they are maintained in a safe condition.

90.23(2) *Catwalks, walkways, landing platforms and stairs.* Catwalks, walkways and landing platforms shall be equipped with a top rail 42 inches from the floor and a middle rail. Catwalks, walkways and landing platforms constructed after September 1, 1992, must also be equipped with toeboards that are at least 4 inches in height and that are not more than ¼ inch from the floor. Stairways shall be equipped with handles that are not more than 34 inches nor less than 30 inches in height and of similar construction as catwalk or walkway rails. Catwalks, walkways, landing platforms, stairways, lifts and ladders shall be kept clean and free of grain and other matter that might endanger the safety of persons using them. Guardrails shall be placed around the entrance to any storage facility exceeding 30 feet above the floor, or around a landing platform below such entrance to a facility. At no time shall electrical lines be anchored on or within reach of a ladder or safety cage unless enclosed in conduit. All electrical lines in proximity of the inspection ladder, stairway, walkway or lift shall be enclosed in conduit.

90.23(3) *Removal of facilities from warehouse operator license.* Any storage facility that fails to meet the requirements of this rule shall be called to the attention of the warehouse operator. Failure of the warehouse operator to place the facility in a suitable condition within a reasonable length of time shall result in the elimination of the facility from coverage under the warehouse operator license in accordance with the provisions of Iowa Code section 203C.8. However, if in the bureau's judgment any facility is unsafe to gain ingress and egress at the time of an examination, the products stored in the facility may not be included in the inventory. Any facility that has deteriorated to the extent that it is unsuitable for storage shall be immediately removed from the warehouse operator license in accordance with the provisions of Iowa Code section 203C.8, until such time that the facility meets the requirements of this rule and has been reinspected.

21—90.24(203C) Temporary grain storage facilities. A temporary grain storage facility may, in the discretion of the department, be approved and licensed on the following bases:

90.24(1) *License period.* A license for a temporary storage facility may be issued at any time but shall be effective for the storage of grain only from August 1 to May 1 of the following year. A temporary storage facility license shall expire each May 1 unless the licensee requests and obtains an extension in accordance with subrule 90.24(2).

90.24(2) *Extensions.* An extension of 90 days may be granted if all of the following requirements are satisfied:

a. The licensee has requested an original extension or an additional extension no later than 45 days prior to the expiration of the licensing period or extension then in effect.

b. The bureau has completed an examination of the licensee's temporary storage facility.

c. The licensee has paid the bureau for the cost of the examination of its temporary storage facility. The payment shall include the labor cost, the equipment cost, the sampling cost and any additional costs incurred by the bureau in examining a licensee's temporary storage facilities. Payment shall be made and received by the bureau before any extension may be granted.

d. Every temporary storage facility for which the department has granted an extension shall continue to meet all of the other requirements of rule 21—90.24(203C). Before an extension is granted, the bureau chief may require the filing of a bond or irrevocable letter of credit in an amount to be determined by the department.

90.24(3) *Restrictions on extensions.* The licensing period for a temporary storage facility may be extended beyond August 1. However, the extension of a licensing period for a temporary storage facility shall not result in the granting of a new August 1 to May 1 licensing period. As a result, a licensee shall be required to request additional extensions at least 45 days prior to the expiration of the extension then in effect.

90.24(4) *Expiration.* The warehouse operator shall either purchase the grain stored in the temporary storage facility or remove the grain from the temporary storage facility prior to May 1 or prior to the expiration of a granted extension.

90.24(5) *Specifications for temporary storage facilities.* Every temporary storage facility shall comply with the following specifications:

a. Each storage unit shall contain aeration equipment to provide at least .13 cubic feet of air per bushel per minute.

b. Each storage unit shall have an asphalt base, concrete base, pozzuolanic base, or a compacted limestone base that meets the following minimum specifications:

(1) Base shall be of a depth and compaction to permit trucks or other equipment, used in loading or unloading the pad, to move around over the base without breaking through or unduly scuffing the surface.

(2) Depth of limestone top shall not be less than four inches.

(3) Adequate slope and drainage away from the base shall be provided to prevent any water from standing or backing up under the grain. Base shall be at least six inches above surrounding area.

c. The angle of repose of the stored grain shall be maintained to provide sufficient drainage.

d. The storage unit shall be covered. The cover shall be of sufficient strength to resist tearing under normal expected conditions and to allow a person to walk on the cover without penetrating it.

e. All storage units shall have rigid sidewalls.

90.24(6) *Inspection for licensing.* Every temporary storage facility to be included under a warehouse operator license shall be inspected and licensed before any products to be stored are placed in the facility.

90.24(7) *Limitation.* Temporary licensed storage capacity may not exceed 50 percent of permanent licensed storage capacity. However, the department may issue a license for temporary storage capacity exceeding the temporary capacity limit of 50 percent for a licensing period ending on or before May 1.

90.24(8) *Removal from license.* The bureau chief or examiner shall issue written notice to the warehouse operator for any temporary storage facility that no longer meets the requirements of this rule. Failure of the warehouse operator to place the facility in a suitable condition within a reasonable length

of time shall result in the elimination of the facility from coverage under the warehouse operator license. Any facility that has deteriorated to the extent that it is unsuitable for storage shall be immediately removed from the warehouse operator license until the time that the facility meets the requirements of this rule and has been reinspected.

90.24(9) *Moisture and quality.* Corn containing more than 14 percent moisture or soybeans containing more than 13 percent moisture shall not be stored in temporary facilities. Corn and soybeans that do not grade No. 2 or better using the official grain standards shall not be stored in a temporary storage facility.

90.24(10) *Periodic maintenance.* The warehouse operator will make observations of grain temperature, aeration outlet temperature and odor, condition of the cover and drainage as necessary to ensure the safe storage of the grain in a temporary storage facility. These observations shall be made at regular intervals.

21—90.25(203C) Emergency ground pile storage space. Emergency ground pile storage space may, in the discretion of the department, be approved and licensed for the storage of corn on the following bases:

90.25(1) *License period.* A license for emergency ground pile storage space shall be effective from August 1 to January 31 of the following year.

90.25(2) *Expiration.* The warehouse operator shall either purchase the grain stored in the emergency ground pile storage space or remove the corn from the emergency ground pile storage space prior to February 1. Any corn remaining in such space after this date will not be included in grain inventory measurements made by the department, and such corn may not be used to cover storage obligations.

90.25(3) *Bonding.* Before any corn can be placed in licensed emergency ground pile storage space, the department shall receive either an irrevocable letter of credit or a surety bond in the amount of $2 for each bushel to be placed in emergency ground pile storage space. The irrevocable letter of credit or surety bond will expire on April 1. The issuer shall not cancel the irrevocable letter of credit or surety bond filed with the department under this rule on less than 45 days' notice by certified mail to the department and to the licensee. When the department receives notice from an issuer that the issuer has canceled the irrevocable letter of credit or surety bond, and the letter of credit or surety bond is still needed, the department shall automatically suspend the license if the department does not receive a replacement irrevocable letter of credit or surety bond within 30 days of the issuance of the notice of cancellation. If a replacement irrevocable letter of credit or surety bond is not filed within ten days following the suspension, the department shall automatically revoke the warehouse operator's license.

90.25(4) *Specifications for emergency ground pile storage.* All emergency ground pile storage space shall have an asphalt base, concrete base, or a compacted limestone base that meets the following minimum specifications:

a. Base shall be of a depth and compaction to permit trucks or other equipment used in loading or unloading the pad to move around over the base without breaking through or unduly scuffing the surface.

b. Depth of limestone top shall be not less than four inches.

c. Adequate slope and drainage away from the base shall be provided to prevent any water from standing or backing up under the grain.

90.25(5) *Licensing.* All emergency ground pile storage space to be included under a warehouse operator license shall be licensed before any corn to be stored is placed in it.

90.25(6) *Limitation.* Emergency licensed ground pile storage space may not exceed 30 percent of permanent licensed storage capacity.

90.25(7) *Recordkeeping.* A separate daily position record shall be maintained on all corn placed in the emergency licensed ground pile storage space.

90.25(8) *Moisture and quality.* Corn containing more than 15 percent moisture shall not be stored in emergency ground pile storage space. Corn that does not grade No. 2 or better using the official grain standards shall not be stored in emergency ground pile storage space.

90.25(9) *Removal from license.* The bureau chief or examiner shall issue written notice to the warehouse operator for any emergency ground pile storage space that no longer meets the requirements

of this rule. Failure of the warehouse operator to place the emergency ground pile storage space in a suitable condition within a reasonable length of time shall result in the elimination of emergency ground pile storage space from coverage under the warehouse operator license.

21—90.26(203C) Polyethylene (polyvinyl) bag storage space. Polyvinyl bag storage space may, in the discretion of the department, be approved and licensed for the storage of corn on the following bases:

90.26(1) *License period.* A license for polyvinyl bag storage space shall be effective from August 1 to May 1 of the following year. A polyvinyl bag storage space license shall expire each May 1 unless the licensee requests and obtains an extension in accordance with subrule 90.26(2).

90.26(2) *Extensions.* An extension of 90 days may be granted if all of the following requirements are satisfied:

a. The licensee has requested an original extension or an additional extension no later than 45 days prior to the expiration of the licensing period or extension then in effect.

b. The bureau has completed an examination of the licensee's polyvinyl bag storage space.

c. The licensee has paid the bureau for the cost of the examination of the licensee's polyvinyl bag storage space. The payment shall include the equipment cost, sampling cost, labor cost and any additional costs incurred by the bureau in examining a licensee's polyvinyl bag storage space. Payment shall be made and received by the bureau before any extension may be granted.

90.26(3) *Restrictions on extensions.* The licensing period for polyvinyl bag storage space may be extended beyond August 1. However, the extension of a licensing period for polyvinyl bag storage space shall not result in the granting of a new August 1 to May 1 licensing period. As a result, a licensee shall be required to request additional extensions at least 45 days prior to the expiration of the extension then in effect.

90.26(4) *Expiration.* The warehouse operator shall either purchase the corn stored in the polyvinyl bag storage space or remove the corn from the polyvinyl bag storage space prior to May 1 or prior to the expiration of a granted extension.

90.26(5) *Specifications for polyvinyl bag storage space.* All polyvinyl bag storage space shall comply with the following specifications:

a. The polyvinyl bag shall be a minimum of 8.5 mil or thicker.

b. The polyvinyl bag shall be white.

c. The polyvinyl bag site shall be firm and free of objects that could puncture the polyvinyl bag. A gravel base will not be an approved surface.

d. The following are approved surfaces:

(1) Asphalt base.

(2) Concrete base.

(3) Compacted limestone base.

(4) On turf or hay ground that has been mowed to a height (not more than 2.5 inches) not to puncture the polyvinyl bag.

(5) Bladed dirt.

e. Adequate drainage away from the base shall be provided to prevent any water from standing or backing up under the polyvinyl bags.

f. The polyvinyl bag site shall be free of any spilled grain and tall grass.

g. The polyvinyl bag must be closed in accordance with the manufacturer's written instructions or so that no deterioration of the stored corn can occur.

90.26(6) *Inspection for licensing.* Polyvinyl bag storage space to be included under a warehouse operator license shall be inspected and licensed before any corn to be stored is placed into the bags.

90.26(7) *Limitations.* Polyvinyl bag storage space may not exceed 30 percent of permanent licensed storage capacity.

90.26(8) *Moisture and quality.* Corn containing more than 14 percent moisture shall not be stored in polyvinyl bags. Corn that does not grade No. 2 or better using the official grain standards shall not be stored in polyvinyl bags.

90.26(9) *Removal from license.* The bureau chief or examiner shall issue written notice to the warehouse operator for any polyvinyl bag that no longer meets the requirements of this rule. Failure of the warehouse operator to place the polyvinyl bag in a suitable condition within a reasonable length of time shall result in the elimination of the polyvinyl bag from coverage from the warehouse operator license. Any polyvinyl bag that has deteriorated to the extent that it is unsuitable for storage shall be immediately removed from the warehouse operator license until the time that the facility meets the requirements of this rule and has been reinspected.

90.26(10) *Periodic maintenance.* The warehouse operator will make such observations of the condition of the polyvinyl bags and the surface temperature of the corn as necessary to ensure the safe storage of the corn in polyvinyl bags. Such observations shall be made at regular intervals.

21—90.27(203C) Prioritization of inspections of warehouse operators. Warehouse operators with a probability of failure factor greater than 40 percent, as calculated by the statistical model, shall be examined at least twice in a 12-month period.

21—90.28(203C) Department of agriculture and land stewardship enforcement procedures. The bureau shall follow a step-by-step enforcement policy to ensure consistent compliance with and application of this chapter. The department recognizes that violations of certain rules may have more serious ramifications; thus, the enforcement of those rules requires stricter policies. The enforcement policies apply to any violation of this chapter unless enforcement provisions are specifically addressed in a particular rule or subrule.

90.28(1) If it is necessary to establish proof of a violation of statute or rule, the bureau shall conduct a special investigation of the licensee. The bureau may contact the warehouse operator, the warehouse operator's employees, or any other interested party to gain information for its investigation. The bureau, in its investigation of a licensee, may cause a special examination to occur if evidence of at least one of the following conditions is present:

a. Insufficient funds check or failed electronic funds transfer.

b. Stalled payment for grain.

c. Quantity deficiency.

d. Quality deficiency.

e. Incomplete or inaccurate records as specified in rule 21—90.16(203C).

The expense of such special examination shall be based on actual costs incurred by the bureau and may be assessed to the licensee. The costs shall include the labor, equipment, sampling and any additional costs incurred by the bureau. Payment shall be made as directed by the bureau.

90.28(2) Upon establishment of a rule violation by an examiner or the bureau, the bureau shall consider the following elements in determining the proper period of time within which to require a licensee to comply with the rules:

a. Gravity of the offense.

b. Likelihood of depositor loss.

c. Length of time within which a reasonable licensee in a similar circumstance should be able to comply with the rule.

90.28(3) The bureau chief may initiate license suspension or revocation proceedings against the licensee for any violation of these rules. The bureau chief shall consider the following factors in making the determination to initiate the suspension or revocation proceedings:

a. Likelihood of depositor loss.

b. Gravity of the offense.

c. Licensee's intent to violate the rule.

d. Licensee's record of violations of statute or rule.

e. Number of violations in the particular report.

90.28(4) The bureau chief may cause charges to be filed against the licensee for any violation of these rules. The bureau chief shall consider the following factors in making the determination to file charges:

a. Likelihood of depositor loss.
b. Gravity of the offense.
c. Licensee's intent to violate the rule.
d. Licensee's record of rule violations.
e. Number of violations in the particular report.

90.28(5) The bureau chief may initiate the assessment of civil penalties against the licensee for any violation of these rules. The bureau chief shall consider the following factors in making the determination to initiate the assessment of civil penalties:

a. Likelihood of depositor loss.
b. Gravity of the offense.
c. Licensee's intent to violate the rule.
d. Licensee's record of violations of statute or rule.
e. Number of violations in the particular report.

These rules are intended to implement Iowa Code chapter 203C.

[Filed Emergency 7/9/25, effective 7/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9456C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Adopted and Filed Emergency

Rulemaking related to licensed grain dealers

The Agriculture and Land Stewardship Department hereby rescinds Chapter 91, "Licensed Grain Dealers," Iowa Administrative Code, and adopts a new Chapter 91 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This rulemaking implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses

resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgment of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is consolidated into a single chapter. 21—Chapters 93, 94, and 95 are rescinded in **ARC 9457C** herein.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

Reason for Adoption of Rulemaking Without Prior Notice and Opportunity for Public Participation

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608, section 23.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)"b"(1)(a), the Department also finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective on July 10, 2025, because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608, section 23.

Adoption of Rulemaking

This rulemaking was adopted by the Department on July 9, 2025.

Concurrent Publication of Notice of Intended Action

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as **ARC 9453C** to allow for public comment.

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.

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 became effective on July 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 21—Chapter 91 and adopt the following **new** chapter in lieu thereof:

CHAPTER 91
LICENSED GRAIN DEALERS

21—91.1(203) Definitions. For this chapter, the following definitions apply:

"Bureau" means the grain warehouse bureau of the department of agriculture and land stewardship.

"Generally accepted accounting principles" means accounting principles generally accepted in the United States of America, in accordance with the U.S. Financial Accounting Standards Board, or international financial reporting standards, in accordance with the International Accounting Standards Board.

"Indemnity fund" means the Iowa grain depositors and sellers indemnity fund created in Iowa Code chapter 203D.

"Licensee" means a licensed grain dealer.

"Ordinary cash sale" means a sale of grain in which the seller is entitled to payment upon delivery to the grain dealer or later upon demand of the seller. "Ordinary cash sale" does not include a credit-sale contract.

"Provider" means a person approved by the department to maintain a secure electronic central filing system of electronic grain contract records.

"Provider agreement" means an agreement regarding electronic grain contracts that is entered into between the department and a provider.

"Received" means the earliest of the following:

1. The date a state warehouse examiner acknowledges receipt.
2. The date stamped "received" in the grain warehouse bureau.
3. The date postmarked, if the item is properly addressed, to the Grain Warehouse Bureau, Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319.

"USDA" means the United States Department of Agriculture and its divisions and agencies, including but not limited to the Farm Service Agency.

"USDA provider agreement" means the agreement entered into between the USDA and a provider and printed on USDA Form WA-490 and any addenda thereto.

"User agreement" means an agreement regarding electronic grain contracts that is entered into between a provider and a licensee.

21—91.2(203) Grain dealer change. A grain dealer license may be amended to cover a name change of the same legal entity. The licensee must give the bureau notice of a proposed name change. The bureau will confirm the name change with the secretary of state or other governmental agency prior to amending the license.

21—91.3(203) Posting of license. A license certificate must be posted in each location where grain is purchased or delivered.

21—91.4(203) Surrender of license. The grain dealer license and all unused credit-sale contracts must be forwarded to the bureau immediately upon cancellation, suspension, or revocation of such license. A grain dealer's letter requesting cancellation of the grain dealer license must also state whether there are any unpaid obligations.

21—91.5(203) Renewal, expiration and reinstatement of license—payment of license and indemnity fund fees.

91.5(1) *Renewals.* The bureau will send to each licensed grain dealer written notice that the application, the license fee and the indemnity fund fee for annual renewal of the grain dealer license must be received in accordance with Iowa Code section 203.5. If the bureau does not receive the application and fees by the due date, the license will expire.

91.5(2) *Feed.* Fees for license periods of less than one year shall be prorated on a month-to-month basis. Fees for license periods of less than one year will be applicable only under the following circumstances:

a. When an application for a new license is filed; or

b. When the fiscal year end of a license holder is changed.

21—91.6(203) Financial statements.

91.6(1) *New license applicants.* To obtain a grain dealer license, an applicant must submit a financial statement that must:

a. Be prepared within three months from the date of filing and comply with Iowa Code section 203.3; or

b. Be prepared as of the applicant's usual fiscal year and comply with Iowa Code section 203.3, and the applicant has continuously been in business for one year or more and the applicant has submitted any additional financial information required by the bureau; or

c. Be a forecasted financial statement prepared by a certified public accountant licensed in this state and the applicant is a new business entity that is in the process of transferring funds into the business entity. An applicant who files a forecasted financial statement pursuant to this paragraph must file a financial statement that complies with subrule 91.6(3), within one month after the date the license is issued by the bureau.

91.6(2) *Sole proprietorship financial statements.* An individual licensed as a sole proprietorship must file a financial statement that conforms with the provisions of Iowa Code section 203.3 on the proprietorship business. The individual must also file a personal statement of financial condition that conforms with the provisions of Iowa Code section 203.3. The personal statement of financial condition must also disclose the historical cost basis for assets as provided in Iowa Code section 203.3.

91.6(3) *Filing date of annual statements.* Every licensee must prepare financial statements at the close of the licensee's designated fiscal year and must file the statements and the bureau's financial information form with the bureau not later than three months thereafter. These financial statements must be prepared in accordance with generally accepted accounting principles and must consist, at a minimum, of a balance sheet, statement of income, statement of cash flow, and accompanying notes to the financial statements. The bureau will notify every licensee during the month after the close of the licensee's fiscal year that the licensee's financial statements are due three months from the close of the licensee's fiscal year.

91.6(4) *Additional disclosures required in the financial statements.* Unless the following information is disclosed in the fiscal year end financial statements, the licensee's certified public accountant must file with the financial statements a separate letter disclosing the information:

a. A reconciliation of differences in the grain obligations as shown in the financial statement and the daily position record.

b. Amount and kind of grain on collateral warehouse receipts.

c. Amount and kind of company-owned grain that is being stored in unlicensed facilities or that has been transferred to another warehouse.

d. Bushel and dollar amounts of all outstanding grain payables, including a breakdown of the bushels and dollars of each type of deferred-payment contract and deferred-price contract.

e. Gross grain sales for the fiscal year.

f. Gross nongrain sales for the fiscal year.

g. Cost of all goods sold for the fiscal year.

h. Depreciation expense for the fiscal year.

i. Interest expense for the fiscal year.

j. Number of bushels of grain purchased under each grain dealer's license. For purposes of this paragraph, "purchases" will mean all grain to which the grain dealer has obtained title during the grain dealer's fiscal year.

91.6(5) *Filing extension.*

a. An extension of one month may be granted by the bureau chief for the filing of financial statements upon receipt of the following:

(1) A letter from the grain dealer's certified public accountant stating the reason for filing the extension request and that work has been done on preparing the financial statements.

(2) An affidavit from the grain dealer stating that the grain dealer meets the financial responsibility requirements of Iowa Code sections 203.3 and 203.15, or that the licensee will file additional bond in an amount to cover any net worth or current ratio deficiency as provided in Iowa Code sections 203.3 and 203.15, based upon the licensee's certified public accountant's best estimate of the licensee's financial position.

b. Grain dealers who file false affidavits under this rule may be prosecuted under Iowa Code section 203.11. This subrule does not apply to the filing of financial statements required under the provisions of subrules 91.6(9), 91.6(10) and 91.6(11).

91.6(6) *Asset valuation.* The licensee may submit to the bureau a written request for asset valuation. The written request must be accompanied by the appraisal and must have been prepared by a licensed appraiser in this state and must list the appraiser's credentials. Before an appraisal will be accepted by the bureau, the licensee must show a positive net worth. All appraisals are subject to approval by the bureau chief. The bureau chief will notify the licensee within five working days if the appraisal is unacceptable. Any approved asset valuation may be used in any financial statements prepared by or for the licensee in accordance with Iowa Code section 203.3.

91.6(7) *Appraisals.* Competent appraisals on file with the bureau will be valid for use in determining asset value for a maximum period of three years. Thereafter, a new appraisal for asset valuation will be required and must be used for a like period of time. In the event the certified public accountant expresses doubt as to the licensee's ability to continue as a going concern, the bureau will not allow an appraisal to be used to meet net worth requirements. The bureau will not allow an appraisal to be used to determine the percentage of total liabilities to total assets as it relates to paragraph 91.13(3)*"e"* concerning the suspension of a licensee's authorization to use credit-sale contracts. All assets included in the appraisal shall be depreciated by the bureau using the following schedule:

a. Buildings and attached equipment—15 years.

b. Rolling stock (trucks)—five years.

c. Equipment—five years.

91.6(8) *Assets allowed in meeting financial requirements.*

a. Corporations, limited liability companies and partnerships. When the bureau determines the net worth, current assets to current liabilities ratio and total debts to total assets ratio requirements for corporations, limited liability companies and partnerships, related party assets that require financial disclosure per financial accounting standards will be disallowed. These assets will be excluded unless the licensee can show the bureau sufficient documentation to assure the bureau that the assets are collectible. If assets are classified as current in the financial statements, the documentation must also assure that the assets are collectible within one year.

b. Sole proprietors. When the bureau determines the net worth and current assets to current liabilities ratio requirements for sole proprietors, related party assets will be excluded unless the licensee can show the department sufficient documentation to explain why these assets should be included. Only that part of the value of an asset that is subject to execution will be allowed by the bureau in determining net worth and current assets to current liabilities ratio requirements. When a liability associated with an exempt asset (whether the asset is included or not) exceeds the original cost (or fair market value after an appraisal approved by the bureau), such excess must be shown as a liability with appropriate footnotes to the financial statement. An applicant or a licensed warehouse operator must complete the bureau's financial information form regarding this matter and submit the form with the financial statements.

91.6(9) *Net worth and current ratio deficiency monthly financial statements.* Every licensee who has a net worth or current ratio deficiency and who has filed additional bond must file monthly financial statements with the bureau by the end of the next month until the licensee's net worth or current ratio meets the requirements of Iowa Code section 203.3 for a minimum of three consecutive months. These financial statements must contain a minimum of a balance sheet and statement of income and will be prepared in accordance with generally accepted accounting principles.

91.6(10) *Financial statement.* The bureau chief may require a licensee to submit financial statements on a monthly or quarterly basis to verify the grain dealer's financial status, to verify compliance with Iowa Code section 203.3, or when any one of the following occurs:

a. Payment is made by use of a check or electronic funds transfer and a financial institution refuses payment because of insufficient moneys in the licensee's account;

b. Evidence of licensee requesting or delaying payment for grain without the use of a credit-sale contract for grain;

c. Other documented evidence that indicates that the licensee's financial condition has deteriorated since the filing of the licensee's last financial statement;

d. A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on a statistical model provided in Iowa Code section 203.22; or

e. Recordkeeping violations.

These financial statements must be filed with the bureau by the end of the next month and by the end of every month thereafter until no longer required by the bureau. These financial statements must contain a minimum of a balance sheet and statement of income and must be prepared in accordance with generally accepted accounting principles.

91.6(11) *Additional information.* The bureau chief may require an applicant or licensee to provide the bureau with any other information reasonably related to the business of a grain dealer and work papers supporting the financial statements.

91.6(12) *Filing extensions during transition.*

a. Between July 1, 2025, and June 30, 2026, an extension of up to 12 months may be granted by the bureau chief for the filing of the unqualified opinion upon receipt of the following:

(1) A financial statement accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant.

(2) An affidavit from the grain dealer stating that the grain dealer meets the financial responsibility requirements of Iowa Code sections 203.3 and 203.15, or that the licensee shall file additional bond in an amount to cover any net worth or current ratio deficiency as provided in Iowa Code sections 203.3 and 203.15, based upon the licensee's certified public accountant's best estimate of the licensee's financial position.

b. While an extension is active, the grain dealer shall file monthly financial statements with the bureau by the end of each month to verify the grain dealer's financial status or compliance with Iowa Code sections 203.3 and 203C.6. These financial statements shall contain a minimum of a balance sheet and statement of income and shall be prepared in accordance with generally accepted accounting principles.

c. Grain dealers who file false affidavits under this rule may be prosecuted under Iowa Code section 203.11. This subrule does not apply to the filing of financial statements required under the provisions of subrules 91.6(9), 91.6(10) and 91.6(11).

91.6(13) *Penalty for failure to timely supply financial statements.* The department may suspend the license of any grain dealer who fails to provide the required financial statements within the time limits prescribed by these rules.

21—91.7(203) Bonds and irrevocable letters of credit. Bonds filed with the bureau must be on forms prescribed by the bureau. Irrevocable letters of credit issued to the bureau must be on the form prescribed by the bureau. Bonds and irrevocable letters of credit must be written so as to provide funds to protect producers who have sold grain to the licensed grain dealer.

91.7(1) *Deficiency bond or irrevocable letter of credit.* When the net worth or current ratio of a licensee is less than that required by Iowa Code section 203.3, the grain dealer may file a bond or an irrevocable letter of credit with the bureau to cover the deficiency as provided by and within the time prescribed in Iowa Code section 203.3. Bonds filed with the bureau must be on the form prescribed and furnished by the bureau. Irrevocable letters of credit must be on the form prescribed by the bureau. Bonds or irrevocable letters of credit must be written so as to provide a source of funds to protect producers who have sold grain to the licensed grain dealer. Unless the licensee files the bond or irrevocable letter of credit within the prescribed time period, the grain dealer license will be suspended. The licensee's failure to provide the bond or irrevocable letter of credit within ten days of suspension shall cause the license to be revoked.

91.7(2) *Time period to correct deficiency.* If a grain dealer has current assets equal to less than 50 percent of current liabilities and files a deficiency bond or irrevocable letter of credit as provided in Iowa Code section 203.3(5) within the 30-day period after the notice by the bureau, the grain dealer must correct the deficiency other than by the use of a deficiency bond or irrevocable letter of credit within 30 days after the filing of the deficiency bond or irrevocable letter of credit. Failure to cure the deficiency other than by the use of a deficiency bond or irrevocable letter of credit within the 30 days will cause the license to be suspended.

91.7(3) *Replacement bond or irrevocable letter of credit.* The bureau will send written notice to the licensee notifying the licensee that the bond or irrevocable letter of credit will be canceled on the date specified by the surety or issuer in its notice to the bureau. The bureau will send a written notice and information and forms for filing the required replacement bond or irrevocable letter of credit. Replacement bond or irrevocable letter of credit must be on file with the bureau prior to the time of cancellation of the bond or irrevocable letter of credit. The department will suspend any grain dealer license from the time the grain dealer's bond or irrevocable letter of credit is canceled until the replacement bond or irrevocable letter of credit is on file with the department. Unless the bond or irrevocable letter of credit is no longer necessary, the department will revoke the grain dealer's license if a replacement bond or irrevocable letter of credit is not received from the licensee within 30 days of suspension of the license.

91.7(4) *Cancellation of the bond or irrevocable letter of credit.* The issuer must send a cancellation notice to the bureau by ordinary or certified mail. The notice must be in accordance with the provisions stated in the bond or irrevocable letter of credit. The time period for notice of cancellation stated in the bond or irrevocable letter of credit commences on the date when the bureau receives the notice. The bureau will send written acknowledgment of notice of the cancellation of the bond or irrevocable letter of credit to the issuer and the principal.

21—91.8(203) Payment.

91.8(1) *Grain dealer's standard business operation.* "Standard business operation" means the licensed grain dealer's standard written procedures and schedule for issuing payments to sellers for delivered grain. However, standard business operation does not include the payment for delivered grain later than 30 calendar days after delivery by the seller.

91.8(2) *Payments.* Payment does not include a check or electronic funds transfer refused or failed by a financial institution because of insufficient moneys in a grain dealer's account. When a dealer has failed to make payment on demand of the seller and the failure has come to the attention of the bureau, the bureau chief will request the dealer to make payment within 24 hours. The bureau chief may require

the dealer to make payment with a cashier's check or money order if there is any evidence of financial instability. The request may be made verbally and confirmed by ordinary mail. Absent a dispute between buyer and seller, the license may be suspended if the dealer fails to make timely payment as requested by the bureau chief. An insufficient funds check or failed electronic funds transfer will not constitute payment under this rule.

21—91.9(203) Books and records.

91.9(1) *General records.* A grain dealer must maintain complete and sufficient records to show all purchases, sales, and payments for grain purchased.

91.9(2) *Daily position record.* Unless otherwise approved by the bureau, every grain dealer must keep and maintain on a daily basis a grain position record on a form approved by the bureau. The daily position record shall summarize one month's activity in a format approved by the bureau. The daily position record will indicate at least the increases and decreases and ending balances on a daily basis for each ordinary cash sales, deferred-payment contracts and deferred-pricing contracts. The daily position record will reflect the obligations in the appropriate columns.

A separate daily position record must be maintained for each kind and class of grain and each type of commodity that is identity-preserved. All daily entries to the daily position record will reflect transactions made through that day's close of business unless another time of day is elected by the licensee and applied by the licensee on a consistent basis.

91.9(3) *Inspection.* For the purpose of inspection, the hours of 8 a.m. to 5 p.m., except Saturday, Sunday and holidays, will be considered as ordinary business hours. All financial records, grain records and payment records must be available for inspection by the bureau during ordinary business hours and any other time specified by the bureau in writing. All records will be made available within the state of Iowa upon request. Any records requested by the bureau may be required to be available to the bureau within 72 hours. Unless the bureau has been notified that the records would not be available for inspection, an examination fee may be assessed to the grain dealer if an examiner arrives at the licensee's location and the records are not available for inspection.

91.9(4) *Settlement sheets.* Unless the grain dealer utilizes a computer system that sequentially numbers settlement sheets as generated, every grain dealer must have prenumbered settlement sheets. All settlement sheets will show, at a minimum, the following:

a. The grain dealer's name and address;

b. Seller's name and address;

c. Date of deliveries;

d. Scale ticket numbers;

e. Amount, kind and grade factors of the grain; and

f. Method of settlement:

(1) If priced, the price per bushel, the quantity of grain priced and the date of pricing.

(2) If paid for, the date, price per bushel, the quantity of grain paid for, the amount of payment and check number or electronic funds transfer number, or a computer-generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(3) If credit-sale contract, the contract type, contract number date and number and the quantity of grain transferred to the contract, or computer-generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(4) If warehouse receipt, the receipt number, date and quantity of grain transferred to the receipt, or computer-generated report that includes all of the same information and includes a settlement sheet reference number within the report.

(5) If removed from the warehouse, the delivery document numbers, dates and amounts of the shipments.

Copies of all settlement sheets must be maintained in alphabetical or numerical order by the dealer as part of the records unless the dealer uses a computer system approved in writing by the bureau that sequentially numbers and prints settlement sheets and the settlement sheets can be retrieved on and reprinted by the computer system. A copy of the settlement sheet will be given to the seller upon

demand, upon payment or upon the issuance of a credit-sale contract. Any settlement sheet used in the pricing of grain for the purpose of sale to the grain dealer must have the price shown on all copies of such settlement sheet. Deliveries and settlement transactions must be posted to the settlement sheet on a daily basis unless a computer system is utilized that can generate a scale ticket summary sheet for each depositor.

91.9(5) *Scale tickets.*

a. If the dealer has a scale or regular access to a scale that can be used for weighing grain, the dealer will use prenumbered scale tickets showing, at a minimum, the following:

(1) Date.

(2) The dealer's name and location.

(3) Seller's name.

(4) Gross weight, tare weight, and delivered weight.

(5) Type of product or commodity.

(6) An indication of whether the commodity is being received or loaded out.

b. One copy of each ticket will be maintained in numerical order unless the grain dealer uses a computer system approved in writing by the warehouse bureau that sequentially numbers and prints scale tickets and the scale ticket information and can be retrieved on and reprinted by the computer system. However, a ticket printed at the time of weighing will be the document of record.

c. All copies of reprinted scale tickets must be marked "reprint". All scale ticket forms in the possession of a grain dealer will have been permanently and consecutively numbered at the time of printing. The licensee will be responsible for providing a list of all scale tickets used at each location. Any scale ticket used in pricing grain for the purpose of sale to the grain dealer must have the price shown on all copies of such ticket if priced at the time of delivery. If the dealer does not have a scale or regular access to a scale and purchases grain by having the grain custom weighed at various locations or at destination, the dealer will maintain one copy of the scale ticket in daily order as part of the grain records.

91.9(6) *Direct shipment records.* When grain is delivered by a producer or the producer's agent to a third party in accordance with an agreement between the producer and the grain dealer and the grain is weighed at the destination or is custom weighed, the direct shipment is to be considered an obligation of the grain dealer on the date stated on the destination scale ticket, and the direct shipment will be reflected in the daily position record on the date when the grain dealer is able to obtain the load weights. A grain dealer who also holds a warehouse operator license may maintain a separate daily position record for each kind of direct shipment grain. The grain dealer will notify the bureau in writing if the grain dealer elects to maintain such a daily position record.

91.9(7) *Credit-sale contracts.* One copy of every outstanding credit-sale contract must be maintained in numerical order as part of the records.

a. Required content. A credit-sale contract shall contain a minimum of the following:

(1) Buyer's name and location;

(2) Seller's name and address;

(3) The conditions of delivery;

(4) Amount and kind of grain delivered;

(5) Price per bushel or basis of value;

(6) The date payment is to be made;

(7) The wording "Credit-Sale Contract" and whether the credit-sale contract is a deferred-payment contract or deferred-pricing contract, which must appear in the title or subtitle of the contract;

(8) Consecutive numbering at the time of printing; and

(9) Signature and date by both parties.

b. Notice of credit-sale contract acknowledgment. A licensed grain dealer who purchases grain by credit-sale contract must obtain from the seller an acknowledgment form signed by the seller that provides written notice to the seller regarding the coverage limits of the grain depositors and sellers indemnification fund as it relates to credit-sale contracts.

(1) The written acknowledgment form must include the following language:

"Notice of Grain Depositors and Sellers Indemnity Fund Coverage Risk:

"The Grain Depositors and Sellers Indemnity Fund helps to protect farmers in the event of a failure of a licensed grain dealer. When a person sells grain to a licensed grain dealer, the sale may be protected by the Fund. If the grain dealer fails and the seller does not receive payment for the grain, the Fund may help indemnify the loss by filing a claim with the Grain Depositors and Sellers Indemnity Fund Board. For ordinary cash sales, the Fund may indemnify a loss up to 90 percent to a maximum amount of $400,000.

"However, credit-sale contracts, including deferred-payment contract and deferred-price contracts, are not protected to the same levels as ordinary cash sales.

"Deferred-pricing contracts are offered reduced coverage of 75 percent indemnification of a loss by the Fund.

"Deferred-payment contracts do not have any loss indemnification by the Fund.

"By entering into a credit sale contract, the undersigned acknowledges that the sale of grain through a deferred-pricing contract has reduced protection through the Fund and that that the sale of grain through a deferred-payment contract has no protection through the Fund."

(2) For credit-sale contracts executed prior to July 1, 2026, the acknowledgment form may be executed on a separate form from the credit-sale contract. A separate acknowledgment form must be completed for each credit-sale contract and signed and dated by the seller. The acknowledgment form must be printed in a legible font that is easy to read and reasonably sized for clear visibility. A copy of the acknowledgment form must be attached to the grain dealer's copy and seller's copy of the credit-sale contract.

For credit-sale contracts executed on or after September 1, 2025, and before July 1, 2026, the acknowledgment form must be signed by the seller prior to signing the credit-sale contract.

(3) For credit-sale contracts executed on or after July 1, 2026, the grain dealer must incorporate the acknowledgment form into the credit-sale contract directly above the signature of the buyer and seller in bold print of equal size or larger than the body of the contract.

(4) Failure of the grain dealer to obtain the acknowledgment form from the seller is a violation of Iowa Code section 203.15. Failure of the grain dealer to obtain the acknowledgment form does not alter the grain depositors and sellers indemnity fund indemnification limits for a credit-sale contract.

c. If someone other than the seller indicated on a credit-sale contract signs the contract or acknowledgment form, the grain dealer must be able to provide the bureau with proof of business relationship between the indicated seller and the person who signed the contract. This document must be signed by the person who produced the grain or caused the grain to be produced. The document is required for but not limited to contracts signed by the following:

(1) Landlord or tenant.

(2) Parent or child.

(3) Spouse.

(4) Siblings.

(5) Farm managers (who may use a copy of the management agreement).

(6) Executors, trustees, administrators, etc. (who may use a copy of court document of appointment).

(7) Corporate officers (other than the president), partners and members or officers of other legal entities. If a contract is issued to two or more sellers, all must sign the contract and acknowledgment form.

d. A licensee's purchases of grain by credit-sale contract from a person licensed as a grain dealer in any jurisdiction are not subject to the requirements of subrule 91.9(7). Any grain purchased from a grain dealer is not eligible for recovery from the grain depositors and sellers indemnity fund.

91.9(8) *Cancellation procedures for credit-sale contracts.*

a. One copy of each canceled credit-sale contract must be maintained in separate numerical order from the outstanding credit-sale contracts as part of the records. The grain dealer will either mark the face of the credit-sale contract with the word "canceled", the check number, and the date of payment or will provide a numerically ordered listing that shows the contract numbers, check numbers and payment

dates. Credit-sale contracts may only be marked "void" if errors are made on the day of issue; otherwise they are to be considered canceled.

b. Partial payments. Advances and partial payments must be noted on the face of the outstanding credit-sale contracts or by other method of documentation that shows the net balance and is approved by the bureau. The following information must be noted:

(1) Amount of bushels paid;

(2) Date paid;

(3) Check number; and

(4) Remaining balance of the contract.

91.9(9) *Retention of records.* Such records shall be kept as required under Iowa Code section 203.9 for the stated time period even if a license has been canceled.

21—91.10(203) Filing of monthly grain statement and reports. A grain statement must be prepared at the close of business at the end of each calendar month and filed with the bureau by the tenth of the following month. The grain statement must be on a form or in a format prescribed by the bureau. The bureau will furnish forms to the dealer upon request. A grain statement must be filed for each calendar month regardless of whether the dealer has conducted any business during that period.

The bureau may require the dealer to file other types of reports, and the dealer must file with the bureau any such report requested by the bureau within the time period as is specified by the bureau.

21—91.11(203) Notice to the warehouse bureau.

91.11(1) The bureau must be notified in writing prior to:

a. Change of ownership of the grain dealer.

b. Change of name or business address of the grain dealer.

c. Change of the grain dealer's fiscal year end.

d. The ceasing of operations.

91.11(2) The licensee must notify the bureau within 24 hours after the licensee knows or should have known any of the following:

a. Licensee's net worth falling below the amount required by Iowa Code section 203.3 and if the amount of the deficiency is not covered by a net worth deficiency bond.

b. Licensee's current assets falling below the amount required by Iowa Code section 203.3 and the deficiency is not covered by a current ratio deficiency bond.

c. Class 2 licensee's grain purchases from producers exceed $500,000 during the licensee's fiscal year.

91.11(3) The licensee must notify the bureau in writing within ten days after the licensee knows or should have known either of the following:

a. Change in management.

b. The death of an individual or member of a partnership licensed as a grain dealer.

21—91.12(203) Requirements for licensees authorized to issue credit-sale contracts.

91.12(1) *Financial statements—audit or bond or irrevocable letter of credit.*

a. A grain dealer must not purchase grain by a credit-sale contract until the licensee complies with paragraph this subrule. If the grain dealer elects to be authorized to issue credit-sale contracts under paragraph 91.12(1)*"b,"* the grain dealer must also comply with rule 21—91.6(203).

b. Financial statements filed pursuant to this rule must be accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. A sole proprietor who desires to be authorized to issue credit-sale contracts must file a financial statement on the proprietorship business that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state and must file a personal financial statement that conforms with the provisions of subrule 91.6(2).

91.12(2) *Credit-sale contract net worth requirements.* When the grain dealer's net worth falls below the amount required by Iowa Code section 203.15(4), the grain dealer must immediately cease purchasing grain by credit-sale contract. Failure to cease purchasing grain by credit-sale contract will

result in the suspension of the grain dealer license. Bonds or irrevocable letters of credit filed to correct the deficiency must be on the forms prescribed and furnished by the bureau. The procedure for the filing of a deficiency bond or irrevocable letter of credit will be the same as set forth in Iowa Code section 203.3. Bonds or irrevocable letters of credit must be written so as to provide a source of funds to protect sellers who have sold grain by means of a credit-sale contract to the licensed grain dealer. Advances to sellers on grain purchased by credit-sale contract will be considered when the 50 cents per bushel net worth requirement is calculated. The amount and percentage of advances must be shown on the face of the credit-sale contract or on a listing that identifies the contracts and the amount of the advance.

91.12(3) *Suspension of authorization to issue credit-sale contracts.* Between July 1, 2025, and June 30, 2026, in lieu of suspending the right of a grain dealer to purchase grain by credit-sale contract pursuant to Iowa Code section 203.15(5)*"e,"* the department may allow the grain dealer to issue credit-sale contracts if the grain dealer files a bond with the department in the amount of $100,000 payable to the department.

a. The bond filed with the department under this paragraph shall be used to indemnify sellers for losses resulting from a breach of a credit-sale contract as provided by rules adopted by the department. The rules shall include but are not limited to procedures and criteria for providing notice, filing claims, valuing losses, and paying claims. The bond provided in this paragraph shall be in addition to any other bond required in this chapter.

b. The bond shall not be canceled by the issuer on less than 90 days' notice by certified mail to the department and the principal. However, if an adequate replacement bond is filed with the department, the department may authorize the cancellation of the original bond before the end of the 90-day period.

c. If an adequate replacement bond is not received by the department within sixty days of the issuance of the notice of cancellation, the department shall suspend the grain dealer's license. The department shall cause an inspection of the licensed grain dealer immediately at the end of the 60-day period. If a replacement bond is not filed within another 30 days following the suspension, the department shall revoke the grain dealer's license.

21—91.13(203) Department of agriculture and land stewardship enforcement procedures. The bureau will follow a step-by-step enforcement policy to ensure consistent compliance with and application of this chapter. The department recognizes that violations of certain rules may have more serious ramifications; thus, the enforcement of those rules requires stricter policies. The enforcement policies apply to any violation of this chapter unless enforcement provisions are specifically addressed in a particular rule or subrule.

91.13(1) If it is necessary to establish proof of a violation of statute or rule, the bureau will conduct a special investigation of the licensee. The bureau may contact the licensed grain dealer, the grain dealer's employees, or any other interested party to gain information for the investigation. The bureau, in its investigation of a licensee, may cause a special examination to occur if evidence of at least one of the following conditions is present:

a. Insufficient funds check or failed electronic funds transfer.
b. Stalled payment for grain.
c. Quantity deficiency.
d. Quality deficiency.
e. Incomplete or inaccurate records as specified in rule 21—91.9(203).

The expense of such special examination will be based on actual costs incurred by the bureau and may be assessed to the licensee. The costs will include the labor, travel and any other additional costs incurred by the bureau. Payment must be made as directed by the bureau.

91.13(2) Upon establishment by the bureau of a violation of statute or rule, the bureau will notify the licensee in writing that the licensee must be in compliance with the department's rules within a period of time to be established by the bureau. The bureau will consider the following elements in determining the proper period of time within which to require a licensee to comply with the rules:

a. Likelihood of producer loss;
b. Gravity of the offense; and

c. Length of time within which a reasonable licensee in a similar circumstance should be able to comply with the rules.

91.13(3) The bureau chief may initiate license suspension or revocation proceedings against the licensee for any violation of these rules. The bureau chief will consider the following factors in making the determination to initiate the suspension or revocation proceedings:

a. Likelihood of producer loss.
b. Gravity of the offense.
c. Licensee's intent to violate the rule.
d. Licensee's record of violations of statute or rule.
e. Number of violations in the particular report.

91.13(4) The bureau chief may cause charges to be filed against the licensee for any violation of these rules. The bureau chief will consider the following factors in making the determination to file charges:

a. Likelihood of producer loss.
b. Gravity of the offense.
c. Licensee's intent to violate the rule.
d. Licensee's record of violations of statute or rule.
e. Number of violations in the particular report.

91.13(5) The bureau chief may initiate the assessment of civil penalties against the licensee for any violation of these rules. The bureau chief will consider the following factors in making the determination to initiate the assessment of civil penalties:

a. Likelihood of producer loss.
b. Gravity of the offense.
c. Licensee's intent to violate the rule.
d. Licensee's record of violations of statute or rule.
e. Number of violations in the particular report.

21—91.14(203) Prioritization of inspections of grain dealers. Licensees with a probability of failure factor greater than 40 percent, as calculated by the statistical model, may be examined at least twice in an 18-month period.

21—91.15(203) Claims against bonds or letters of credit.

91.15(1) *Persons who may file claims—time of filing.* These rules are applicable only in those instances where a bond or letter of credit has been filed to satisfy Iowa Code section 203.3 or subrule 91.12(3). If a bond or irrevocable letter of credit is on file with the department, a seller may file a claim with the bureau for satisfaction of a loss under the grain dealer's bond or irrevocable letter of credit pursuant to Iowa Code section 203.12. A claim must not be filed prior to the incurrence date, which is the earlier of the following:

a. The revocation, termination, or cancellation of the license of the grain dealer; or
b. The filing of a petition in bankruptcy by a grain dealer.

To be timely, a claim must be filed within 120 days of the incurrence date.

91.15(2) *Failure to make timely claim.* The failure to make a timely claim relieves the issuer and the grain depositors and sellers indemnity fund provided in Iowa Code chapter 203D of all obligations to the claimant and relieves the department from liability to the claimant.

91.15(3) *Determination of eligible claims.* The bureau will determine a claim to be eligible for payment if the bureau finds all of the following:

a. The claim was timely filed;
b. The claimant qualifies as a seller; and
c. There is adequate documentation to establish the existence of a claim and to determine the amount of the loss.

91.15(4) *Value of loss.* The dollar value of a claim incurred by a seller who has sold and delivered grain and who is a creditor of the licensed grain dealer for all or part of the value of the grain shall not

exceed the price of that grain if the grain were U.S. No. 2 grain according to standards adopted by the Federal Grain Inspection Service of the USDA. The price of the grain shall be determined in accordance with the relevant date used to determine the price. The department may adjust the price of the grain if necessary to better account for the condition of the grain when it is stored. If the sold grain was unpriced, the value of the claim shall be presumed to be based upon the fair market price, free on board from the site of the grain dealer, that is being paid to producers for grain by the grain terminal operator or grain processor nearest the grain dealer on the date of the license revocation or cancellation or the filing of a petition in bankruptcy. If more than one date applies to a claim, the bureau may choose between the two. However, the bureau may accept an alternative valuation of a claim upon a showing of just cause by the seller. All sellers filing claims under this rule will be bound by the value determined by the bureau. The value of the loss is the outstanding balance on the validated claim at the time of payment.

91.15(5) *Procedure—appeal.* The bureau will provide for notice to each seller upon the bureau's determination of eligibility and value of loss. Within 20 days of the notice, the seller may file a petition for hearing for review of either determination with the district court in the county in which the seller resides or in Polk County.

91.15(6) *Payment of claims.* Upon a determination of the status of all claims, and after the filing period has run, the bureau will provide a report to all valid, timely filed claimants. If there are no appeals filed pursuant to subrule 91.15(5), the bureau will make payment either in full or pro rata in the event the value of claims is greater than the amount of the bonds or irrevocable letter of credit.

91.15(7) *Claims made by sellers.* Claims made by sellers under this rule are separate from any claim filed for indemnification from the grain depositors and sellers indemnity fund pursuant to Iowa Code chapter 203D and shall not be calculated within the indemnification limit, except to determine eligible claims under the fund.

21—91.16(203) Electronic grain contracts. Subject to the provisions of this chapter, a licensee may issue electronic grain contracts using its own computer system or may contract with an independent provider to issue electronic grain contracts. If the licensee contracts with an independent provider, rules 21—91.16(203) through 21—91.21(203) shall apply. If the licensee issues electronic grain contracts using its own computer system, rules 21—91.14(203), 21—91.16(203) and 21—91.21(203) will apply.

21—91.17(203) Electronic grain contract providers and provider agreements. A provider must be independent of any outside influence or bias in action or appearance. A provider must enter into a provider agreement with the department prior to being approved by the department. A provider must issue and maintain electronic grain contracts only on behalf of licensees who contract with the provider for those services. The provider agreement will be subject to but not be limited to the provisions of subrules 91.17(1) through 91.17(7).

91.17(1) *Provider to be approved by the USDA.* No provider will be approved by the department unless the provider is first approved as a provider of "other electronic documents" by the USDA pursuant to the provisions of 7 CFR Part 735 (2019). Upon department request, a provider must provide a copy of the provider's executed USDA Form WA-490 and any addenda and any other documentation requested by the department to confirm that the provider is a USDA-approved provider in good standing.

91.17(2) *USDA action against providers.* In the event that the USDA must take action to deny, withdraw, suspend, reinstate or terminate a USDA provider agreement, the department will automatically take the same action and the provider will be subject to such action by the department. A provider must notify the department of any such actions taken by the USDA.

91.17(3) *Notice requirements for providers.*

a. When entering into a new user agreement, a provider must provide written notice to the department.

b. All notices to the USDA required by 7 CFR Part 735 (2019) and by the USDA provider agreement must also be served upon the department except as specifically exempted in the provider agreement.

c. In the user agreement, a provider must include a notice to the licensee that the data on the provider's central filing system is subject to disclosure to the department and the USDA.

91.17(4) *Provisions to cease issuing electronic grain contracts.* Upon notice by the department that a grain dealer license issued under Iowa Code chapter 203 has expired or has been canceled, suspended or revoked, a provider must prohibit the licensee from entering into any electronic grain contracts until further notice from the department. Upon notice by the department that a licensee has had its right to purchase grain by credit-sale contract suspended or denied under rule 21—91.12(203), a provider will prohibit the licensee from entering into any electronic credit-sale grain contracts until further notice from the department.

91.17(5) *Department access to electronic grain contract data.* A provider must allow the department unrestricted access to the central filing system for electronic grain contracts issued on behalf of licensees. The electronic grain contract data will be maintained for six years after a contract has been canceled. Access will be made available in a manner that allows interaction with department examinations. Access will be free of any charge or costs to the department.

91.17(6) *Termination of provider agreement.* The department or provider may terminate the provider agreement upon 60 days' written notice to the other party. The department will terminate a provider agreement on less than 60 days' notice in accordance with subrule 91.17(2). Upon termination of the provider agreement, the provider will immediately surrender to the department copies of the electronic data and paper records for any electronic grain contracts contained within the central filing system. Such data and paper record copies, however, are limited to electronic grain contracts issued by licensees.

91.17(7) *Authorization, jurisdiction and liability.* A provider must be authorized to transact business in the state of Iowa and will consent to jurisdiction in the state of Iowa and venue in Polk County, Iowa. A provider will be liable to the department for costs incurred by the department as a result of action taken in the event of a failure of the central filing system or any inability to provide the access required in subrule 91.17(5).

21—91.18(203) Electronic grain contract users and user agreements. Prior to engaging in the issuance of electronic grain contracts, a licensee must enter into a user agreement with a provider approved by the department. All electronic grain contracts issued by the licensee will be issued through and filed in the provider's electronic central filing system. The use of electronic grain contracts is subject to the provisions of subrules 91.17(1) through 91.17(5).

91.18(1) *Licensee to use only one provider.* A licensee will issue electronic grain contracts through only one provider.

91.18(2) *Changing providers.* Subject to the provisions of a user agreement in effect, a licensee may change providers once per year. The provider will follow the transfer terms specified in USDA Form WA-490 and any addenda pursuant to subrule 91.17(1). The licensee must notify the department of a change in provider.

21—91.19(203) Electronic grain contracts—issuance and form. Electronic grain contracts must comply with the provisions of Iowa Code chapters 203 and 554D.

91.19(1) *Agreement to conduct electronic transactions.* A licensee or the licensee's provider must maintain complete and sufficient records to show agreement between the grain seller and the licensee to conduct electronic grain contract transactions. The records must be presented to the department for inspection upon request. An electronic grain contract must be capable of being printed or stored by both the licensee and the grain seller.

91.19(2) *Electronic signatures.* Sufficient security procedures must be used by a licensee or the licensee's provider to reasonably ascertain that the electronic grain contract signature is the act of the grain seller. The security procedures must be subject to the review of and approval by the department. A seller must be allowed to sign an electronic grain contract only at the conclusion of all electronic grain contract terms and conditions.

91.19(3) *Numbering of electronic contracts—no duplication.* Electronic grain contracts must be consecutively numbered as issued. A licensee will not at any time have an electronic grain contract and a paper grain contract outstanding for the same lot of grain.

91.19(4) *Seller power of attorney.* A licensee or a third party may not handle electronic grain contracts on behalf of a seller unless a written power of attorney to do so has been provided by the seller. Such power of attorney must be provided to the department for inspection and verification upon the department's request.

91.19(5) *Issuance, form, cancellation, and assignment of electronic credit-sale contracts.* The provisions for issuance, cancellation, and assignment of credit-sale contracts found in rules 21—91.9(203) and 21—91.12(203) will apply to electronic credit-sale contracts except to the extent that the rules are not applicable to paperless credit-sale contracts.

91.19(6) *Authorization to issue electronic credit-sale contracts.* A licensee who issues electronic credit-sale contracts must comply with all requirements of rule 21—91.12(203).

91.19(7) *Nonexclusive use.* A licensee will not be required to issue grain contracts in electronic form.

21—91.20(203) Security of a provider's electronic central filing system or a licensee's electronic database. Only authorized employees of the licensee will have access to the provider's central filing system or the licensee's electronic database. A provider must prevent unauthorized persons from gaining access to its central filing system. If a licensee uses its own computer database, the licensee will maintain a backup of the database to ensure electronic grain contracts are not inadvertently lost.

These rules are intended to implement Iowa Code chapter 203.

[Filed Emergency 7/9/25, effective 7/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9457C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Adopted and Filed Emergency

Rulemaking related to the grain indemnity fund

The Agriculture and Land Stewardship Department hereby rescinds Chapter 92, "Participation in Grain Indemnity Fund"; adopts a new Chapter 92, "Grain Indemnity Fund—Board Organization, Operations and Claims"; and rescinds Chapter 93, "Grain Indemnity Fund Board—Organization and Operations," Chapter 94, "Claims Against the Grain Depositors and Sellers Indemnity Fund," and Chapter 95, "Civil Penalties," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in 2025 Iowa Acts, Senate File 608.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 203, 203C and 203D.

Purpose and Summary

This rule implements changes that were made by 2025 Iowa Acts, Senate File 608.

Major updates include the following:

1. Transitional provisions for unqualified audit requirement. Between July 1, 2025, and June 30, 2026, grain dealers may receive an extension of up to 12 months to submit an unqualified audit opinion if they provide two items to the Department: a financial statement reviewed by a certified public

accountant licensed in Iowa, and an affidavit stating that they either meet the financial requirements outlined in Iowa Code sections 203.3 and 203.15 or will file an additional bond to cover any deficiency. During the extension period, the grain dealer must submit monthly financial statements to the Department, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) to demonstrate ongoing financial compliance.

2. Transitional provisions for bond in lieu of unqualified audit. Between July 1, 2025, and June 30, 2026, the Department may allow a grain dealer to continue issuing credit-sale contracts, even if the grain dealer has not provided an unqualified audit, by filing a $100,000 bond with the Department. The bond allowance was previously allowed by the Iowa Code and is intended to indemnify sellers against losses resulting from a breach of a credit-sale contract. This bond is in addition to any other bond required by law.

3. Acknowledgement of coverage forms. A licensed grain dealer who purchases grain using a credit-sale contract must obtain a signed acknowledgment form from the seller that explains the limited coverage available under the Grain Depositors and Sellers Indemnity Fund. The required notice informs sellers that while ordinary cash sales may be covered up to 90 percent (with a $400,000 cap), deferred-pricing contracts are only covered up to 75 percent, and deferred-payment contracts are not covered at all. For contracts executed between September 1, 2025, and July 1, 2026, the acknowledgment may be a separate document signed and dated by the seller, printed in a legible and reasonably sized font, and attached to both parties' copies of the contract. Beginning July 1, 2026, the acknowledgment language must be incorporated directly into the contract, placed in bold text above the buyer's and seller's signatures.

The content from 21—Chapters 92 through 94 is consolidated into a single chapter. 21—Chapters 93, 94, and 95 are rescinded.

Additionally, some changes reflect updates required by Executive Order 10, removing rules that are duplicative of statute or outdated, reducing restrictive language, and consolidating chapters. Other minor edits are made throughout for clarity and readability.

Reason for Adoption of Rulemaking Without
Prior Notice and Opportunity for Public Participation

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608, section 23.

Reason for Waiver of Normal Effective Date

Pursuant to Iowa Code section 17A.5(2)"b"(1)(a), the Department also finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective on July 10, 2025, because emergency rulemaking is required by 2025 Iowa Acts, Senate File 608.

Adoption of Rulemaking

This rulemaking was adopted by the Department on July 9, 2025.

Concurrent Publication of Notice of Intended Action

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as **ARC 9454C** to allow for public comment.

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.

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 became effective on July 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 21—Chapter 92 and adopt the following **new** chapter in lieu thereof:

CHAPTER 92
GRAIN INDEMNITY FUND—BOARD ORGANIZATION, OPERATIONS AND CLAIMS

21—92.1(203D) Definition.

"Warehouse receipt" means a warehouse receipt issued for bulk grain in accordance with Iowa Code chapter 203C.

GRAIN INDEMNITY FUND BOARD

21—92.2(203D) Location. The office of the grain indemnity fund board is located in the Hoover State Office Building, Des Moines, Iowa; telephone 515.281.5321; mailing address: Grain Indemnity Fund Board, c/o Grain Warehouse Bureau, Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319.

21—92.3(203D) Meetings. Unless otherwise determined by the chairperson, the board will meet at 2 p.m. on the third Thursday of each month. In-person board meetings will generally be held in a conference room in the Hoover State Office Building. Telephone and video conference call meetings may be permitted and will generally be hosted from the offices of the grain warehouse bureau of the Iowa department of agriculture and land stewardship in the Hoover State Office Building. The establishment and public notice of meeting dates and locations are the responsibility of the chairperson unless the majority of the members of the board eligible to vote request a meeting. In addition, the board will schedule meetings when circumstances require the board to address claims made against the fund, and for these meetings, establishment and public notice of meeting dates and locations are the responsibility of the chairperson.

92.3(1) *Agenda.* The tentative agenda is prepared by the chairperson in advance of the board meeting and will be mailed to board members in advance of the meeting date. A copy of the agenda will be mailed to those members of the public who request it and will be prominently posted at the board's office at least 24 hours before the meeting and on the bureau's website. Members of the public wishing to be scheduled on the board's agenda should notify the chairperson ten days in advance of the meeting and provide written materials explaining their reasons for wishing to address the board. In the case of a board meeting held to deal with claims against the fund, the filing of a written appeal under rule

21—92.25(203D) will satisfy the requirements of the preceding sentence. The chairperson has the authority to make all final decisions on the content and length of agenda items.

92.3(2) *General conduct of meetings.* The chairperson presides at all board meetings. Only individuals recognized by the presiding officer may address the board; in general, Robert's Rules of Order will govern the meeting unless otherwise stated in this chapter or by special action of the board.

In all discussions before the board, members of the public should address any questions for the board to the presiding officer. Individual questioning of board members is allowed with the explicit consent of the presiding officer and the board members in question.

92.3(3) *Voting.* The board consists of seven members who are all eligible to vote on issues. The affirmative vote of four board members is necessary to carry an action.

92.3(4) *Public participation.* All meetings are open to the public in accordance with the open meetings law, Iowa Code chapter 21, except that portions of a meeting may be closed in accordance with the open meetings law. In the chairperson's discretion, a 15-minute public forum may be scheduled on each agenda of regularly scheduled meetings to allow the public, if necessary, an opportunity to address the board on any issue that may have arisen after the agenda was posted.

21—92.4(203D) Minutes. The minutes of all board meetings are recorded and kept by the grain warehouse bureau in the board's office.

21—92.5(203D) Board decisions. The actions of the board will be authoritatively recorded in the minutes of the board meeting at which the actions were taken. The board may adopt, amend, or rescind rules subject to Iowa Code chapter 17A to govern the operations of the board, to adjust or waive the per-bushel fee and the annual dealer-warehouse fee, and to govern the process of making claims against the fund. These rules are published by the department in the Iowa Administrative Code. The board may also recommend the adoption of other rules by the department relating to the fund.

21—92.6(203D) Records. The records of all the business transacted and other information with respect to the activities of the board are public records and are on file in the board's office. All records, including board minutes, are available for inspection during regular business hours. Copies may be obtained at a cost of 25 cents per page.

21—92.7(203D) By whom claims can be made. A claim shall not be made on grain that was initially eligible as a covered transaction but became not covered as a result of a new deferred-payment contract transaction.

21—92.8 and **92.9** Reserved.

PARTICIPATION IN GRAIN INDEMNITY FUND

21—92.10(203D) Fees. Until the amounts are amended or waived by the grain indemnity fund board pursuant to Iowa Code section 203D.5, in accordance with Iowa Code chapter 17A, fees are assessed as follows:

92.10(1) A per-bushel fee on all purchased grain, in an amount of one-quarter cent per bushel, remitted by grain dealers. However, if the grain dealer provides documentation satisfactory to the department, the exemptions noted in Iowa Code section 203D.1(14)*"b"* may apply.

92.10(2) An annual participation fee, remitted by licensees, as follows:

a. For grain dealers, a participation fee of fourteen thousandths of a cent per bushel on all purchased grain entered into the company-owned paid position during the grain dealer's last fiscal year, or a minimum participation fee of $50, whichever is greater.

b. If the grain dealer provides documentation satisfactory to the department, the exemptions noted in Iowa Code section 203D.1(14)*"b"* may apply.

21—92.11(203D) New license applicants. Persons applying for a new grain dealer license or warehouse operator license owe the initial participation fee regardless of whether the grain indemnity fund board has otherwise waived or adjusted the per-bushel or participation fees for licenses. Payment of the fees is due before a new license is issued. The department will refund a participation fee paid by an applicant if the license is not issued. A participation fee paid by a grain dealer applicant shall be recalculated by the end of the first state fiscal quarter after completion of the grain dealer's first year of operation. The grain dealer participation fee shall be recalculated based upon all actual purchased grain entered into the company-owned paid position in the dealer's first year of operation. However, redemptions of collateral warehouse receipts entered in the company-owned paid position shall not be considered as a purchase. Underpayments shall be paid by the licensee in accordance with rule 21—92.12(203D), and overpayments shall be refunded by the department.

21—92.12(203C) Due date for payment of the per-bushel and participation fees.

92.12(1) *Quarterly payments.* The per-bushel fee and the participation fee installment payment and the quarterly report are due, except as provided in subrule 92.12(2), on the fifteenth day of the fiscal month succeeding the fiscal quarter in which the fee accrued. The fiscal quarters are as follows: September 1 through November 30, December 1 through February 28, March 1 through May 31, and June 1 through August 31.

92.12(2) *Payments for licensees out of business.* If a grain dealer or warehouse operator license has expired or is revoked or canceled during the term of a fiscal quarter, the quarterly report and per-bushel fee for that quarter are due 15 days after the date of license expiration, revocation, or cancellation.

92.12(3) *Holidays.* If the due date determined under subrules 92.12(1) and 92.12(2) falls on a Saturday, a Sunday, a legal holiday as provided in Iowa Code section 4.1(34), or a Monday following a Sunday that is a named legal holiday, the due date is the following day.

92.12(4) *Forms and payment.* Quarterly report submissions will be on forms or in a format prescribed by the bureau. The quarterly report will include payment of the amount of the per-bushel fee. Checks need to be made payable to the Iowa Department of Agriculture and Land Stewardship (abbreviated as IDALS). Payments and reports may also be submitted through the department's online payment portal.

92.12(5) *"Receiving" defined.* For the purpose of this chapter, "received" means the earliest of the following:

a. The date a state warehouse examiner acknowledges receipt;

b. The date on which the report is stamped "received" in the warehouse bureau;

c. The date on which the report is postmarked, if the item is properly addressed to the Grain Warehouse Bureau, Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, Des Moines, Iowa 50319; or

d. The date payment is made via the department's online payment portal.

21—92.13(203D) Penalty for delinquent submission of per-bushel and participation fees.

92.13(1) *Delinquent payments defined.* In regard to the submission of the quarterly report, per-bushel fee and participation fee installment payment, the licensee is deemed to be delinquent if any of the following apply:

a. The quarterly report and payment of the per-bushel fee due are not received on or before the due date.

b. The quarterly report and partial payment of the per-bushel fee due are received on or before the due date, but the underpayment exceeds the margin of error, which for this rule is the greater of $10 or 10 percent of the per-bushel fee due as determined by the warehouse bureau.

c. The quarterly report and partial payment of the per-bushel fee due are received on or before the due date, and the underpayment is within the margin of error provided, but the amount of the underpayment has not been received on or before the tenth day after the licensee is notified of the underpayment.

d. The participation fee installment payment is not received on or before the due date.

92.13(2) *Penalty amount.* The amount of penalty for a delinquent submission is the lesser of the amount of the deficiency or $10 per day for each day after the due date for the quarter in question, through the earlier of the date the underpayment is received or the date the licensee's license has expired or has been revoked or canceled. However, a delinquent payment is subject to a minimum penalty amount of $10.

92.13(3) *Penalty when no assessment is due.* If the licensee is delinquent because the quarterly report is not received until after the due date, but no per-bushel fee was due for that quarter, there is a one-day penalty of $10.

92.13(4) *License suspension and revocation for failure to pay.* If the delinquency is not cured within 30 days after the due date, the grain dealer's or warehouse operator's license may be suspended. If the delinquency is not cured within 30 days after suspension, the license may be revoked.

92.13(5) *Overpayments.* If, upon review of the quarterly report, the grain warehouse bureau determines that there has been an overpayment of $1 or more, the bureau shall issue a credit to the licensee that may be applied against the amount of assessment due in succeeding quarters. Overpayments of less than $1 are negated.

21—92.14(203D) Penalty for delinquent payment of per-bushel fee discovered during examination.

92.14(1) *Delinquent payments defined.* In regard to an underpayment discovered during the performance of an examination, the licensee is deemed to be delinquent if any of the following apply:

a. The underpayment for any quarter exceeds the margin of error, which for this rule is the greater of $100 or 50 percent of the per-bushel fee due for the quarter in question, as determined by the grain warehouse bureau.

b. The underpayment is within the margin of error provided, but the amount of the underpayment has not been received on or before the fifth day after the licensee is notified of the underpayment in the examiner's written report.

92.14(2) *Negated amounts.* Underpayments of less than $1 are negated and do not constitute delinquency.

92.14(3) *Penalty amount.* If the licensee is delinquent, the penalty is the lesser of the amount of the deficiency or $10 per day for each day after the due date for the quarter in question through the earlier of the date the underpayment is received or the date the licensee's license has expired or has been revoked or canceled. However, a delinquent payment is subject to a minimum penalty amount of $10.

92.14(4) *License suspension and revocation for failure to pay.* If the underpayment is not received within 30 days after the date of the examiner's report, the grain dealer's or warehouse operator's license may be suspended. If the underpayment is not received within 30 days after suspension, the license may be revoked.

92.14(5) *Overpayments.* If, during the performance of any examination, the warehouse bureau determines that there has been an overpayment of $1 or more, the warehouse bureau shall issue a credit to the licensee that may be applied against the amount of assessment due in succeeding quarters. Overpayments of less than $1 are negated.

21—92.15 to **92.19** Reserved.

CLAIMS AGAINST THE FUND

21—92.20(203D) Procedure for filing claims. In regard to claims by a depositor or seller arising against a grain dealer or warehouse operator, a claim against the grain depositors and sellers indemnity fund may be filed with the Grain Warehouse Bureau (the bureau), Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319. The bureau will create and provide a claim form. Use of the claim form is the exclusive manner of filing a claim against the fund and includes the following information:

1. The name and address of the grain dealer or warehouse operator against whom the claim arose;
2. The name, address, telephone number, and social security or tax identification number of the person making the claim;

3. The type and amount of grain involved;
4. The type of transaction involved;
5. Evidence of ownership;
6. Documentation of a demand on the obligation and a failure to honor the demand; in the event of a repayment loss indemnity claim, documentation of the repayment loss; and
7. A notarized signature by each person making the claim.

21—92.21(203D) Claims by depositors where bureau is receiver. In regard to claims by depositors arising against a warehouse operator whose license has expired or has been revoked or canceled and who has not filed a petition for bankruptcy and where the bureau has been appointed by the court as the receiver of the grain assets of the warehouse, a claim properly filed with the bureau as receiver within 120 days of the license expiration, revocation or cancellation also is deemed to be a properly filed claim against the fund.

21—92.22(203D) Notice of claims. Within 30 days of the receipt of a claim, the bureau will send notice of the claim to each member of the board.

21—92.23(203D) Report by bureau. When adequate information is available, the bureau will make a report to the board of claims ready for determination, identifying the gross and net amount of each claim and the bureau's recommendations as to the validity and value of each claim. The bureau may report the claims ready for determination either as a class of listed claims relating to an identified licensee or individually, as may be appropriate.

21—92.24(203D) Determination of claims. The board will review the report submitted by the bureau and may request additional information on a claim. The board will determine the amount of the loss and the amount the claimant is validly entitled to from the fund within 90 days after the submission of the report to the board, unless the board finds good cause to delay the determination. "Good cause" includes the need for additional information on a claim. Notice of the board's determination will be sent to each claimant by ordinary mail. The notice of the determination will indicate the date when it is sent.

21—92.25(203D) Appeal from determination.

92.25(1) *Time limit for filing.* A claimant whose claim has been determined by the board may appeal the determination by filing an appeal with the board within 20 days of the date the notice of the determination was sent. Appeals shall include a statement as to the amount the appellant is contesting and as to the basis for appeal. The board's determination becomes final if there is no timely appeal.

92.25(2) *Board action on appeals.* Upon the timely filing of an appeal, the board will schedule an evidentiary hearing or an opportunity for oral argument before the board on the appeal. The hearing or argument will be scheduled no sooner than 15 days after notice of the hearing or oral argument is sent to the appellant by ordinary mail. If an evidentiary hearing is scheduled, the appellant may appear and submit evidence concerning the claim. The bureau may also appear and submit evidence. If the appellant fails to appear, the board may proceed in the appellant's absence. If a hearing or oral argument is held, the board will prepare a written decision. The appellant will be sent a copy of the board's decision by ordinary mail. The decision will indicate the date when it is sent.

92.25(3) *Exclusive remedy.* The procedure provided by this rule is the exclusive administrative remedy in regard to the board's determinations as to the validity and amount of claims.

21—92.26(203D) Payment of valid claims—conflicting interests.

92.26(1) *Subrogation and payment.* If the board has validated all or part of a claim, the board authorizes the chairperson or the chairperson's designee to facilitate payment from the fund to the claimant in the determined amount upon the claimant's execution of a subrogation of the fund to the rights of the claimant and of an agreement to hold the fund harmless as against competing claims to the determined amount.

92.26(2) *Joint payments and interpleader for conflicting claims.* If the board determines that a valid claim is subject to an interest by more than one depositor or seller, the board may order joint payment. If priority of interests in the validated claim is at issue, the board may bring an equitable action of interpleader against the conflicting parties pursuant to Iowa Rule of Civil Procedure 1.251, and may order the deposit of the determined amount with the court pursuant to Iowa Rule of Civil Procedure 1.253.

These rules are intended to implement Iowa Code chapter 203D.

ITEM 2. Rescind and reserve **21—Chapter 93**.

ITEM 3. Rescind and reserve **21—Chapter 94**.

ITEM 4. Rescind and reserve **21—Chapter 95**.

[Filed Emergency 7/9/25, effective 7/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9467C

ENVIRONMENTAL PROTECTION COMMISSION[567]

Adopted and Filed

Rulemaking related to private sewage disposal systems

The Environmental Protection Commission (Commission) hereby rescinds Chapter 69, "Private Sewage Disposal Systems," Iowa Administrative Code, and adopts a new Chapter 69 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 455B.103(2), 455B.105(3) and 455B.173(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 455B.174, Clean Water Act Section 402, and 40 CFR §123.25.

Purpose and Summary

Chapter 69 establishes the requirements for the construction permitting program applicable to new or modified private sewage disposal systems. The administrative authority (typically the local county boards of health) evaluates all private sewage disposal facility construction permit applications to ensure that proposed treatment facilities will comply with State and federal requirements. Chapter 69 also establishes requirements for the Time of Transfer (TOT) program, which regulates the sale of properties served by a private sewage disposal system. The chapter ensures that private sewage disposal facilities are properly constructed and operated, which helps prevent the spread of diseases and pathogens, safeguarding public health. Properly managed wastewater systems prevent contamination of groundwater and surface water by preserving ecosystems and habitats and helping to maintain the quality of water resources, including drinking water sources, recreational waters, and aquatic ecosystems. It also helps reduce the risk of system failures and costly environmental cleanup, saving both individuals and communities money over time.

This chapter was reviewed and edited consistent with Executive Order 10. The changes remove outdated requirements; shorten, simplify and clarify regulations and terminology; remove redundancy; and reference regulations that appear elsewhere in State or federal law.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 8, 2025, as **ARC 8650C**. A public hearing was held on the following date(s):

- January 28, 2025
- January 29, 2025

Twenty-nine people attended the first public hearing, and 19 people attended the second public hearing. Two comments pertinent to this rulemaking were provided at the hearings. Sixteen comment letters were received during the public comment period.

One group of commenters expressed concern about the removal of a rule restriction on the installation of aerobic treatment units (ATUs). They cited potential risks to public health and safety, questioned the reliability and maintenance needs of alternative systems such as ATUs, and advocated for preserving the current hierarchy and tertiary treatment requirements. After further discussion with stakeholders and various policymakers, the final rulemaking maintains the elimination of the treatment system hierarchy and additional tertiary treatment requirements for ATUs. In brief, all systems must

meet the same effluent quality and performance standards, and removing the system hierarchy is consistent with Executive Order 10's directive to reduce regulatory burdens.

The following changes from the Notice have been made:

- Ten of the definitions proposed in the Notice were modified for clarity since the meanings were unclear to the commenters. The instances of the defined terms in the remainder of the rulemaking were adjusted accordingly.
- The text proposed in the Notice to clarify the meaning of the phrase "less than 16 individuals" in the definition of "private sewage disposal system" was removed from the final rulemaking because the text did not adequately clarify the meaning of the phrase for the commenters.
- The proposed language for soil absorption bed systems was modified, and a new appendix specifying the construction design standards for these systems was added.
- A sentence requiring a TOT inspector whose certification has expired to take the inspector class and test was inserted into the certified TOT inspector subrule in response to a comment since this is current practice.
- A design flow rate for wedding venues and other event centers was added to Appendix A – Estimates of Nonresidential Domestic Sewage Design Flow Rates since there was no appropriate flow rate for these establishments in the proposed rulemaking.
- Some of the dimensions in the design standards for onsite system construction in the appendices to Chapter 69 were adjusted to match the design standards of Minnesota and Wisconsin because the commenters indicated that some of the proposed dimensions were inconsistent with these states' design standards. Minor adjustments to the phrasing in the construction design standard appendices were also made in response to the comments.
- Table IV in Appendix F for intermittent subsurface sand filters was deleted and the content of the table was moved into appropriate locations in the Appendix since the commenters indicated that a narrative explanation of the requirements was more appropriate.
- References were updated to include dates certain.

Other minor changes were made to the final rulemaking to correct typographical errors. Additionally, a sentence regarding septic tank inspections was reinserted into the subrule regarding TOT inspections since it was mistakenly removed from the chapter in the Notice.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on July 15, 2025.

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, pursuant to 567—Chapter 13.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 567—Chapter 69 and adopt the following **new** chapter in lieu thereof:

CHAPTER 69
PRIVATE SEWAGE DISPOSAL SYSTEMS

567—69.1(455B) General.

69.1(1) *Applicability.* These rules are applicable only to private sewage disposal systems (PSDSs).

69.1(2) *Definitions.* In addition to the definitions, references, and abbreviations in 567—Chapter 60, the following definitions shall apply to this chapter:

"Administrative authority" means the department or the local county board of health as authorized by Iowa Code section 455B.172 and chapter 137.

"Approved" means accepted or acceptable under an applicable specification stated or cited in these rules or accepted by the administrative authority as suitable for the proposed use.

"Area drain" means a drain installed to collect surface or storm water from an open area of a building or property.

"At-grade system" means a pressurized soil absorption system constructed at or near a primary treatment unit or a secondary treatment system.

"Building drain" means that part of the lowest horizontal piping of a drainage system that receives the discharge from soil, waste, and other drainage pipes inside the walls of any building and conveys the same to the building sewer.

"Building sewer" means that part of the horizontal piping from the building wall to its connection with the main sewer or the primary treatment portion of a PSDS conveying the drainage of a building site.

"Chamber system" means a buried structure, typically with a domed or arched top, providing at least a six-inch height of sidewall soil exposure creating a covered open space above a buried soil infiltrative surface.

"Confining layer," also known as "limiting condition," means solid or fractured bedrock, seasonally high groundwater level, any layer of soil with a stabilized percolation rate exceeding 60 minutes for the water to fall one inch, or any other factor (natural or manmade) that does not provide the 36-inch depth separation required for soil absorption.

"Conventional," when used in reference to sewage treatment, means a soil absorption system involving a series of two- to three-foot-wide trenches filled with gravel, containing a four-inch diameter rigid pipe or other alternative trench technologies to convey the sewage effluent. Gravel aggregate, chamber, and EPS aggregate systems are considered conventional soil absorption systems.

"Distribution box" means a device designed to accomplish the equal distribution of wastewater.

"Dosing siphon" means a manufactured device that provides a measured amount of effluent determined by the manufacturer's specifications and design.

"Drop box" means a structure used to divert wastewater flow into a soil absorption trench. When the trench is filled to a set level, the drop box then allows any additional wastewater not absorbed by that trench to flow to the next drop box or soil absorption trench.

"Dwelling" means any house or place used or intended to be used by humans as a permanent or temporary residence.

"Expanded polystyrene aggregate systems" or *"EPS aggregate systems"* means cylinders comprised of expanded polystyrene (EPS) synthetic aggregate contained in high-strength polyethylene netting. The cylinders are a minimum 12 inches in diameter and are produced both with and without a distribution pipe.

"Fill soil" means clean soil, free of debris or large organic material, which has been mechanically moved onto a site and has been in place for less than one year, and is characterized by a lack of distinct horizons or color patterns as found in naturally developed, undisturbed soils.

"Filtered pump vault" means a device installed in a septic or pump tank that houses a pump and screens effluent with ⅛-inch or smaller diameter openings before it enters the pump.

"Foundation drain" means the portion of a building drainage system that is provided to drain groundwater, not including any wastewater, from the outside of the foundation or over or under the basement floor and that is not connected to the building drain.

"Gravel" means stone screened from river sand or quarried and washed free of clay and clay coatings. Concrete aggregate designated as Class II by the Iowa DOT is acceptable.

"Gravel aggregate system" means a soil absorption system utilizing gravel for distribution.

"Grease interceptor" means a watertight device designed to intercept and retain or remove grease and fatty substances. The device may be located inside (grease separator) or outside (grease tank or grease trap) a facility.

"Holding tank for waste" means a structure used for the retention or storage of domestic sewage pending removal for further treatment.

"Intermittent subsurface sand filter" or *"ISSF"* means a bed of granular materials underlain by gravel and collecting tile and provided with a natural topsoil cover over the crown of the distribution system. Primary treated effluent is applied intermittently to the surface of the bed through a distribution system, and the bed is underdrained to collect and discharge the secondary treated effluent. Uniform distribution is best obtained by dosing so as to utilize the entire surface of the bed.

"Mound system" means a pressurized aboveground soil absorption system used to disperse effluent from septic tanks in cases where a seasonally high water table, high bedrock conditions, slowly permeable soils, or limited land areas prevent conventional soil absorption systems.

"Other pressure distribution device" means any device used to evenly distribute effluent other than a manufactured siphon device intended to be used for effluent distribution.

"Percolation test" means a falling water level procedure used to determine the ability of soils to absorb effluent or pretreated effluent. See Appendix B of this chapter.

"Pressure distribution system" means a network of distribution pipes in which effluent is forced through orifices under pressure. Pressure distribution may be accomplished by use of a pump, siphon device, or other manufactured pressure distribution devices.

"Pretreated effluent" means effluent treated through aeration or other methods that, upon laboratory analysis, meets or exceeds a monthly average for $CBOD_5$ of 25 mg/L and TSS of 30 mg/L.

"Primary treatment unit" means a unit or system used to separate the floating and settleable solids from the wastewater before the partially treated effluent is discharged for secondary treatment.

"Private sewage disposal system" or *"PSDS"* is defined in Iowa Code section 455B.171. For the purposes of this chapter, the term includes the treatment systems presented in this chapter.

"Professional soil analysis" means an alternative to the percolation test that depends upon a knowledgeable person evaluating the soil characteristics, such as color, texture, and structure, in order to determine an equivalent percolation or loading rate.

"Proprietary treatment system" or *"PTS"* means any device or product that is certified by a third-party certifier accredited by the American National Standards Institute (ANSI) to meet the National Sanitation Foundation (NSF)/ANSI Standard 40-2023, October 1, 2023, available on the NSF website at: www.nsf.org, or equivalent testing as determined by the department. Examples may include but are not limited to peat moss biofilters, coconut fiber filters, synthetic foam filters, polystyrene bead media filters, textile filters, modular fixed film soil systems, or aerobic treatment units.

"PVC" means polyvinyl chloride.

"Qualified sampler," for the purposes of collecting compliance effluent samples required under NPDES General Permit No. 4, means one of the following persons: a city or county environmental health staff person; an Iowa-certified wastewater treatment operator; or an individual who has received department-approved training to conduct effluent sampling.

"Roof drain" means a drain installed to receive water collecting on the surface of a roof and discharging into an area or storm drain system.

"SCH" means schedule, as in Schedule 40 pipe. It describes the wall thickness of a pipe.

"SDR" means standard dimension ratio, which is the ratio of pipe diameter to wall thickness. It is a method of rating a pipe's durability against pressure.

"Secondary treatment system" means a system that provides biological treatment of effluent from septic tanks or other primary treatment units. Examples include but are not limited to soil absorption systems, ISSFs, PTSs, or other systems providing equivalent treatment.

"Septic tank" means a watertight structure into which wastewater is discharged for solids separation and digestion (referred to as part of the closed portion of the treatment system).

"Soil absorption bed system" means a soil absorption system that is a shallow excavation lined with aggregate or other suitable materials, including a leaching chamber or EPS materials.

"Soil absorption system" means a conventional, at-grade, mound, or soil absorption bed system that uses a system of perforated conduits connected to a distribution system, forming a series of subsurface, water-carrying channels into which the septic tank effluent or pretreated effluent is discharged for direct absorption into the soil (referred to as part of the open portion of the treatment system).

"Soil professional" means a person with training and experience in soil morphology, including but not limited to experience in testing the absorption qualities of soil by the physical examination of the soil's color, mottling, texture, structure, topography, and hillslope position.

"Stream" means any watercourse listed as a "designated use segment" in 567—61.3(455B).

69.1(3) *General PSDS regulations.*

a. Connections to approved sewer systems.

(1) No PSDS shall be installed, repaired, or rehabilitated where a publicly owned treatment works (POTW) is available or where a local ordinance requires connection to a POTW. A POTW may be considered unavailable when the POTW, or any building or any exterior drainage facility connected thereto, is located more than 200 feet from any proposed building or exterior drainage facility on any lot or premises that abuts and is served by a POTW. Final determination of availability shall be made by the administrative authority.

(2) When a POTW becomes available within 200 feet, any building then served by a PSDS shall be connected to said POTW within a time frame and under conditions set by the administrative authority.

(3) When a POTW is not available, every building wherein persons generate domestic sewage shall be provided with an approved PSDS. A holding tank for waste may be used only if all other PSDS options are impractical.

(4) If a building is to be connected to an existing PSDS, that existing system shall meet the requirements of these rules.

b. Construction or alteration. All constructed or altered PSDSs shall comply with this chapter. Alteration includes any changes that affect the treatment or disposal of the waste. Repair of existing components of a PSDS that do not change the treatment or disposal of the waste are not considered alterations. However, the discharge restrictions in 69.1(8) apply.

c. Abandonment. PSDSs shall be abandoned in the following manner:

(1) Concrete tanks shall be pumped, the tank lid crushed into the tank, and the tank filled with sand or soil.

(2) Plastic, fiberglass, or metal tanks shall be pumped and removed and the cavity filled with sand or soil.

69.1(4) *Construction permit required.* No PSDS shall be installed or altered as described in 69.1(3) *"b"* unless a construction permit issued by the administrative authority is obtained prior to construction. PSDS installation shall be in accordance with these rules.

69.1(5) *Permit by rule.* This chapter is intended to act as a permit by rule for PSDSs. Activities in compliance with this chapter are permitted by the director for purposes of compliance with Iowa Code sections 455B.183 and 455B.186.

69.1(6) *Site analysis.*

a. Site evaluation. The administrative authority shall conduct a site evaluation prior to the issuance of a construction permit. Consideration shall be given but not be limited to the impact of the following:

(1) Topography, including but not limited to drainage ways, terraces, floodplains, and percent of land slope;

(2) The location of property lines, easements, buried utilities, existing and proposed tile lines, and existing, proposed, and abandoned water wells;

(3) The amount of available area for installation of the system;

(4) Evidence of unstable ground; and

(5) Alteration (cutting, filling, compacting) of existing soil profiles.

b. Soil characteristics and permeability. The soil characteristics and permeability of a specific site shall be determined by performing a percolation test or a soil analysis. The administrative authority shall determine who is a trained and qualified soil professional and who may conduct percolation tests. All percolation tests shall be conducted in accordance with Appendix B of this chapter.

c. Final inspections. The administrative authority shall conduct an at-location inspection of all newly constructed PSDSs before the system is backfilled. A final as-built drawing shall be made as part of the final inspection and kept on file with the construction permit.

d. Onsite wastewater tracking system. All pertinent information, including but not limited to the site address, owner, type, date of installation, percolation test or soil analysis, and as-built drawing of the PSDS shall be entered into the department's onsite wastewater tracking system, available on the department's website at www.iowadnr.gov, after a final inspection is conducted.

69.1(7) *Separation distances (SDs).* All PSDSs shall be located in accordance with the minimum SDs in Table I in 567—paragraph 60.2(2)*"c."*

69.1(8) *Discharge restrictions.* It is prohibited to discharge any wastewater from PSDSs (except as permitted in this chapter) to any ditch, stream, pond, lake, natural or artificial waterway, county drain tile, surface water drain tile, or land drain tile, to the groundwater, or to the surface of the ground. Under no conditions shall effluent from PSDSs be discharged to any abandoned well, agricultural drainage well, or sinkhole. Existing discharges to any of the above-listed locations or structures shall be eliminated by the construction of a system in compliance with this chapter.

a. Requirements when effluent is discharged into surface water. All discharges from PSDSs that are discharged into any designated waters of the state or subsurface drainage tile shall conform with the requirements of NPDES General Permit No. 4 (GP 4) issued by the department, as referenced in 567—Chapter 60. Prior to the use of any system discharging to designated waters of the state or a subsurface drainage tile, a Notice of Intent to be covered by GP 4 shall be submitted to the department. Systems covered by GP 4 must meet all applicable permit requirements, including effluent sampling and monitoring. No PSDS shall discharge to a state-owned natural or artificial lake, an outstanding Iowa water, or an outstanding national water as defined in 567—subrule 61.2(2).

b. Requirements when effluent is discharged above the ground surface. All discharges from PSDSs that are discharged to the surface of the ground and require a maintenance contract shall be installed, operated, and maintained by a manufacturer-certified technician in accordance with the manufacturer's instructions and the requirements of the administrative authority.

c. Requirements when effluent is discharged into the soil. No septage or wastewater shall be discharged into the soil except in compliance with this chapter.

69.1(9) *Maximum flow rates.*

a. Residential wastewater design flow rates are based on 150 gallons per bedroom per day. Wastewater design flow rates for nonresidential domestic waste applications serving the equivalent of fewer than 16 individuals on a continuing basis are detailed in Appendix A of this chapter.

b. Wastewater design flow rates for a nonresidential use that are not listed in Appendix A may be determined by a professional engineer licensed in the state of Iowa prior to issuance of a construction permit by an administrative authority. The administrative authority may require a system to be designed using the nonresidential flows listed in Appendix A.

69.1(10) *Flow equalization.* Flow equalization may be used at the discretion of a professional engineer licensed in the state of Iowa. The determination to use flow equalization shall be made prior to

issuance of a construction permit by an administrative authority. If used, flow equalization shall meet all of the following criteria:

a. The design flow of the secondary treatment unit receiving the equalized flow cannot exceed 1,500 gallons per day.

b. Equalized flow to the secondary treatment unit shall be mechanically time dosed.

567—69.2(455B) General design standards.

69.2(1) *Building sewers.*

a. Location and construction. Building sewers shall be constructed in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c."* The distances shall be considered minimum distances and shall be increased where possible to provide better protection.

b. Type. Building sewers used to conduct wastewater from a building to the primary treatment unit of a PSDS shall be constructed of:

(1) SCH 40 PVC pipe (SDR 26 or stronger) with solvent-weld or bell-and-gasket-type joints approved for use for below grade applications or for the wastewater industry; or

(2) Cast iron with integral bell-and-gasket-type joints.

c. Size. Building sewers shall not be less than four inches in diameter.

d. Grade. Building sewers shall be laid to the following minimum grades:

4-inch sewer . . . . . 12 inches per 100 feet
6-inch sewer . . . . . 8 inches per 100 feet

69.2(2) *Cleanouts.*

a. Spacing. A cleanout shall be provided where the building sewer leaves the structure and at least every 100 feet.

b. Change of direction or grade. An accessible cleanout shall be provided at each change of direction or grade if the change exceeds 45 degrees prior to primary treatment.

69.2(3) *Grease interceptors.*

a. Applicability. Grease interceptors shall be provided for kitchen flows at restaurants, nursing homes, schools, hospitals, and any other facilities from which grease can be expected to be discharged.

b. Installation. Grease interceptors shall be installed on separate building sewers serving kitchen flows into which the grease will be discharged. A discharge from a grease interceptor must flow to either a properly designed septic tank or to a building sewer and then to the primary treatment unit.

69.2(4) *Impervious vault toilets.*

a. Location. Impervious vault toilets shall be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c"* for the closed portion of a treatment system.

b. Construction. The vault shall be constructed of reinforced, impervious concrete at least four inches thick. The superstructure, including floor slab, seat, seat cover, riser, and building, shall comply with good design and construction practices to provide permanent, safe, and sanitary facilities. The vault shall be provided with a cleanout opening fitted with a fly-tight cover.

c. Wastewater disposal. Wastewater from impervious vault toilets shall be disposed of at a POTW or other department-permitted wastewater disposal system.

69.2(5) *Portable toilets.*

a. Design. All portable toilets shall be designed to receive and retain the wastes deposited in them and shall be located and maintained in a manner that will prevent the creation of any nuisance condition.

b. Wastewater disposal system. Wastewater from portable toilets shall be disposed of at a POTW or other department-permitted wastewater disposal system.

69.2(6) *Holding tanks for waste.*

a. General. Holding tanks may only be used when site characteristics or restrictions do not allow for the installation of a system that consists of both primary and secondary treatment or when the use will be seasonal or sporadic.

b. Capacity. The minimum liquid-holding capacity shall be 1,250 gallons.

c. Pumping frequency. Holding tanks shall be pumped as necessary to prevent overflows, leaks, or releases of waste.

d. Recordkeeping. Holding tank owners shall keep all pumping records for three years. Records shall be made available to the administrative authority upon request.

e. Construction. Holding tanks shall be constructed and installed using the materials and processes allowed for septic tanks in 69.3(6) and 69.3(8). All holding tanks shall be equipped with a high-water alarm.

f. Wastewater disposal. Wastewater from holding tanks shall be disposed of at a POTW or other department-permitted wastewater disposal system.

69.2(7) *Location.* No PSDS shall be located upon property under ownership different from the ownership of that property or lot upon which the wastewater originates unless easements to that effect are legally recorded and approved by the proper administrative authority.

567—69.3(455B) Primary treatment unit.

69.3(1) *General.* Every PSDS shall have, as a primary treatment unit, a septic tank as described in this rule.

a. All wastewater from a facility shall discharge into a septic tank, and all septic tank effluent shall discharge into a secondary treatment system in compliance with this chapter.

b. Septic tanks shall not be used for the disposal of chemical wastes or grease in quantities that might be detrimental to the bacterial action in the tank, or for the disposal of drainage from roof drains, foundation drains, or area drains.

69.3(2) *Capacity.*

a. The minimum liquid-holding capacity for septic tanks is specified in Table I (capacity may be obtained by using one or more tanks):

Table I - Septic Tank Holding Capacity

Home Size	Septic Tank Minimum Liquid Holding Capacity in gallons
Up to and including 3-bedroom homes	1,250 gal.
4-bedroom homes	1,500 gal.
5-bedroom homes	1,750 gal.
6-bedroom homes	2,000 gal.
Each additional bedroom	+ 250 gal.

b. Approval of septic tank capacity and design must be obtained from the administrative authority, if an installation serves a facility other than a dwelling and serves the equivalent of fewer than 16 individuals on a continuing basis. Minimum septic tank liquid-holding capacity shall either be 1,250 gallons or two times the daily sewage flow as estimated from Appendix A, whichever is greater.

c. The minimum liquid-holding depth in any tank compartment shall be 40 inches. The maximum liquid-holding depth for calculating capacity of a tank shall not exceed 6½ feet.

d. The interior length of a septic tank should not be less than five feet and shall be at least 1½ times the width (larger length-to-width ratios are preferred). No tank or compartment shall have an inside width of less than two feet. The minimum inside diameter of a vertical cylindrical septic tank shall be five feet.

69.3(3) *Compartmentalization.* Every septic tank shall be divided into two compartments as follows. Compartmentalization may be obtained by using more than one tank.

a. The influent compartment capacity shall not be less than ½ or more than ⅔ of the total tank capacity.

b. The effluent compartment capacity shall not be less than ⅓ or more than ½ of the total tank capacity.

c. The invert of the inlet pipe shall be a minimum of two inches and a maximum of four inches higher than the invert of the outlet pipe.

69.3(4) *Baffles.*

a. Four-inch diameter SCH 40 PVC pipe tees shall be used as inlet and outlet baffles.

b. Inlet tees shall extend at least six inches above and eight inches below the liquid level of the tank. The inlet tee shall extend below the liquid level for no more than 30 percent of the liquid depth.

c. The outlet tee shall extend above the liquid level a distance of at least six inches and below the liquid level a distance of at least 15 inches, but no more than 40 percent of the liquid depth.

d. A minimum one-inch clearance between the top of the inlet and outlet tees and the bottom of the tank lid shall be provided. A horizontal separation of at least 36 inches shall be provided between the inlet baffle and the outlet baffle in each compartment.

e. Outlet baffles shall be fitted with, or replaced by, an approved effluent screen. All effluent screens shall be certified by a third-party certifier accredited by ANSI to meet NSF/ANSI Standard 46-2022, September 5, 2022, available on the NSF website at: www.nsf.org; or other equivalent testing as determined by the department. Effluent screens require periodic inspection and cleaning to ensure their continued proper operation.

f. A horizontal slot four inches by six inches, or two suitably spaced four- to five-inch diameter holes in the tank partition, may be used instead of a tee or baffle. The top of the slot or holes shall be located below the water level within the middle third of the liquid depth. A ventilation hole or slot, located at least eight inches above the liquid level, shall be provided in the partition.

69.3(5) *Access.*

a. Access necessary for adequate inspection, operation, and maintenance must be provided to all parts of septic tanks.

b. Access openings shall be provided for each chamber, including the inlet, outlet, and pump chamber (if applicable). Openings shall be at least 18 inches in the smallest dimension and of adequate size to allow for pumping, maintenance, and visual inspection.

c. Watertight risers with a minimum diameter of 18 inches shall be installed to bring the access openings to the ground surface. To deter tampering, risers shall be secured using either stainless steel fasteners of sufficient complexity, locking devices, concrete lids of sufficient weight, or another device approved by the administrative authority.

69.3(6) *Installation.*

a. Concrete, fiberglass, or plastic tanks shall be bedded and installed according to the manufacturer's specifications. Provisions should be made to prevent flotation of the tanks when they are empty.

b. Any septic tank placed in fill soil shall be placed upon a level base that is stabilized through compaction or other manufacturer allowed practices.

69.3(7) *Connecting pipes.*

a. Pipes connecting septic tanks installed in series and prior to the distribution box or distribution network or device shall be a minimum of four-inch diameter SCH 40 PVC (SDR 26 or stronger).

b. All inlet and outlet connections shall be made by self-sealing gaskets either cast into the concrete or formed into the plastic or fiberglass approved for below grade applications or for use in the wastewater industry.

c. All joints in connecting pipe shall be approved connections that match the rating of the pipe, such as solvent-welded or compression-type gaskets approved for below grade applications or use.

d. Pipes shall be used to extend across excavations or unstable ground to at least two feet beyond the point where the original ground has not been disturbed during septic tank installation. If the excavation spanned is more than two feet wide, it must be filled with sand or compacted fill to provide a firm bed for the pipe. The first 12 inches of backfill over the pipe shall be applied in thin layers, using material free from stones, boulders, large frozen chunks of earth, or any similar material that could damage or break the pipe.

69.3(8) *Construction.*

a. Septic tanks shall be constructed of either watertight poured concrete, fiberglass, or plastic resistant to corrosion or decay and shall be designed so that the tanks, whether full or empty, will not collapse or rupture when subjected to anticipated earth and hydrostatic pressures. Metal tanks are prohibited.

b. Tanks shall be watertight. Before approving a tank, the administrative authority may ask for proof that a tank is watertight.

c. Tank divider walls and divider wall supports shall be constructed of either heavy, durable plastic, fiberglass, concrete, or other similar corrosion-resistant materials approved by the administrative authority.

d. Inlet and outlet ports of pipes shall be constructed of SCH 40 PVC sanitary tees or other similar approved corrosion-resistant material.

e. Concrete used in precast septic tank construction shall have a maximum water-to-cement ratio of 0.45. Cement content shall be at least 650 pounds per cubic yard. Minimum compressive strength (f^c) shall be 4,000 psi (28 megapascals) at 28 days of age. The use of Type II cement, as specified in ASTM C150/C150M-24, July 25, 2024, or the addition of either silica fume or Class F fly ash is recommended.

f. Minimum wall thickness for septic tanks shall conform to the current International Association of Plumbing and Mechanical Officials (IAPMO) standards, available on its website at: www.iapmo.org/publications/read-uniform-codes-online, or to the following specifications:

Poured concrete	6 inches thick
Poured concrete, reinforced	4 inches thick
Special concrete mix, vibrated and reinforced	2.5 inches thick
Fiberglass or plastic	IAPMO standard

g. Septic tank bottoms shall conform to the specifications in 69.3(8)*"f"* for septic tank walls, except that special mix concrete shall be at least three inches thick.

h. Concrete or masonry septic tank tops shall be a minimum of four inches in thickness and reinforced with ⅜-inch reinforcing rods in a six-inch grid or equivalent. Fiberglass or plastic tank tops shall meet the IAPMO standard.

i. The concrete cover for reinforcing bars, mats, or fabric shall not be less than one inch.

567—69.4(455B) Effluent distribution.

69.4(1) *Pump systems.* Dosing through mechanical pumping is the recommended method of effluent distribution and is preferred to improve distribution, improve treatment, and extend system life. In the event that effluent from a septic tank outlet cannot be discharged by gravity while maintaining the proper lateral depths, the effluent may be discharged into a watertight pump pit or tank with an inside diameter of not less than 24 inches, equipped with a tight-fitting cover at grade level. Pumps shall be of a submersible type of corrosion-resistant material.

a. Inlet. Pump inlets shall be elevated at least four inches above the bottom of the pump pit or tank to prevent the pump from drawing excessive settled solids.

b. Electrical. Electrical installations shall comply with all applicable state and local codes and ordinances. Electrical connections shall be located in an exterior weatherproof box. On-site electrical connections shall not be located in the pump pit or tank, unless a manufactured connection or an electrical connection rated for use inside a pump pit or tank is provided.

c. Pump setting. Pumps shall be installed in the pump pit or tank in a manner that ensures ease of service and protection from frost and settled sludge. Pumps shall be set to provide a dosing frequency of approximately four times a day based on the maximum design flow.

d. Pipe. Distribution pipe used in pressure-dosed systems shall be rated for pressure use and be a minimum SCH 40 PVC pipe (SDR 26 or stronger).

e. Pressure line size. The diameter of the pressure line from the pump to the point of discharge shall not be smaller than the outlet of the pump it serves.

f. Drainage. Pressure lines shall either be installed to provide total drainage between dosing to prevent freezing or shall be buried below frost level up to the distribution point.

g. High water alarm. Pump pits or tanks shall be equipped with a sensor set to detect if the water level rises above the design high water level if the pump fails. This sensor shall activate an auditory or visual alarm to alert the building occupants.

h. Discharge point. The effluent may either be discharged under pressure into a distribution box or distributed by small-diameter pipes throughout the entire absorption system.

i. Filtered pump vaults. Filtered pump vaults, when used, require periodic inspection and cleaning to ensure their continued proper operation.

69.4(2) *Gravity distribution.* Septic tank effluent may be serially loaded to soil absorption trenches by drop boxes or overflow piping (rigid sewer pipe). Otherwise, effluent shall be distributed evenly to all trenches by use of either a distribution box or a commercial distribution regulator approved by the administrative authority.

a. General design and use. Gravity distribution boxes shall:

(1) Be installed with separate watertight headers leading from the distribution box to each lateral.

(2) Be constructed of corrosion-resistant rigid plastic materials. Header pipes shall be rigid SCH 40 PVC pipe (SDR 26 or stronger) meeting ASTM 2729-21, November 30, 2021, or equivalent.

b. Equal length. Soil absorptions trenches served by a gravity distribution box shall be of equal length. Soil absorptions trenches served by drop boxes may vary in length.

c. Baffles. There shall be a pipe tee at the inlet to break the water flow.

d. Outlets.

(1) A distribution box shall have outlets at the same level, at least four inches above the bottom of the box, to provide a minimum of four inches of water retention in the box.

(2) All distribution box outlets shall be made level. A four-inch cap with an offset hole approximately 2½ inches in diameter shall be installed on each outlet pipe. The caps shall be rotated until all outlets discharge at the same elevation. Equivalent leveling devices may be approved by the administrative authority.

(3) All unused outlet holes in the box shall be securely closed.

69.4(3) *Other distribution devices.* For all other effluent distribution devices, the manufacturer's specifications shall be adhered to for installation, cleaning, and maintenance.

567—69.5(455B) Secondary treatment—soil absorption systems. When a PSDS uses secondary treatment prior to the discharge, land application, or other disposal of effluent, it shall comply with all applicable provisions of this rule or 567—69.6(455B).

69.5(1) *Provisions.* The following provisions apply to all soil absorption systems. Soil absorption systems are the best available treatment technology and shall always be used where possible.

a. Prohibited drainage.

(1) Nothing shall enter a soil absorption system that does not first pass through a septic tank.

(2) Roof, foundation, area, and storm drains shall not discharge into or upon a soil absorption system.

b. Prohibited construction. There shall be no construction of any kind, including driveways, covering the septic tank, distribution box, or absorption field of a soil absorption system. Vehicle access should be infrequent, primarily limited to vegetation maintenance.

c. Soil evaluation. Either a percolation test or a professional soil analysis, including a confining layer determination, is required before any soil absorption system is installed.

(1) Percolation test. If a percolation test is performed, it shall comply with the procedure in Appendix B of this chapter.

(2) Professional soil analysis. If a professional soil analysis is performed, soil characteristics including but not limited to soil content, color, texture, and structure shall be used to determine the confining layer and the soil loading rate.

(3) Acceptable percolation rate. An area is deemed suitable if:

1. For conventional systems, soil absorption bed systems, and at-grade systems, the average percolation rate is less than 60 minutes per inch and greater than one minute per inch.

2. For mound systems, an average percolation rate of less than 120 minutes per inch is achieved.

(4) Confining layer determination. At least one additional test hole six feet in depth, or to water or rock, whichever occurs first, shall be provided in the center of the proposed absorption area to determine the location of any confining layer. This six-foot test hole shall be drilled prior to determining the

percolation test hole depths and may be augered the same size as the percolation test holes or may be made with a soil probe.

d. Groundwater. If the seasonal high groundwater level is present within three feet of the trench bottom final grade and cannot be successfully lowered by subsurface tile drainage, the area shall be classified as unsuitable for a soil absorption system. The administrative authority shall be consulted to determine an acceptable alternative method of wastewater treatment.

e. Location.

(1) Soil absorption systems shall be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c."*

(2) All soil absorption systems shall be located to maximize the vertical SD from the bottom of the absorption trench to the confining layer, but under no circumstances shall this vertical separation be less than three feet.

(3) In situations where specific location or site characteristics would appear to prohibit installation of a conventional soil absorption system, design modifications to overcome such limitations may be approved by the administrative authority. Such design modifications could include but are not limited to the installation of subsurface drainage; the use of shallow or at-grade systems or mound systems; or the use of pretreated effluent.

f. Driveway crossings. Connecting lines under driveways shall be constructed of SCH 40 PVC pipe (SDR 26 or stronger) or equivalent and shall be protected from freezing.

g. Loading rates and trench size.

(1) Percolation and soil loading tables. All soil absorption systems installed under this subrule shall comply with the following tables. Table IIa provides a correlation between percolation rates and soil loading rates. Table IIb provides soil loading rates based upon soil texture and structure. Table IIa and Table IIb shall be used to determine the appropriate soil loading rate. Table IIc specifies linear feet of lateral trenches required based upon the soil loading rate, wastewater flow rate, and trench width.

Table IIa

Maximum Soil Application Rates Based Upon Percolation Rates - Monthly Averages in gal/ft^2/day

Percolation Rate (minutes per inch)	**Septic Tank Effluent[1,2] $CBOD_5$ 25 mg/L - 215 mg/L; TSS 30 mg/L - 150 mg/L**	**Pretreated Effluent $CBOD_5 \leq 25$ mg/L; TSS ≤ 30 mg/L**
0 to 5	1.2	1.6
Fine sands	0.5	0.9
6 to 10	0.8 – 0.6	1.2
11 to 29	0.6 – 0.5	0.9
30 to 45	0.5 – 0.4	0.7
46 to 60	0.4 – 0.2	0.5
61 to 120	0.0	0.3
Greater than 120	0.0	0.0

[1]Typical waste strengths for domestic waste. Pretreatment should be considered for waste of higher strength.

[2]Percolation rates and soil loading rates do not precisely correlate; therefore, a range is provided.

Table IIb

Maximum Soil Loading Rates Based Upon Soil Evaluations in gal/ft^2/day for Septic Tank Effluent

Soil Texture	**Single Grain**	**Massive**	**Structure - Granular, Blocky, or Prismatic**			**Platy**	
			Weak	Moderate	Strong	Weak	Moderate to Strong

Coarse sand and gravel	1.2 (1.6)	X	1.2 (1.6)	X	X	1.2 (1.6)	X
Medium sands	0.7 (1.4)	X	0.7 (1.4)	X	X	0.7 (1.4)	X
Fine sands	0.5 (0.9)	X	0.5 (0.9)	X	X	0.5 (0.9)	X
Very fine sands[1]	0.3 (0.5)	X	0.3 (0.5)	X	X	0.3 (0.5)	X
Sandy loam	X	0.3 (0.5)	0.45 (0.7)	0.6 (1.1)	0.65 (1.2)	0.4 (0.6)	0.3 (0.5)
Loam	X	0.4 (0.6)	0.45 (0.7)	0.5 (0.8)	0.55 (0.8)	0.4 (0.6)	0.3 (0.5)
Silty loam	X	NS	0.4 (0.6)	0.5 (0.8)	0.5 (0.8)	0.3 (0.5)	0.2 (0.3)
Clay loam	X	NS	0.2 (0.3)	0.45 (0.7)	0.45 (0.7)	0.1 (0.2)	0.1 (0.2)
Silty clay loam	X	NS	0.2 (0.3)	0.45 (0.7)	0.45 (0.7)	NS	NS

Notes: Values in ( ) are for pretreated effluent. “X” means not found in nature. “NS” means not suitable for soil absorption.

[1]Flow rates are difficult to determine for some very fine sands; experience may provide better information and flow rates.

Table IIc

Minimum Length of Absorption Trenches in Lineal Feet by Width of Trench and Soil Loading Rate

Soil loading rate gal/ft²	**Two bedroom, 300 gpd[1]**		**Three bedroom, 450 gpd[1]**		**Four bedroom, 600 gpd[1]**		**Five bedroom, 750 gpd[1]**		**Six bedroom, 900 gpd[1]**	
	Width of trench in feet									
	2′	3′	2′	3′	2′	3′	2′	3′	2′	3′
0.1	Not suitable for soil absorption trenches									
0.2	750	500	1125[2]	750	1500[2]	1000[2]	1875[2]	1250[2]	2250[2]	1500[2]
0.3	500	333	750	500	1000[2]	666	1250[2]	833[2]	1500[2]	1000[2]
0.4	375	250	562	375	750	500	938[2]	625	1125[2]	750
0.5	300	200	450	300	600	400	750	500	900[2]	600
0.6	250	167	375	250	500	333	625	417	750	500
0.7	214	143	321	214	428	286	536	357	643	429
0.8	188	125	281	188	375	250	469	312	562	375
0.9	167	111	250	167	333	222	417	278	500	333
1.0	150	100	225	150	300	200	375	250	450	300
1.1	136	91	205	136	273	182	341	227	409	273
1.2	125	84	188	125	250	167	313	208	375	250

[1]gpd - gallons per day. Design flow rates are based on 150 gallons per bedroom per day.

[2]Requires pressure distribution (pump).

(2) Unsuitable absorption. Conventional soil absorption trenches and at-grade systems shall not be installed in soils that have a percolation rate less than 1 minute per inch or greater than 60 minutes per inch.

h. Construction details for all soil absorption trenches.

(1) Depth. A trench bottom depth of 18 to 24 inches is recommended. Soil absorption trenches shall not exceed 36 inches in depth. Not less than six inches of porous soil shall be provided over the laterals. The minimum separation between the trench bottom and any confining layer shall be 36 inches.

(2) Length. No soil absorption trench shall be greater than 100 feet long unless the administrative authority approves the use of a drop box.

(3) Trench SD. At least six feet of undisturbed soil shall be left between each trench edge on level sites. Two feet of SD should be added for each five percent increase in slope from level.

(4) Grade. The trench bottom should be constructed level from end to end. On sloping ground, the trench shall follow a uniform land contour to maintain a minimum soil cover of six inches and a level trench bottom.

(5) Compaction. There shall be minimum use of, or traffic of heavy equipment on, the area proposed for soil absorption. In addition, heavy equipment shall not be used on the trench bottoms in the absorption area.

(6) Soils. Soil absorption systems shall not be installed in fill soil. Disturbed soils that have stabilized for at least one year shall require a recent percolation test or professional soil analysis.

(7) Soil smearing.

1. Soils with significant clay content should not be worked when wet.

2. If soil moisture causes trench bottom or sidewall smearing, the installation should be discontinued until conditions improve.

69.5(2) *Gravel aggregate systems.* The following provisions apply to gravel aggregate systems.

a. Gravel.

(1) A minimum of six inches of clean, washed river gravel, free of clay and clay coatings, shall be laid below the distribution pipe, and enough gravel shall be used to cover the pipe.

(2) This gravel shall be of such a size that 100 percent of the gravel will pass a 2½-inch screen and 100 percent will be retained on a ¾-inch screen.

(3) Limestone or crushed rock is not recommended for soil absorption systems; however, if used, it shall meet the following criteria:

1. The percent wear, as determined in accordance with the American Association of State Highway and Transportation Officials (AAHSTO) T 96, Grading C, 2022, available on the AAHSTO website at store.transportation.org, shall not exceed 40 percent.

2. When gravel is subjected to the freezing and thawing test, Iowa DOT Materials Laboratory Test Method 211, Method A, April 15, 2025, available at erl.iowadot.gov, the percentage loss shall not exceed 10 percent.

3. The percent absorption, determined in accordance with Iowa DOT Materials Laboratory Test Method 202, April 15, 2025, available at erl.iowadot.gov, shall not exceed three percent.

b. Trench width. Soil absorption trenches for gravel systems shall have a minimum width of 24 inches and a maximum width of 36 inches at the bottom of the trench.

c. Grade. The distribution pipes shall be laid with a minimum grade of two inches per 100 feet of run and a maximum grade of six inches per 100 feet of run, with a preference given to the lesser slope.

d. Pipe.

(1) Distribution pipe used in gravity-based distribution type systems shall be PVC rigid plastic meeting ASTM 2729.

(2) The inside diameter shall be not less than four inches, with perforations at least ½ inch and no more than ¾ inch in diameter, spaced no more than 40 inches apart.

(3) Two rows of perforations shall be provided; located 120 degrees apart along the bottom half of the tubing and each 60 degrees up from the bottom centerline.

(4) The end of the pipe in each trench shall be sealed with a watertight cap unless, on a level site, a footer is installed connecting the trenches together.

(5) Coiled perforated plastic pipe shall not be used.

e. Gravel cover. Synthetic drainage fabric or other material approved by the manufacturer or administrative authority shall be laid so as to separate the gravel from the soil backfill.

69.5(3) *Chamber systems.* The following provisions apply to chamber systems.

a. Use. Chamber systems may be used as an alternative to gravel aggregate systems.

b. Installation. The manufacturer's specifications and installation procedures shall be adhered to.

c. Trench length. The total length of soil absorption trench for chambers 22 inches wide shall be the same as specified in Table IIc for a two-foot-wide conventional soil absorption trench. Chambers 33

inches wide or greater shall be sized as specified in Table IIc for a three-foot-wide conventional soil absorption trench.

d. Sidewall. The chambers shall have at least six inches of sidewall effluent soil exposure height.

69.5(4) *EPS aggregate systems.* The following provisions apply to EPS aggregate systems.

a. Use. EPS aggregate systems may be used as an alternative to gravel aggregate systems.

b. Installation. The manufacturer's specifications and installation procedures shall be adhered to.

c. Trench length. The total length of soil absorption trench using a 12-inch EPS aggregate bundle configuration less than 33 inches wide shall be the same as specified in Table IIc for a two-foot-wide conventional soil absorption trench. Twelve-inch EPS aggregate bundle configurations 33 inches wide or greater shall be sized as specified in Table IIc for a three-foot-wide conventional soil absorption trench.

d. EPS bundles. EPS bundles may be configured in a trench, bed, at-grade, or mound application to obtain the desired width, height, and length. EPS bundles containing a distribution pipe shall be connected end-to-end with an internal coupling device.

69.5(5) *Mound systems.* The following provisions apply to mound systems.

a. General design and use.

(1) Mound systems shall:

1. Only be permitted when a thorough site evaluation has been conducted and landscaping, dwelling placement, effect on surface drainage, and general topography have been considered;

2. Be constructed only upon undisturbed naturally occurring soils or where a soil analysis has determined the site is suitable; and

3. Be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c"* as measured from the outer edge of the sand in the mound.

(2) Mound systems shall not be utilized on:

1. Sites subject to flooding with a ten-year or greater frequency;

2. Soils where the high groundwater level, impermeable bedrock, or soil strata having a percolation rate exceeding 120 minutes per inch occurs within 12 inches of natural grade; or

3. Where creviced bedrock occurs within 20 inches of natural grade.

(3) No buildings, driveways, or other surface or subsurface obstructions shall be permitted within 50 feet on the downgradient side of the mound when the mound is constructed on a slope greater than five percent.

(4) No future construction shall be permitted in the effluent disposal area as long as the mound is in use.

b. Specifications and design standards. The specifications provided in these rules for mounds are minimal and may not be sufficient for all locations. Other design information beyond the scope of these rules may be necessary to properly design a mound system. Refer to Appendix C of this chapter for mound system construction design standards.

69.5(6) *At-grade systems.* The following provisions apply to at-grade systems.

a. General design and use.

(1) At-grade systems shall:

1. Only be permitted when a thorough site evaluation has been conducted and landscaping, dwelling placement, effect on surface drainage, and general topography have been considered;

2. Be constructed only upon undisturbed naturally occurring soils or where a soil analysis has determined the site is suitable; and

3. Be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c"* as measured from the outer edge of the distribution bed in the system.

(2) At-grade systems shall not be utilized on:

1. Sites subject to flooding with a ten-year or greater frequency, or

2. Soils where a confining layer occurs or soil strata having a percolation rate exceeding 60 minutes per inch occur within 36 inches of natural grade.

(3) No buildings, driveways, or other surface or subsurface obstructions shall be permitted within 25 feet on the downgradient side of an at-grade system when the system is constructed on a slope greater than five percent.

(4) No future construction shall be permitted in this effluent disposal area as long as the at-grade system is in use.

b. Specifications and design standards. The specifications provided in these rules for at-grade systems are minimal and may not be sufficient for all locations. Other design information beyond the scope of these rules may be necessary to properly design an at-grade system. Refer to Appendix D of this chapter for at-grade system construction design standards.

69.5(7) *Soil absorption bed systems.* The following provisions apply to soil absorption bed systems.

a. General design and use. Soil absorption bed systems shall:

(1) Only be permitted when a thorough site evaluation has been conducted, and landscaping, dwelling placement, effect on surface drainage, and general topography have been considered;

(2) Be constructed only upon undisturbed naturally occurring soils or where a soil analysis has determined the site is suitable; and

(3) Be located in accordance with the SDs specified in Table I in 567—paragraph 60.2(2)*"c."*

b. Specifications and design standards. Refer to Appendix E of this chapter for soil absorption bed system construction design standards.

567—69.6(455B) Secondary treatment—other.

69.6(1) *Intermittent subsurface sand filters (ISSFs).* The following provisions apply to ISSFs.

a. General design and use.

(1) ISSFs may be used when the administrative authority determines the site is unacceptable for a soil absorption system.

(2) ISSFs shall be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c."*

(3) All ISSFs shall have a sample port or means of collecting a representative effluent sample.

(4) There shall be no construction, such as buildings or concrete driveways, covering any part of an ISSF.

(5) ISSFs may be constructed where the water table is below the bottom of the collector pipe. If the water table is verified to be higher than the bottom of the collector pipe, an ISSF may only be installed if either a liner is installed or subsurface drainage tile is used to lower the water table, in accordance with the following.

1. If needed, a plastic liner shall use a minimum of 30-millimeter plastic or product of equivalent thickness as determined by the administrative authority.

2. Where the water table is lowered by use of subsurface drainage tile, the minimum depth of the drainage tile shall be greater than or equal to the lowest portion of the sand filter bed.

b. Specifications and design standards. The specifications in these rules for ISSFs are minimal and may not be sufficient for all applications. Other design information beyond the scope of these rules may be necessary to properly design an ISSF. Refer to Appendix F of this chapter for ISSF construction design standards.

69.6(2) *Proprietary treatment systems (PTSs).* The following provisions apply to all PTSs.

a. General.

(1) A PTS may be used when the administrative authority determines the site is unacceptable for a soil absorption system or an ISSF.

(2) PTS manufacturers shall submit to the department, by February 1 of each year, their current installation and maintenance manual, including the applicable third-party certification.

(3) For a PTS that utilizes replaceable media, a media disposal plan shall be included in the installation and maintenance manual. Used media from a PTS is considered "septage," and septage shall be disposed of in accordance with 567—Chapter 68.

(4) PTSs shall be located in accordance with the SDs in Table I in 567—paragraph 60.2(2)*"c."*

b. Design, installation, and operation. A PTS shall be installed and operated in accordance with the manufacturer's requirements. Additionally:

(1) A PTS other than an aerobic treatment unit shall be preceded by a septic tank with a minimum capacity in accordance with 69.3(2), or shall have an incorporated component that is, or performs the

same function as, a septic tank. A pretank or chamber that is part of the design, that is intended to serve the same function as a septic tank, and that was approved by third-party certification shall satisfy this requirement.

(2) An aerobic treatment unit PTS that does not have an incorporated component that is, or performs the same function as, a septic tank as part of the approved design shall be preceded by a pretreatment tank with a minimum capacity of 500 gallons.

(3) A PTS that utilizes a soil absorption system to disperse the treated effluent shall comply with 567—69.5(455B).

(4) All PTSs shall have a sample port or means of collecting a representative effluent sample.

c. Monitoring and maintenance.

(1) Prior to installation, a contract for PTS monitoring and maintenance shall be established between the system owner and a manufacturer-certified technician. A maintenance contract is required for the life of the system. A copy of the maintenance contract shall be made available to the administrative authority. A PTS shall be inspected, monitored, and maintained in accordance with the manufacturer's specifications and third-party certification, or at least once annually, whichever is more frequent.

(2) All PTS monitoring and maintenance shall be performed by a manufacturer-certified technician. PTS manufacturers shall ensure that an adequate number of certified technicians are available to service their PTSs at the specified intervals.

(3) Certified technicians shall report monitoring and maintenance results to the system owner and to the administrative authority. Certified technicians shall also report any discontinuance of PTS maintenance to the administrative authority.

567—69.7(455B) Time of transfer (TOT) inspections.

69.7(1) *Inspection criteria.* Pursuant to Iowa Code section 455B.172(11), if a building where a person resides, congregates, or is employed is served by a PSDS, the PSDS shall be inspected prior to any transfer of ownership of the building.

a. Properly functioning system. If a PSDS is properly treating wastewater and not creating an unsanitary condition in the environment at the time of inspection, the system is not required to meet the department's current construction standards. However, the discharge restrictions in 69.1(8) shall always apply.

b. Future demolition. Pursuant to Iowa Code section 455B.172(11)*"a"*(7), a TOT inspection and upgrade of a PSDS serving a building is not required when the buyer of a building served by a PSDS intends to demolish or raze the building, as long as the building is not occupied and is removed by the date agreed upon in the waiver for building demolition form, available from the department. For purposes of this paragraph, a building includes inhabitable residences, other inhabitable structures, or commercial buildings.

c. Future inspection. In the event that weather or other temporary physical conditions prevent an inspection from being conducted, the buyer shall execute a binding agreement for weather delayed inspection with the administrative authority, using a department form.

d. Future installation or renovation. In the following instances, a buyer may execute a binding agreement for future installation or renovation with the administrative authority, using a department form.

(1) If an inspection fails; or

(2) If all parties agree an existing PSDS will not pass inspection and a buyer wishes to forego an inspection.

e. Forms. The forms for a waiver for building demolition, binding agreement for weather delayed inspection, and binding agreement for future installation are available on the department's website at www.iowadnr.gov.

f. Failure or improper function. If a PSDS is failing to ensure effective wastewater treatment or is otherwise improperly functioning, the PSDS shall be renovated to meet the department's current

construction standards. A PSDS is failing to ensure effective wastewater treatment or is otherwise improperly functioning when one or more of the following conditions exist:

(1) The system's septic tank is constructed of metal; is not watertight; was not designed for use as a PSDS tank; or is damaged and cannot be repaired to the manufacturer's standards using a manufacturer-approved method;

(2) The system's primary treatment tank is less than 500 gallons;

(3) All fixtures on the property served by the PSDS that produce or transport domestic waste do not enter the PSDS;

(4) More than 50 percent of the system's soil absorption area does not accept water;

(5) There is evidence that the system is failing to effectively treat wastewater or is otherwise improperly functioning in a manner not detailed above; or

(6) The system is a dry well structure or seepage pit.

g. Exemptions. For purposes of this subrule, transfer does not include the situations listed in Iowa Code section 455B.172(11)*"a"*(1) through 455B.172(11)*"a"*(12).

69.7(2) *Certified TOT inspectors.* Inspections shall be conducted by an inspector certified by the department, in accordance with Iowa Code section 455B.172 and this rule. In order to be a certified TOT inspector, an individual shall have met the experience requirements, have successfully completed the inspection course and examination, and have been issued a TOT certification by the department.

a. Experience requirements. In order to be certified by taking the inspection course and examination only, an individual must have at least two years' experience in the operation, installation, inspection, design or maintenance of PSDSs. Individuals lacking this experience must complete additional coursework before attending the inspection course with examination. The additional courses shall include but not be limited to "Basics of Onsite" offered by the Onsite Wastewater Training Center of Iowa or equivalent courses as determined by the department.

b. Examination application form and evaluation.

(1) All applications to take the certified TOT inspector examination shall be filed using a department form, available on the department's website at www.iowadnr.gov.

(2) Examination applications shall be reviewed by the department and an application review decision will be sent to the applicant. The applicant shall have the right to dispute the application evaluation.

(3) An examination application approval shall be valid for examination purposes for one year from the date the application is approved by the department.

c. Certification. Applicants who successfully meet the requirements of this subrule will receive a TOT certification from the department. The department shall maintain a current listing of certified TOT inspectors on its website at www.iowadnr.gov.

(1) All certificates shall expire on June 30 of even-numbered years and must be renewed every two years.

(2) Renewal applications shall be submitted on a department form, available on the department's website at www.iowadnr.gov, and shall be submitted 60 days before the expiration date of the current certificate. Renewal certificates will only be granted to inspectors that meet the continuing education unit (CEU) requirements of 69.7(2)*"d,"* that have paid the appropriate certification fee in 69.7(2)*"e,"* and that conduct inspections in accordance with 69.7(3).

(3) Inspectors who have complied with the continuing education requirements may continue to request a renewal up to 45 days following expiration of their certificate. However, inspectors may not perform inspections until a renewal certificate has been issued by the department.

(4) Inspectors whose certification has expired must retake the inspector class and test to become recertified.

d. Continuing education units (CEUs). The following CEU requirements apply to TOT certification:

(1) A certified inspector must earn 1.2 CEUs or 12 contact hours during each two-year period. Newly certified inspectors (previously uncertified) who become certified after April 1 of a two-year period will not be required to earn CEUs until the next two-year period.

(2) CEUs must be earned during each two-year period from April 1 of the even-numbered year until March 31 of the next even-numbered year. CEUs earned between April 1 and the end of the 45-day grace period cannot be counted towards a certification that expires on June 30 of that year.

(3) All activities for which CEU credit will be granted must be approved by an accredited college, university, technical institute, or the department and shall be related to PSDSs. Any entity providing training eligible for CEU credit shall, upon request, provide the training at no cost to one department staff member for audit purposes and shall provide all course materials to the department upon request.

(4) It is the personal responsibility of a certified inspector to maintain a record of and notify the department of the CEUs earned during the two-year period. The CEUs earned during the period shall be shown on the renewal application.

e. Certification fees. The following nonrefundable fees apply:

(1) The examination application fee is $50.

(2) The new inspector certification fee is $300. This fee must be paid prior to the issuance of a certification. This fee shall be prorated to $75 for each one-half year of a two-year period from a certification issuance date to June 30 of the next even-numbered year. Certifications obtained within the first half year period of the certification period shall be subject to the full certification fee of $300. The department will inform the applicant of the prorated fee amount prior to certification.

(3) The certification renewal fee is $300. This fee must accompany a renewal application in order for a certificate to be renewed.

f. Certified inspector obligations. Certified inspectors shall conduct TOT inspections in accordance with this subrule.

69.7(3) *Inspection procedures.* TOT inspections shall be conducted as follows:

a. Inspection report.

(1) A TOT inspection shall be conducted using a department form, available on the department's website at www.iowadnr.gov.

(2) Upon completion of an inspection, all information, inspection data, and all attachments shall be provided as follows: to the department for review; to the county environmental health department for review and enforcement of any follow-up mandatory improvements to the system; and to the person ordering the inspection within ten business days from the inspection date.

(3) Submittal of a complete inspection form and all attachments in the online TOT database, available on the department's website at www.iowadnr.gov, shall be deemed compliant with this requirement.

b. Record search.

(1) Prior to an inspection, a certified inspector shall contact the administrative authority to obtain any permits, as-built drawings, or other available information concerning the system being inspected. Information may also be obtained from service providers or the homeowner.

(2) The inspector shall:

1. Verify an existing as-built drawing, or
2. If no as-built drawing is available, develop an as-built drawing as part of the inspection.

c. Septic tanks, vault toilets, and holding tanks. At the time of inspection, any existing tank(s) shall be opened and have the contents properly disposed of, and the condition of the tank and its components shall be documented and included in the final inspection report. Alternatively, the owner may provide evidence of proper tank pumping by a licensed commercial septic tank cleaner within three years prior to the inspection, so long as such evidence includes documentation of the size and condition of the tank and its components at the time of pumping.

d. Pumps and pump chambers. Pump chambers or vaults shall be opened for inspection. The pump and all alarms and controls shall be tested to ensure proper operation.

e. Secondary treatment. Proof that a secondary treatment system (if any) is in place shall be provided. This proof includes but is not limited to performing and documenting the following actions during the inspection:

(1) Opening and inspecting all distribution box(es) or drop box(es);

(2) Locating and uncovering the header pipe of a soil absorption system, if the pipe location and status is unknown;

(3) Locating the vents and discharge pipe of a sand filter and probing the treatment area. A gravity sand filter with a distribution box shall have the box opened and inspected;

(4) Locating, opening the lids, and inspecting the components of any PTS according to the manufacturer's recommendations, and documenting the product model and serial numbers of the PTS;

(5) Probing any soil-based treatment systems to determine their condition; and

(6) A hydraulic loading test.

f. Discharging systems. During an inspection, a representative sample of effluent shall be collected for $CBOD_5$ and TSS from all PSDSs, with the exception of soil absorption systems, and the test results shall be included in the inspection report. The effluent quality shall meet the requirements of NPDES General Permit No. 4 for $CBOD_5$ and TSS. A certified inspector shall report the discharge location(s) for all discharging PSDSs.

g. Other systems and system components. Any PSDS or component not mentioned above shall be inspected for compliance with these rules and for proper function. Examples of components include but are not limited to effluent screens, tertiary treatment systems, disinfection devices, alarms, control boxes, and timers.

69.7(4) *Certified TOT inspector disciplinary action.*

a. Reasons for disciplinary action. Disciplinary action may be taken against a certified TOT inspector on any of the grounds specified in Iowa Code section 455B.219 or the following more specific grounds:

(1) Failure to use reasonable care or judgment or to apply knowledge or ability in performing the duties of a certified inspector.

(2) Failure to submit required inspection records or other reports required under applicable permits or department rules, including failure to submit complete records or reports.

(3) Knowingly making any false statement, representation, or certification on any application, record, report, or document required to be maintained or submitted under any applicable permit or department rule.

b. Disciplinary sanctions. Disciplinary sanctions may include the following:

(1) Permanent revocation without chance of recertification or for a specified period of time.

(2) Revocation or suspension of the practice of a particular aspect of a PSDS inspection.

(3) Probation under specified conditions relevant to the specific grounds for disciplinary action.

(4) Additional education, training, or reexamination may be required as a condition of reinstatement.

(5) Civil penalties not to exceed $1,000 may be assessed for causes identified in 69.7(4)*"a"* through the issuance of an administrative order.

c. Procedure.

(1) Department staff shall initiate a disciplinary action by conducting a lawful investigation to establish a legal and factual basis for action. The department shall provide written notice to a certified inspector when considering disciplinary actions. The notice shall provide the certified inspector 20 days to state their position and present relevant facts.

(2) If an agreement as to appropriate disciplinary action, if any, can be reached between the department and the certified inspector, a written stipulation and settlement shall be entered into. The stipulation and settlement shall recite the basic facts and violations alleged, any facts established by the certified inspector, and the reasons for the particular sanction imposed.

(3) If an agreement as to appropriate disciplinary action cannot be reached, the department may initiate formal disciplinary procedures in a letter, sent by certified mail, that imposes disciplinary sanctions deemed appropriate by the department.

(4) A certified inspector may appeal any disciplinary sanction imposed by the department by filing a notice of appeal with the director within 30 days of receipt of a disciplinary sanction letter. If an appeal is filed, the department shall initiate contested case proceedings in accordance with 567—Chapter 7 and Iowa Code chapter 17A.

(5) Upon certificate revocation, application for certification may be allowed two years from the revocation date unless otherwise specified in accordance with 69.7(4)*"b."* Any such applicant must meet all eligibility requirements in 69.7(2), successfully complete an examination, and be certified in the same manner as a new applicant.

69.7(5) *Procedures for noncompliance with child support order.* Upon receipt of a certification of noncompliance with a child support obligation as provided in Iowa Code section 252J.7, the department will initiate procedures to deny an application for inspector certification or renewal, or to suspend a certification in accordance with Iowa Code section 252J.8(4). The department shall issue to the person by certified mail a notice of its intent to deny or suspend inspector certification based on receipt of a certificate of noncompliance. The suspension or denial shall be effective 30 days after receipt of the notice unless the person provides the department with a withdrawal of the certificate of noncompliance from the child support recovery unit as provided in Iowa Code section 252J.8(4)*"c."* Pursuant to Iowa Code section 252J.8(4), the person does not have a right to a hearing before the department to contest the denial or suspension action under this subrule but may seek a hearing in district court in accordance with Iowa Code section 252J.9.

567—69.8(455B) Waivers. Waivers to these rules may be granted by the department or the administrative authority provided sufficient information is submitted, prior to construction, to substantiate the need for and propriety of such action. Applications for waivers and justification shall be in writing and filed with the department in accordance with 561—Chapter 10.

These rules are intended to implement Iowa Code chapter 455B, subchapter III, part 1, and Iowa Code chapter 252J.

Appendix A - Estimates of Nonresidential Domestic Sewage Design Flow Rates

Source of use for sewage unit	Units	Gallons per day per unit
Dwelling Units		
Hotels or luxury motels	Per guest	60
	Add per employee	13
or	Per ft^2	0.3
Discount motels	Per guest	40
	Add per employee	13
or	Per ft^2	0.46
Rooming house	Per resident	50
	Add per nonresident meal	4.0
Commercial/Industrial		
Retail stores	Per ft^2 of sales area	0.13
or	Per customer	3.8
	Plus each employee	15
or	Per toilet room	590
Offices	Per employee	18
or	Per ft^2	0.25
Medical offices	Per ft^2	1.6
Industrial buildings	Per employee	20
Construction camp	Per employee	20
Visitor center	Per visitor	13
Laundromat	Per machine	690
or	Per load	50
or	Per ft^2	2.6
Barber shops	Per chair	68
Beauty shops	Per station	285
Car washes	Per inside ft^2	10
Shopping Center	Per employee	11.5
or	Per ft^2	0.15
or	Per parking space	2.5
Flea Market	Per vendor space, without food	15
or	Per vendor space, with food	50
Eating and Drinking Establishments		
Restaurant, not including bar or lounge	Per meal, without alcoholic drinks	3.5
	Per meal, with alcoholic drinks	8
or	Per seat	40
	Add per employee	13
Restaurant (carry out, including caterers)	Per ft^2	0.5
Dining hall	Per meal	4.0
Coffee shop	Per customer	2.5
	Add per employee	13
Cafeteria	Per customer	2.5
	Add per employee	13

Source of use for sewage unit	Units	Gallons per day per unit
Drive-in	Per car stall	30
Bar or lounge	Per customer	4.5
	Add per employee	16
or	Per seat	36
Entertainment Establishments		
Country clubs	Per member, no meals	22
or	Per member, meals and showers	118
or	Per member in residence	50
Lodge	Per person	74
Parks/swimming pools	Per guest	13
Picnic parks with toilet only	Per guest	10
Movie theaters	Per person	4.0
Drive-in theaters	Per space	5
Skating rink/dance hall	Per person	10
Bowling lanes	Per lane	185
Stadium	Per seat	5
Health club gym	Per member	35
Fairgrounds and similar gatherings	Per visitor	1.5
Resort retail store	Per person	4
Wedding or other event center	Per person	5.5
Transportation		
Airport, bus or rail depot	Per passenger	4
or	Per ft^2	6.5
or	Per public restroom	630
Auto service station	Per vehicle served	13
	Add per employee	16
or	Per inside ft^2	0.6
or	Per public restroom	630
Gas station convenience store	Per customer	3.5
Institutional		
Hospitals	Per medical bed	220
	Add per employee	16
Mental institution	Per bed	147
	Add per employee	16
Prison or jail	Per inmate	140
	Add per employee	16
Nursing home	Per resident	125
	Add per employee	16
School	Per student, no gym, cafeteria or showers	14
or	Per student, cafeteria only	18
or	Per student, cafeteria, gym and showers	27.5
Boarding school	Per student	95
Churches	Per member	2
or	Per member, with kitchen	5
Assembly hall	Per seat	4

Source of use for sewage unit	Units	Gallons per day per unit
Outdoor recreational and related lodging facilities		
Campground	Per campsite with sewer hookup	100
or	Per campsite; without sewer hookup, with central toilet or shower facility	50
or	Per campsite; without sewer hookup, with central toilet or shower facility served by central dump station	63
Day camp, no meals	Per person	16
Day camp, with meals	Per person	25
Overnight camp, with meals	Per person	45

Appendix B - Percolation Test Procedure

a. Prior to performing a percolation test, the confining layer shall be determined in accordance with 69.5(1)*"b"*(4).

b. At least three percolation test holes distributed evenly over the proposed lateral field are required.

c. Percolation test holes shall be 4 to 12 inches in diameter and to the same depth as the proposed absorption trenches (not to exceed 36 inches in depth).

d. Sides and bottoms of the test holes shall be scratched or roughened to provide a natural surface. All loose material shall be removed from each hole.

e. The bottoms of the test holes shall be covered with approximately two inches of rock to protect the bottom from scouring action when the water is added.

f. The hole shall be filled with at least 12 inches of clean water, and this depth shall be maintained for at least four hours; preferably overnight if clay soils are present. It is important that the soil be allowed to soak for long enough to swell if accurate results are to be obtained. Failure to perform the presoak when required will invalidate the percolation test results.

g. In sandy soils with little or no clay, soaking is not necessary. If, after the hole has been filled twice with 12 inches of water, the water seeps completely away in less than ten minutes, the test can proceed immediately.

h. Except for sandy soils, percolation rate measurements should be made at least 4 hours, but no more than 24 hours, after the soaking period began. Any soil that sloughed into the hole during the soaking period shall be removed, and the water level shall be adjusted to six inches above the gravel (or eight inches above the bottom of the hole). At no time during the test is the water level allowed to rise more than six inches above the gravel.

i. Immediately after adjustment, the water level shall be measured from a fixed reference point to the nearest ⅛ inch at 30-minute intervals. The test is continued until two successive water level drops do not vary by more than ⅛ inch. At least three measurements shall be made.

j. After each measurement, the water level shall be readjusted to the six-inch level. Use the last water level drop to calculate the percolation rate.

k. In sandy soils, or soils in which the first six inches of water added after the soaking period seep away in less than 30 minutes, water level measurements shall be made at ten minute intervals for a one hour period. Use the last water level drop to calculate the percolation rate.

l. The percolation rate shall be calculated for each test hole by dividing the time interval between measurements by the magnitude of the last water level drop. This calculation results in a percolation rate in terms of minutes per inch.

(1) To determine the percolation rate for the area, average the rates obtained from each hole.

(2) If tests in the area vary by more than 20 minutes per inch, variations in soil type are indicated. Under these circumstances, percolation rates should not be averaged.

(3) Example: If the last measured drop in water level after 30 minutes is ⅝ inch, the percolation rate = (30 minutes)/(⅝ inch) = 48 minutes/inch.

Appendix C - Mound System Construction Design Standards

Mound fill material.

a. A mound shall be constructed using clean, medium-textured sand (a.k.a. concrete sand). The sand size shall be such that:

(1) At least 25 percent by weight shall have a diameter between 2.0 and 0.25 millimeter (mm);

(2) Less than 35 percent by weight, a diameter between 0.25 and 0.05 mm; and

(3) Less than 5 percent by weight, a diameter between 0.05 and 0.002 mm.

b. Rock fragments larger than 1⁄16 inch (2.0 mm) shall not exceed 15 percent by weight of the material used for mound fill.

Mound construction details.

a. There shall be a minimum of three feet of fill material and undisturbed naturally occurring soils between the bottom of the washed gravel and the highest elevation of the confining layer in accordance with 69.5(6)*"a"*(3)"2."

b. Gravel shall meet the requirements specified in 69.5(2)*"a."*

c. From one to two feet of medium-textured sand (depending upon the underlying soil depth, see *"a"* above) must be placed between the bottom of the gravel and the top of the plowed surface of the naturally occurring soil.

d. Mound system absorption beds shall be installed with the long dimension parallel to the land contour. Systems on steep slopes with slowly permeable soils should be narrow to reduce the possibility of toe seepage.

e. Minimum spacing between distribution pipes shall be four feet, and a minimum of three feet shall be maintained between any trench and the sidewall of the mound.

f. No soil under or up to 50 feet downgradient of the mound may be removed or disturbed except as specified herein.

g. Construction equipment that would cause undesirable compaction of the soil shall be kept off the base area. Construction or plowing shall not be initiated when the soil moisture content is high. If a sample of soil from approximately nine inches below the surface can be easily rolled into a ⅛- to ¼-inch diameter wire 1½ inches long or more, the soil moisture content is too high for construction purposes.

h. Aboveground vegetation shall be closely cut and removed from the ground surface throughout the area to be utilized for the placement of the fill material.

i. The area shall be plowed to a depth of eight inches, parallel to the land contour, with the plow throwing the soil up slope to provide a proper interface between the fill and the natural soil. Tree stumps should be cut flush with the surface of the ground, and roots should not be pulled.

j. The base absorption area of the mound shall be calculated using the flow rate and the results of the percolation rate test or soil analysis as indicated in Table IIa or IIb of 69.5(1)*"g"*(1).

k. The area of the sand fill material shall be sufficient to extend at least three feet beyond the edge of the gravel area before the sides are shaped to at least a 3:1 slope.

Distribution system.

a. The distribution pipe for a mound system shall:

(1) Either be SCH 40 or 80 PVC pipe (SDR 26 or stronger), with a one-inch nominal diameter, or an equivalent design that ensures proper distribution.

(2) Have either a single row of ¼-inch perforations in a straight line 30 inches on center along the length of the pipe or an equivalent design that ensures uniform distribution. No perforations shall be permitted within three inches of the outer ends of any distribution pipe. All joints and connections shall be solvent-cemented.

(3) Be placed in the clean, washed gravel with holes downward. The gravel shall be a minimum of six inches in depth below the pipe and two inches in depth above the pipe.

b. The outer ends of all pressure distribution lines shall be turned up, with either a long 90-degree elbow or two 45-degree elbows, to allow for cleaning. The outer ends shall have a screw-on cap and cover that shall be accessible from the ground surface without excavation.

c. The central pressure manifold should consist of 1½- or 2-inch solid plastic pipe and should use either a tee for connecting the distribution lines or an equivalent design that ensures uniform distribution.

d. Construction should be initiated immediately after preparation of the soil interface by placing all of the sand fill material needed for the mound (to the top of the trench) to a minimum depth of 21 inches above the plowed surface. This depth will permit excavation of the trenches to accommodate the six inches of washed gravel or crushed stone necessary for the distribution piping.

e. The absorption trench or trenches shall be hand-excavated into the sand. Trench bottoms shall be level.

f. Six inches of gravel shall be placed in the trench and leveled. After the distribution pipe is placed, the pipe shall be covered with a minimum of two inches of gravel.

g. The entire sand and gravel area shall be covered with synthetic drainage fabric or other material approved by the administrative authority.

h. After installation of the distribution system, the system shall be pressure-tested before it is covered with gravel.

i. The entire mound shall be:

(1) Covered with topsoil native to the site or of similar characteristics to support vegetation found in the area;

(2) Crowned by providing a minimum of six inches of topsoil on the side slopes, with a minimum of 12 inches of topsoil over the center of the mound; and

(3) Seeded, sodded, or otherwise provided with a grass cover to ensure stability of the installation.

j. The area surrounding the mound shall be graded to provide for diversion of surface runoff water.

Dosing.

a. Pump dosing shall be required for mound systems.

b. The dosing volume shall be three to ten times the distribution piping network volume, but not more than 25 percent of the design flow shall be applied to the soil in one dose.

c. The dosing pump shall be capable of maintaining a squirt height of three feet above the pipe at the outer ends of the distribution lines. All lines shall have an equal squirt height above the pipe to maintain equal distribution.

Appendix D - At-Grade System Construction Design Standards

At-grade system construction details.

a. There shall be a minimum of three feet of undisturbed naturally occurring soils between the bottom of the gravel, chamber, or EPS aggregate in the at-grade system and the highest elevation of any confining layers.

b. An at-grade system may be installed up to 12 inches deep.

c. Gravel shall meet the requirements of 69.5(2)*"a."* EPS aggregate or chambers are acceptable alternatives to gravel if the manufacturer's specifications and installation procedures are followed and pressure pipe is used to adequately dose the entire bed.

d. At-grade system beds shall be installed with the long dimension parallel to the land contour. Systems on steep slopes with slowly permeable soils should be narrow to reduce the possibility of toe seepage.

e. Minimum spacing between distribution pipes shall be four feet, and a minimum of three feet shall be maintained between any trench and the sidewall of the at-grade.

f. No soils under or within 15 feet of any at-grade system may be disturbed. On sloping sites, no soils shall be disturbed within 10 feet uphill of the system and within 15 feet downhill of the system, plus an additional five feet for every 5 percent slope downhill.

g. Construction equipment that would cause undesirable compaction of the soil shall be kept off the base area. Construction or plowing shall not be initiated when the soil moisture content is high. If a sample of soil from approximately nine inches below the surface can be easily rolled into a ⅛-inch diameter wire 1½ inches long, the soil moisture content is too high for construction purposes.

h. Aboveground vegetation shall be closely cut and removed from the ground surface throughout the area to be utilized for the placement of the fill material.

i. The area shall be plowed to a minimum depth of six to eight inches, parallel to the land contour, with the plow throwing the soil up slope to provide a proper interface between the fill and the natural soil. Chisel teeth on a backhoe bucket shall be at least as long as the depth of plowing. Tree stumps should be cut flush with the surface of the ground, and roots should not be pulled. All work shall be done from the uphill side of the at-grade system.

j. The absorption bed area of the at-grade system shall be calculated using the flow rate and the results of the percolation rate test or soil analysis, as indicated in Table IIa or IIb of 69.5(1)*"g"*(1).

k. One foot of loamy cover material shall be installed over the bed. Cover shall extend at least five feet from the ends of the bed and be sloped to divert surface water. Side slopes shall not be steeper than 4:1. The upper six inches of the loamy soil cover must be topsoil borrow. Topsoil borrow must be of a quality that provides a good vegetative cover on the at-grade system.

Distribution system.

a. The distribution pipe(s) shall be:

(1) Either SCH 40 or 80 PVC pipe (SDR 26 or stronger), with a one-inch nominal diameter, or an equivalent design that ensures proper distribution.

(2) Provided with either a single row of ¼-inch perforations in a straight line 30 inches on center along the length of the pipe or an equivalent design that ensures uniform distribution. No perforations shall be permitted within three inches of the outer ends of any distribution pipe. All joints and connections shall be solvent-cemented.

(3) Be placed in the clean, washed gravel (or crushed limestone as described in 69.5(3)*"a"*(3)), with holes downward. The gravel shall be a minimum of six inches in depth below the pipe and two inches in depth above the pipe.

(4) Installed in the center of the gravel bed on slopes less than one percent and on the upslope edge at the gravel bed absorption width on slopes one percent or greater.

b. The outer ends of all pressure distribution lines shall be turned up, with either a long 90-degree elbow or two 45-degree elbows, to allow for cleaning. The outer ends shall have a screw-on cap and cover that shall be accessible from the ground surface without excavation.

c. The central pressure manifold should consist of 1½- or 2-inch solid plastic pipe and should use either a tee for connecting the distribution lines or an equivalent design that ensures uniform distribution.

d. The top of the gravel, chambers, or EPS aggregate shall be covered with synthetic drainage fabric or other material approved by the manufacturer or administrative authority.

e. After installation of the distribution system, the system shall be pressure-tested before it is covered with gravel.

f. The entire at-grade system shall be:

(1) Covered with topsoil native to the site or of similar characteristics to support vegetation found in the area;

(2) Crowned by providing a minimum of 6 inches of topsoil on the side slopes, with a minimum of 12 inches of topsoil over the center of the at-grade system; and

(3) Seeded, sodded, or otherwise provided with a grass cover to ensure stability of the installation.

g. The area surrounding the at-grade system shall be graded to provide for diversion of surface runoff water.

Dosing.

a. Pump dosing shall be required for at-grade systems.

b. The dosing volume shall be three to ten times the distribution piping network volume, but not more than 25 percent of the design flow shall be applied to the soil in one dose.

c. The dosing pump shall be capable of maintaining a squirt height of three feet above the pipe at the outer ends of the distribution lines. All lines shall have an equal squirt height above the pipe to maintain equal distribution.

Appendix E - Soil Absorption Bed System Construction Design Standards

Soil absorption bed system construction details.

a. A soil absorption bed system may only be used when site restrictions limit the use of a conventional system.

b. Soil absorption bed system placement shall be limited to areas having natural slopes of less than six percent. Absorption areas for seepage beds and trenches shall not be placed in soils with a percolation rate exceeding 30 minutes per inch or a loading rate of less than 0.40 gpd/ft^2.

c. Soil absorption bed systems shall not be wider than 12 feet if gravity distribution is used and 25 feet if pressure distribution is used.

d. Natural, undisturbed soil must exist between multiple soil absorption beds. Multiple soil absorption beds shall be spaced at one-half the bed width.

Distribution.

a. If gravity distribution is used in a soil absorption bed system, the bed absorption area shall be calculated by dividing the design flow by the soil loading rate in 69.5(1)*"g"*(1) Tables IIa and IIb, multiplied by 1.5.

b. Distribution piping for gravity distribution in a soil absorption bed system shall be uniformly spaced no more than five feet apart and not more than 30 inches from the side walls of the seepage bed.

c. If pressure distribution is used in seepage beds, the seepage bed absorption area shall be determined by dividing the design flow by the soil loading rate in 69.5(1)*"g"*(1) Tables IIa and IIb.

d. Pressure distribution shall be used in soil absorption bed systems when the distribution media is in contact with any soil textures classified as sand or loamy sand or when the system is placed in soils with a percolation rate of 0.1 to 5 minutes per inch.

e. Pressure distribution piping in soil absorption bed systems must be spaced no further than 36 inches apart and no further than 24 inches from the outside edge of the bed.

Appendix F - Intermittent Subsurface Sand Filter (ISSF) Construction Design Standards

ISSF filter sizing.

a. Residential systems.

(1) Gravity flow. Residential ISSFs shall be sized at a rate of 240 ft^2 of surface area per bedroom.

(2) Siphon- or non-pressure dosed. Residential ISSFs dosed by a dosing siphon or other non-pressure dosed system shall be sized at a rate of 180 ft^2 of surface area per bedroom.

(3) Pressure-dosed. Residential ISSFs dosed by a pump shall be sized at a rate of 150 ft^2 of surface area per bedroom.

b. Non-residential. Effluent application rates for commercial ISSFs treating domestic waste shall not exceed the following:

(1) 1.0 gal/ft^2/day.

(2) The total surface area for any non-residential ISSF shall not be less than 200 ft^2.

c. Dosing. The dosing system shall be designed to cover the entire filter bed during the dosing cycle. A dosing frequency of greater than twice per day is recommended.

Collection pipelines.

a. Each ISSF shall contain a horizontal set of collector lines.

b. The collector lines shall be either equivalent to SDR 35 PVC pipe (or stronger), 10-inch diameter gravelless drainage technology, EPS aggregate, chamber, or other suitable materials approved by the administrative authority.

c. One collector line shall be provided for each six feet of width or fraction thereof. A minimum of two collector lines shall be provided.

d. Collector lines shall be laid to a grade of one inch in ten feet (or 0.5 percent to 1.0 percent).

e. Each collector line shall be vented or connected to a common vent. Vents shall either extend at least 12 inches above the ground surface with the outlet either screened, provided with a 180-degree elbow, or provided with a perforated cap.

f. Gravelless drainage technology with a synthetic mesh wrap may be used for the collector lines. If a synthetic mesh wrap is used, no gravel or pea gravel is required to cover the collector lines and the pipe shall be bedded in filter sand.

g. EPS aggregate may be used for the collection system as an alternative to gravel and rigid PVC pipe. If used, EPS aggregate shall meet requirements equivalent to 69.5(5), follow the manufacturer's specifications and installation procedures, and cover the bottom of the sand filter. A six-foot separation between collection pipes shall be maintained. Fabric filter meeting the requirements of *"h"*(2) below shall be used instead of washed pea gravel.

h. If four-inch plastic pipe with perforations is used for the collector lines, the lines shall be covered as follows:

(1) Gravel ¾ inch to 2½ inches in size shall be placed around and over the lower collector lines until there is a minimum of 4 inches of gravel over the pipes; and

(2) The gravel shall be overlaid with a minimum of three inches of washed pea gravel, ⅛-inch to ⅜-inch in size, interfacing with the filter media. A layer of fabric filter may be used in place of the pea gravel. If used, fabric filters must either be 30 by 50 mesh with a percolation rate of at least five gallons/ft^2/minute, or a material that allows for adequate air and water movement into the collector lines, per manufacturer specifications and as approved by the administrative authority.

i. A minimum of 24 inches of coarse washed sand shall be placed over the pea gravel or above the gravelless drainfield pipe. The sand shall meet the Iowa DOT standards for concrete sand, as follows:

(1) 100 percent of the sand shall pass a 9.5 mm screen,

(2) 90 to 100 percent shall pass a 4.75 mm screen,

(3) 70 to 100 percent shall pass a 2.36 mm screen,

(4) 10 to 60 percent shall pass a 600 Tm screen, and

(5) 0 to 1.5 percent shall pass a 75 Tm screen.

j. The discharge pipe that extends from the collection system shall be solid SDR 35 PVC pipe (or stronger) at a minimum.

Distribution system and cover.

a. Six inches of gravel ¾ inch to 2½ inches in size or other material as discussed in this section shall be placed upon the sand in the ISSF.

b. Distribution lines shall be level and horizontally spaced a maximum of three feet apart, center to center. Distribution lines shall be rigid, perforated PVC pipe if used with a gravel base. Pipe should meet requirements equivalent to 69.5(2)*"d"*(2) and *"d"*(3), or an equivalent design that ensures proper distribution.

c. For ISSFs using gravity distribution, venting shall be placed on the downstream end of the distribution lines, with each distribution line being vented or connected to a common vent. Vents shall either extend at least 12 inches above the ground surface with the outlet screened, have a 180-degree elbow, or be provided with a perforated cap. A vent shall not be used on distribution lines for systems using pressure distribution.

d. Enough gravel shall be placed to cover the distributors.

e. Synthetic drainage fabric or other material approved by the manufacturer or administrative authority shall be placed upon the top of the upper layer of gravel.

f. A minimum of 12 inches of soil backfill shall be provided over the rock or other material as discussed in this section.

g. A distribution box shall be provided for each filter bed where gravity distribution is used. The distribution boxes shall be placed upon undisturbed earth outside the filter bed. Separate watertight lines shall be provided leading from the distribution boxes to each of the distributor lines in the beds.

h. EPS aggregate or chamber may be used for the distribution system as an alternative to gravel and rigid, perforated PVC pipe. If used, EPS aggregate or chamber shall meet requirements equivalent to 69.5(5), follow the manufacturer's specifications and installation procedures, and cover the top of the sand filter. A three-foot separation between distribution pipes shall be maintained. If chamber is used, the system must be dosed.

i. Pressure dosing is recommended to improve effluent distribution across the surface of the filter. Pressure distribution systems may use either conventional rock and PVC pipe, chambers with small-diameter pipe, or EPS aggregate with small-diameter pipe. Distribution lines shall be level and shall be horizontally spaced a maximum of three feet apart, center to center.

(1) The distribution pipe for a pressure-dosed system shall either be SCH 40 or 80 PVC pipe (SDR 26 or stronger) with a one-inch nominal diameter, have either a single row of ¼-inch perforations in a straight line 30 inches on center along the length of the pipe, or an equivalent design that ensures proper distribution.

(2) The distribution pipe for a siphon-dosed or other manufactured non-pump pressured device shall be either SCH 40 or 80 PVC pipe (SDR 26 or stronger), with a 1½-inch nominal diameter, holes ¼ to 5/16 inches in size spaced every three feet, or an equivalent design that ensures proper distribution.

(3) It is recommended that the outer ends of all pressure type distribution lines be turned up with either a long 90-degree elbow or two 45-degree elbows to allow for maintenance. The outer ends should have a screw-on cap and cover and should be accessible from the ground surface.

(4) Holes in the distribution pipe shall be configured to evenly distribute the effluent.

[Filed 7/18/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9468C

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Rulemaking related to healthy and well kids in Iowa

The Department of Health and Human Services hereby rescinds Chapter 86, "Healthy and Well Kids in Iowa (hawki) Program," Iowa Administrative Code, and adopts a new Chapter 86 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 514I.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 514I and 2024 Iowa Acts, Senate File 2385.

Purpose and Summary

This rulemaking was undertaken in response to Executive Order 10, as well as implementing, in part, 2024 Iowa Acts, Senate File 2385. This rulemaking serves to implement Iowa's hawki program by establishing rules for:

- Eligibility, including presumptive eligibility;
- Qualifying standards for participating insurers;
- Cost-sharing;
- Benefits included;
- Procedures and circumstances for disenrollment;
- Data collection and use; and
- Other items necessary to implement Iowa Code chapter 514I.

It also removes references to the hawki Board and the hawki Advisory Committee, which were eliminated by 2024 Iowa Acts, Senate File 2385.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 25, 2024, as **ARC 8571C**. A public hearing was held on the following date(s):

- January 15, 2025
- January 21, 2025

No one attended the public hearings. No public comments were received.

Changes from the Notice have been made to spell out the definition of "capitation rate" rather than referring to another chapter. The name of an executive branch agency has been updated to reflect realignment. Language describing the grace period for premium payment has been added back as subrule 86.8(4). This provision is not new and is contained in the existing rules. The language had been deleted in the original 2024 Red Tape Review as being duplicative of the State's Summary Plan Amendment. In retrospect, the Department believes it is important to retain the grace period information in administrative rule.

Adoption of Rulemaking

This rulemaking was adopted by the Department on July 7, 2025.

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 441—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 October 1, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 441—Chapter 86 and adopt the following **new** chapter in lieu thereof:

CHAPTER 86
HEALTHY AND WELL KIDS IN IOWA (HAWKI) PROGRAM

441—86.1(514I) Definitions.

"Administrative error" means an action of the department that results in incorrect payment of benefits, including premiums paid to a health or dental plan, due to one or more of the following circumstances:

1. Misfiled or lost form or document.
2. Error in typing or copying.
3. Computer input error.
4. Mathematical error.
5. Failure to determine eligibility correctly when all essential information was available to the department.
6. Failure to request essential verification necessary to make an accurate eligibility determination.
7. Failure to make timely revision in eligibility following a change in policy requiring application of the policy change as of a specific date.
8. Failure to issue timely notice to cancel benefits that results in benefits continuing in error.

"Applicant" means anyone in the household, including all adults and children under the age of 19 who are counted in the hawki family size according to the modified adjusted gross income methodology and who are listed on the application or renewal form.

"Capitation rate" means the fee the department pays monthly to a PHP for each enrolled recipient for the provision of covered medical services whether or not the enrolled recipient received services during the month for which the fee is intended.

"Client error" means any action or inaction of the enrollee or the enrollee's representative that results in incorrect payment of benefits, including premiums paid to a health or dental plan, because at least one of the following occurred:

1. The enrollee or the enrollee's representative failed to disclose information or gave a false or misleading statement, oral or written, regarding income or another eligibility factor; or
2. The enrollee or the enrollee's representative failed to timely report a change as defined in rule 441—86.10(514I).

"Contract" means the contract between the department and the participating health or dental plan for the provision of medical or dental services to hawki enrollees for whom the participating health or dental plans assume risk.

"Cost sharing" means the payment of a premium or copayment as provided for by Title XXI of the federal Social Security Act, as amended to August 1, 2024, and Iowa Code section 514I.10.

"Countable income" means earned and unearned income of the family according to the modified adjusted gross income methodology.

"Covered services" means all or a part of those medical and dental services set forth in rule 441—86.14(514I).

"Dentist" means a person who is licensed to practice dentistry.

"Eligible child" means an individual who meets the criteria for participation in the hawki program as set forth in rule 441—86.2(514I).

"Emergency dental condition" means an oral condition that occurs suddenly and creates an urgent need for professional consultation or treatment. Emergency conditions may include hemorrhage, infection, pain, broken teeth, knocked-out teeth, or other trauma.

"Emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in one of the following:

1. Placing the health of the person or, with respect to a pregnant woman, the health of the woman and her unborn child, in serious jeopardy,
2. Serious impairment to bodily functions, or
3. Serious dysfunction of any bodily organ or part.

"Emergency services" means, with respect to an individual enrolled with a plan, covered inpatient and outpatient services that are furnished by a provider qualified to furnish these services and that are needed to evaluate and stabilize an emergency medical or dental condition.

"Enrollee" means a child who has been determined eligible for the program and who has been enrolled with a participating health plan.

"Enrollment broker" means the entity the department uses to enroll eligible children with a managed care organization. The enrollment broker must be conflict-free and meet all applicable requirements of state and federal law.

"Family" means anyone in the household, including all adults and children under the age of 19 who are counted in the hawki family size according to the modified adjusted gross income methodology.

"Federal poverty level" means the poverty income guidelines revised annually and published in the Federal Register by the United States Department of Health and Human Services.

"Good cause" means the family has demonstrated that one or more of the following conditions exist:

1. There was a serious illness or death of the enrollee or a member of the enrollee's family.
2. There was a family emergency or household disaster, such as a fire, flood, or tornado.
3. There was a reason beyond the enrollee's control.
4. There was a failure to receive the department's request for a reason not attributable to the enrollee. Lack of a forwarding address is attributable to the enrollee.

"Hawki program" or *"program"* means the healthy and well kids in Iowa program implemented in this chapter to provide health and dental care coverage to eligible children.

"Health insurance coverage" means health insurance coverage as defined in 45 CFR Section 144.103 as amended to August 1, 2024.

"Health Insurance Marketplace" or *"Exchange"* means the entity authorized under 42 U.S.C. Section 18031(d)(4)(F) (as amended to August 1, 2024) to evaluate and determine eligibility of applicants for Medicaid, the Children's Health Insurance Program (CHIP), and other health programs.

"Initial application" means the first program application or a subsequent application that is not a renewal.

"Institution for mental diseases" means the same as defined in 42 CFR Section 435.1010 as amended to August 1, 2024.

"Medical Assistance Advisory Council" or *"MAAC"* means the advisory body authorized by Iowa Code section 249A.4B.

"Modified adjusted gross income" means the methodology prescribed in 42 U.S.C. Section 1396a(e)(14) and 42 CFR 435.603 as amended to August 1, 2024.

"Participating dental plan" means any entity licensed by the division of insurance of the department of insurance and financial services to provide dental insurance in Iowa that has contracted with the department to provide dental insurance coverage to eligible children under this chapter.

"Participating health plan" or *"PHP"* means any entity licensed by the division of insurance of the department of insurance and financial services to provide health insurance in Iowa or an organized delivery system licensed by the director that has contracted with the department to provide health insurance coverage to eligible children under this chapter.

"Passive enrollment process" means the process by which the department assigns a child to a participating health or dental plan and which seeks to preserve existing provider-enrollee relationships, if possible. In the absence of existing relationships, the process ensures that members are equally distributed among all available health or dental plans.

"Physician" means the same as defined in Iowa Code section 135.1(4).

"Provider" means an individual, firm, corporation, association, or institution that is providing or has been approved to provide medical or dental care or services to an enrollee pursuant to the hawki program.

"Public institution" means the same as defined in 42 CFR Section 435.1010 as amended to August 1, 2024.

"Renewal" means any application used to establish ongoing eligibility, without a break in coverage, for any enrollment period subsequent to an enrollment period established by an initial application.

"Supplemental dental-only coverage" means dental care coverage provided to a child who meets the eligibility requirements for the hawki program except that the child is covered by health insurance through an individual or group health plan.

441—86.2(514I) Eligibility factors. The decision with respect to eligibility will be based primarily on electronic data matches and information furnished by the applicant, the enrollee, or a person acting on behalf of the applicant or enrollee. A child must meet the following eligibility factors to participate in the hawki program:

86.2(1) *Age.* The child shall be under 19 years of age. Eligibility for the program ends the first day of the month following the month of the child's nineteenth birthday.

86.2(2) *Income.*

a. Countable income. In determining initial and ongoing eligibility for the hawki program, countable income shall not exceed 302 percent of the federal poverty level for a family of the same size. Countable income shall be determined using the modified adjusted gross income methodology.

b. Verification of income. Income shall be verified through electronic data matches when possible or otherwise verified using the best information available.

(1) Pay stubs, tip records, tax records and employers' statements are acceptable forms of verification of earned income.

(2) If self-employment income cannot be verified through electronic means, business records or income tax returns from the previous year can be used if they are representative of anticipated earnings. If business records or tax returns from the previous year are not representative of anticipated earnings, an

average of the business records or tax returns from the previous two or three years may be used if that average is representative of anticipated earnings.

c. Changes in income. Once initial eligibility is established, changes in income during the 12-month enrollment period shall not affect the child's eligibility to participate in the hawki program. However, if income has decreased, the family may request a review of their income to establish whether they are required to continue paying a premium in accordance with rule 441—86.8(514I).

86.2(3) *Family size.* For purposes of establishing initial and ongoing eligibility under the hawki program, the family size shall be determined according to the modified adjusted gross income methodology.

86.2(4) *Uninsured status.* The child must be uninsured as outlined in 42 CFR 457 as amended to August 1, 2024.

86.2(5) *Ineligibility for Medicaid.* The child shall not be receiving Medicaid or eligible to receive Medicaid except when the child would be required to meet a spenddown under the medically needy program in accordance with the provisions of 441—subrule 75.1(35).

86.2(6) *Iowa residency.* Residency in Iowa is a condition of eligibility for the hawki program. Residency shall be established in accordance with rule 441—75.10(249A).

86.2(7) *Citizenship and immigration status.* To be eligible for the hawki program, the child shall be a citizen or lawfully admitted immigrant. The criteria established under 441—subrule 75.11(2) shall be followed when determining whether a lawfully admitted immigrant child is eligible to participate in the hawki program.

a. The citizenship or immigration status of the parents or other responsible person shall not be considered when determining the eligibility of the child to participate in the program.

b. As a condition of eligibility for hawki:

(1) All applicants shall attest to their citizenship status by signing the application form, which contains a citizenship declaration.

(2) When a child under the age of 19 is not living independently, the child's parent or other responsible person with whom the child lives shall be responsible for attesting to the child's citizenship or immigration status and for providing any required proof of the status.

c. Except as provided in 441—paragraph 75.11(2)*"f,"* applicants or enrollees for whom an attestation of United States citizenship has been made pursuant to paragraph 86.2(7)*"b"* shall present satisfactory documentation of citizenship or nationality as defined in 441—paragraphs 75.11(2)*"d,""e,""g,""h,"* and *"i."*

d. An applicant or enrollee shall have a reasonable opportunity period to obtain and provide proof of citizenship and nationality in accordance with 441—paragraph 75.11(2)*"c."*

e. Failure to provide acceptable documentary evidence for a child shall not affect the eligibility of other children in the family for whom acceptable documentary evidence has been provided.

86.2(8) *Dependents of state of Iowa employees.* The child shall not be eligible for the hawki program if the child is eligible for health insurance coverage as a dependent of a state of Iowa employee unless the state contributes only a nominal amount toward the cost of dependent coverage. "Nominal amount" means $10 or less per month.

86.2(9) *Inmates of public institutions.* The child shall not be an inmate of a public institution as defined at 42 CFR Section 435.1010 as amended to August 1, 2024.

86.2(10) *Inmates of institutions for mental disease.* At the time of application or annual review of eligibility, the child shall not be an inmate of an institution for mental disease as defined at 42 CFR Section 435.1010 as amended to August 1, 2024.

86.2(11) *Furnishing a social security number.* As a condition of eligibility and in accordance with rule 441—75.7(249A), a social security number or proof of application for the number if the number has not been issued or is not known must be furnished for a child for whom coverage under hawki is being requested or received.

441—86.3(514I) Application process.

86.3(1) *Who may apply.* Each person wishing to do so shall have the opportunity to apply for the hawki program in accordance with rule 441—76.1(249A).

86.3(2) *Place of filing.* An application for the hawki program may be filed with the department through an Internet website, by telephone, through other electronic means, or through an exchange, disproportionate share hospital, federally qualified health center, or other facility in which outstationing activities are provided.

86.3(3) *Right to withdraw application.* After an application has been filed, the applicant may withdraw the application at any time prior to the eligibility determination. Requests for voluntary withdrawal of the application will be documented, and the applicant will be sent a notice of decision confirming the request.

86.3(4) *Application not required.*

a. An application will not be required when a child becomes ineligible for Medicaid.

b. A new application will not be required when an eligible child is added to an existing hawki eligible group.

c. A new application will not be required when a child moves between supplemental dental-only coverage as specified in rule 441—86.20(514I) and full medical and dental coverage.

86.3(5) *Information and verification procedure.* The eligibility decision will be based primarily on information furnished by the applicant, enrollee, or person acting on behalf of the applicant or enrollee and verified through electronic data matches whenever possible.

a. The applicant, enrollee, or person acting on behalf of the applicant or enrollee will be notified in writing of additional information or verification that is required to establish eligibility. The notice may be provided personally, by U.S. mail, by email, or by facsimile.

b. Failure to supply the information or verification or refusal to authorize the department to secure the information will be a basis for rejection of the application or cancellation of coverage. If the requested information or authorization is received within 14 calendar days of the notice of decision on an application or within 14 calendar days of the effective date of cancellation for enrollees, the information or authorization will be acted upon as though it had been provided timely. If the fourteenth calendar day falls on a weekend or state holiday, the applicant or enrollee shall have until the next business day to provide the information.

c. The applicant, enrollee, or person acting on behalf of the applicant or enrollee will have 10 working days to supply the information or verification requested. The due date may be extended for a reasonable period when the applicant, enrollee, or person acting on behalf of the applicant or enrollee is making every effort but is unable to secure the required information or verification from a third party.

86.3(6) *Time limit for decision.* Decisions regarding the applicant's eligibility to participate in the hawki program will be made within 45 working days from the date of receiving the completed application and all necessary information and verification unless the application cannot be processed for reasons beyond the control of the department. Day one of the 45-day period starts the first working day following the date of receipt of a completed application and all necessary information and verification.

86.3(7) *Applicant cooperation.* An applicant must cooperate with the department in the application process, which may include providing verification or signing documents. Failure to cooperate with the application process shall serve as basis for a denial of the application.

86.3(8) *Waiting lists.* When the department has established that all the funds appropriated for this program are obligated, all subsequent applications for hawki coverage will be denied unless Medicaid eligibility exists.

a. The department will mail a notice of decision to the applicant that states:

(1) The applicant meets the eligibility requirements but that no funds are available and that the applicant will be placed on a waiting list, or

(2) The applicant does not meet eligibility requirements, in which case the applicant will not be put on a waiting list.

b. Prior to an applicant's being denied or placed on the waiting list, it must be established that the child is not eligible for Medicaid.

c. Applicants will be placed on the waiting list on the basis of the date an identifiable application form specified in rule 441—76.1(249A) is received.

(1) In the event that more than one application is received on the same day, applicants will be placed on the waiting list on the basis of the day of the month of the oldest child's birthday, the lowest number being first on the list.

(2) Any subsequent ties will be determined by the month of birth of the oldest child, January being month one and the lowest number.

d. If funds become available, applicants will be selected from the waiting list based on the order in which their names appear on the list and will be notified of their selection.

e. After being notified of the availability of funding, the applicant shall have 15 working days to confirm the applicant's continued interest in applying for the program and to provide any information necessary to establish eligibility. If the applicant does not confirm continued interest in applying for the program and does not provide any additional information necessary to establish eligibility within 15 working days, the applicant's name will be deleted from the waiting list and the next applicant on the waiting list will be contacted.

441—86.4(514I) Coordination with Medicaid.

86.4(1) *Hawki applicant eligible for Medicaid.* At the time of initial application, if it is determined the child is eligible for Medicaid in accordance with the provisions of rule 441—75.1(249A), with the exception of meeting a spenddown under the medically needy program at 441—subrule 75.1(35), the child will be enrolled in the Medicaid program.

86.4(2) *Hawki enrollee eligible for Medicaid.* At the time of the annual review, if the child is determined eligible for Medicaid in accordance with the provisions of rule 441—75.1(249A), with the exception of meeting a spenddown under the medically needy program at 441—subrule 75.1(35), the child will be enrolled in Medicaid effective the first day following the expiration of the 12-month hawki enrollment period.

86.4(3) *Medicaid member becomes ineligible.* If a child becomes ineligible for Medicaid under the provisions of rule 441—75.1(249A), with the exception of meeting a spend down under the medically needy program at 441—subrule 75.1(35), the child will be enrolled in the hawki program if otherwise eligible.

441—86.5(514I) Effective date of coverage.

86.5(1) *Initial application.* Coverage for a child who is determined eligible for the hawki program on the basis of an initial application for either hawki or Medicaid will be effective the first day of the month following the month in which the application is filed, regardless of the day of the month the application is filed. However, when the child does not meet the provisions of paragraph 86.2(4)*"a,"* coverage shall be effective the first day of the month following the month in which health insurance coverage is lost.

86.5(2) *Referrals from Medicaid.*

a. Cancellation of Medicaid. Coverage for children who are determined eligible for the hawki program due to cancellation of Medicaid benefits will be effective the first day of the month after Medicaid eligibility is lost in order to ensure that there is no break in coverage.

b. If the child lost Medicaid eligibility solely because of the loss of income disregards from the implementation of the modified adjusted gross income methodology, the child may be covered under the hawki program for up to 12 months following the loss of Medicaid eligibility, regardless of the presence of other health insurance coverage.

86.5(3) *Annual renewals.* Coverage for children who are determined eligible for the hawki program on the basis of an annual renewal will be effective the first day of the month following the month in which the previous enrollment period ended.

86.5(4) *Children added to an existing hawki enrollment period.* Coverage for children who are determined eligible for the hawki program on the basis of a request from the family to add the child to an

existing enrollment period will be effective the first day of the month following the month in which the request was made.

441—86.6(514I) Selection of a plan. Upon the child's eligibility effective date, the child will be assigned to a health or dental plan using the department's passive enrollment process. The enrollee may change plans only at the time of the annual review unless the provisions of paragraph 86.6(1)*"a"* or subrule 86.6(2) apply.

86.6(1) *Period of enrollment.* Once enrolled in a health or dental plan, the child will remain enrolled in the health or dental plan for a period of 12 months.

a. Exceptions. A child may be enrolled in a plan for less than 12 months if:

(1) The child is disenrolled in accordance with the provisions of rule 441—86.7(514I). If a child is disenrolled from the health or dental plan and subsequently reapplies before the end of the original 12-month enrollment period, the child will be enrolled in the health or dental plan from which the child was originally disenrolled.

(2) The child is added to an existing enrollment. When a family requests to add an eligible child, the child will be enrolled for the months remaining in the current enrollment period.

(3) A request to change plans is accepted in accordance with paragraph 86.6(1)*"b."*

b. Request to change plan. An enrollee may ask to change the health or dental plan either verbally or in writing to the enrollment broker:

(1) Within 90 days following the date of the enrollee's initial enrollment with the health or dental plan for any reason.

(2) At any time for cause. "Cause" as defined in 42 CFR 438.56(d)(2) as amended to August 1, 2024, includes but is not limited to:

1. The enrollee moves out of the plan's service area.
2. Because of moral or religious objections, the plan does not cover the services the enrollee seeks.
3. The enrollee needs related services (for example, a cesarean section and a tubal ligation) to be performed at the same time, not all related services are available within the network, and the enrollee's primary care provider or another provider determines that receiving the services separately would subject the enrollee to unnecessary risk.
4. Other reasons including but not limited to poor quality of care, lack of access to services covered under the contract, or lack of access to providers experienced in dealing with the enrollee's health care needs.

All approved changes shall be made prospectively and shall be effective no later than the first day of the second month beginning after the date on which the change request is received.

86.6(2) *Child moves from the service area.* The child may be disenrolled from the health or dental plan when the child moves to an area of the state in which the health or dental plan does not have a provider network established. If the child is disenrolled, the child will be enrolled in a participating health or dental plan in the new location. The period of enrollment will be the number of months remaining in the original certification period.

86.6(3) *Change at annual review.* If more than one health or dental plan is available at the time of the annual review of eligibility, the family may designate another plan either verbally or in writing to the enrollment broker. The child will remain enrolled in the current health or dental plan if the family does not notify the enrollment broker of a new health or dental plan choice by the end of the current 12-month enrollment period.

441—86.7(514I) Cancellation. The child's eligibility for the hawki program shall be canceled before the end of the 12-month enrollment period for any of the following:

86.7(1) *Age.* The child shall be canceled from the hawki program as of the first day of the month following the month in which the child attained the age of 19.

86.7(2) *Iowa residence abandoned.* The child shall be canceled from the program as of the first day of the month following the month in which the child relocated to another state. Eligibility shall not be

canceled when the child is temporarily absent from the state in accordance with the provisions of 441—subrule 75.10(2).

86.7(3) *Eligible for Medicaid.* The child shall be canceled from the program as of the first day of the month following the month in which Medicaid eligibility is obtained. If there are months during which the child is covered by both the Medicaid and hawki programs, the hawki program shall be the primary payor and Medicaid shall be the payor of last resort.

86.7(4) *Enrolled in other health insurance coverage.* The child shall be canceled from the program as of the first day of the month following the month in which the department is notified that the child has other health insurance coverage. If there are months during which the child is covered by both another insurance plan and the hawki program, the other insurance plan shall be the primary payor and hawki shall be the payor of last resort.

86.7(5) *Admission to a public institution.* The child shall be canceled from the program if the child is in a public institution at the time of the annual review.

86.7(6) *Admission to an institution for mental disease.* The child shall be canceled from the program if the child is a patient in an institution for mental disease at the time of annual review.

86.7(7) *Employment with the state of Iowa.* The child shall be canceled from the hawki program as of the first day of the month in which the child's parent became eligible to participate in a health or dental plan available to state of Iowa employees.

441—86.8(514I) Premiums and copayments.

86.8(1) *Income considered.* The income considered in determining the premium amount will be the family's countable income using the modified adjusted gross income methodology.

86.8(2) *Premium amount.* Except as specified for supplemental dental-only coverage in subrule 86.20(3), premiums under the hawki program will be assessed as follows:

a. No premium is charged if:

(1) The eligible child is an American Indian or Alaska Native; or

(2) The family's countable income is less than 181 percent of the federal poverty level for a family of the same size.

b. If the family's countable income is equal to or exceeds 181 percent of the federal poverty level for a family of the same size but does not exceed 242 percent of the federal poverty level for a family of that size, the premium is $10 per child per month with a $20 monthly maximum per family.

c. If the family's countable income is equal to or exceeds 243 percent of the federal poverty level for a family of the same size, the premium is $20 per child per month with a $40 monthly maximum per family.

86.8(3) *Due date.*

a. Payment upon initial application. Upon approval of an initial application, the first month for which a premium is due is the third month following the month of decision. The due date of the first premium shall be the fifth day of the second month following the month of decision.

b. Payment upon renewal.

(1) Upon approval of a renewal, the first month for which a premium is due is the first month of the enrollment period. The premium for the first month of the enrollment period shall be due by the fifth day of the month before the month of coverage or the tenth business day following the date of decision, whichever is later.

(2) When the premium is received, the department will notify the health and dental plans of the enrollment.

c. Subsequent payments. All subsequent premiums are due by the fifth day of each month for the next month's coverage. Premiums may be paid in advance (e.g., on a quarterly or semiannual basis) rather than a monthly basis.

d. Holiday or weekend. When the premium due date falls on a holiday or weekend, the premium shall be due on the first business day following the due date.

86.8(4) *Grace period.* A grace period will be allowed on any monthly premium not received as prescribed in paragraph 86.8(3)*"c."* The grace period will be the month immediately following the last month for which the premium has been paid.

a. Failure to submit a premium by the last calendar day of the grace period will result in disenrollment.

b. If the premium for the grace period and the premium for the following month's coverage are subsequently received within 45 calendar days following the last calendar day of the grace period, coverage will be reinstated, effective the first day of the calendar month following the grace period, without the need to reapply for coverage.

86.8(5) *Method of premium payment.* Premiums may be submitted in the form of cash, personal checks, electronic funds transfers (EFT), or other methods established by the department.

86.8(6) *Copayment.* There will be a $25 copayment for each emergency room visit if the child's medical condition does not meet the definition of emergency medical condition. A copayment will not be imposed when family income is less than 181 percent of the federal poverty level for a family of the same size or when the child is an eligible American Indian or Alaska Native.

441—86.9(514I) Annual reviews of eligibility. All eligibility factors will be reviewed at least every 12 months to establish ongoing eligibility for the program. "Month one" will be the first month in which coverage is provided.

86.9(1) *Review form.* The department will send the family a prepopulated review form on which the answers, except for income, have been completed based on the information on file. The family shall review the completed information for accuracy and fill in the income section of the form. If family income cannot be verified through electronic data matches, the family shall be required to provide verification of current income. The family shall sign and date the form attesting to its accuracy as part of the review process.

86.9(2) *Failure to provide information.* The child shall not be enrolled for the next 12-month period if the family fails to provide information and verification of income or otherwise fails to cooperate in the annual review process. If the completed review form and any information necessary to establish continued eligibility are received within 14 calendar days of the end of an enrollment period, the review form and information will be acted upon as though they had been received timely. If the fourteenth calendar day falls on a weekend or state holiday, the enrollee shall have until the next business day to provide the review form and any information necessary to establish continued eligibility.

441—86.10(514I) Reporting changes. Changes that may affect eligibility shall be reported timely to the department. "Timely" shall mean no later than ten working days after the change occurred. The ten working-day period begins the first working day following the date of the change. The parent, guardian, or other adult responsible for the child shall report the change unless the child is emancipated, married, or otherwise in an independent living situation, in which case the child shall be responsible for reporting the change.

86.10(1) *Iowa residence is abandoned.* The abandonment of Iowa residence shall be reported following the move from the state.

86.10(2) *Other insurance coverage.* Enrollment of the child in other health insurance coverage shall be reported.

86.10(3) *Decrease in income.* If the family reports a decrease in income, the department will ascertain whether the change affects the premium obligation of the family. If the change is such that the family is no longer required to pay a premium in accordance with the provisions of rule 441—86.8(514I), premiums will no longer be charged beginning with the month following the month of the report of the change.

86.10(4) *Information reported by a third party.* Information reported by a third party will not be acted upon until the information is verified in accordance with subrule 86.3(7).

86.10(5) *Cooperation.* The provisions of subrule 86.3(7) shall apply when a request for information or verification is made due to a change. In addition, failure of the enrollee or of the person acting on

behalf of the enrollee to provide requested information or verification that may affect eligibility for the program shall result in cancellation and recoupment of all payments made by the department on behalf of the enrollee during the period in question.

86.10(6) *Effective date of change in eligibility.*

a. When a change in circumstances has a positive effect on eligibility, the change in eligibility shall be effective no earlier than the month following the month in which the change in circumstances was reported, regardless of when the change was reported.

b. When a change in circumstances has an adverse effect on eligibility, the change in eligibility shall be effective no earlier than the month following the issuance of a timely notification, in accordance with the provisions of rule 441—86.11(514I). When the change in circumstances was not reported timely, as defined in this rule, benefits shall be recouped beginning with the month following the month in which the change occurred.

c. When an anticipated change in circumstances is reported before the change occurs, no action will be taken until the change actually occurs and is verified in accordance with the provisions of subrule 86.3(7).

441—86.11(514I) Notice requirements. The applicant will be provided an adequate written notice of the decision regarding the applicant's eligibility for the hawki program. The enrollee will be notified in writing of any decision that adversely affects the enrollee's eligibility or the amount of benefits. The notice will be timely and adequate as provided in rule 441—16.2(17A).

441—86.12(514I) Appeals and fair hearings. If the applicant or enrollee disputes a decision to reduce, cancel or deny participation in the hawki program, the applicant or enrollee may appeal the decision in accordance with 441—Chapter 7.

441—86.13(514I) Covered services. The benefits provided under the hawki program shall meet a benchmark, benchmark equivalent, or benefit plan that complies with Title XXI of the federal Social Security Act as amended to August 1, 2024.

86.13(1) *Required medical services.* The participating health plan shall cover at a minimum the following medically necessary services:

a. Inpatient hospital services (including medical, surgical, intensive care unit, mental health, and substance abuse services).

b. Physician services (including surgical and medical, and including office visits, newborn care, well-baby and well-child care, immunizations, urgent care, specialist care, allergy testing and treatment, mental health visits, and substance abuse visits).

c. Outpatient hospital services (including emergency room, surgery, lab, and x-ray services and other services).

d. Ambulance services.

e. Physical therapy.

f. Nursing care services (including skilled nursing facility services).

g. Speech therapy.

h. Durable medical equipment.

i. Home health care.

j. Hospice services.

k. Prescription drugs.

l. Hearing services.

m. Vision services (including corrective lenses).

n. Translation and interpreter services as specified pursuant to 42 U.S.C. Section 1397ee(a)(1) as amended to August 1, 2024.

o. Chiropractic services.

p. Occupational therapy.

86.13(2) *Abortion.* Payment for abortion shall only be made under the following circumstances:

a. The physician certifies that the pregnant enrollee suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would place the enrollee in danger of death unless an abortion is performed.

b. The pregnancy was the result of an act of rape or incest.

86.13(3) *Required dental services.* Participating dental plans shall cover at a minimum the following necessary dental services:

a. Diagnostic and preventive services.

b. Routine and restorative services.

c. Endodontic services.

d. Periodontal services.

e. Cast restorations.

f. Prosthetics.

441—86.14(514I) Participating health and dental plans.

86.14(1) *Licensure.* The participating health or dental plan must:

a. Be licensed by the division of insurance of the department of insurance and financial services to provide health or dental care coverage in Iowa; or

b. Be an organized delivery system licensed by the director to provide health or dental care coverage.

86.14(2) *Services.* The participating health or dental plan shall provide coverage for the services specified in rule 441—86.13(514I) to all children determined eligible.

a. The participating health or dental plan shall make services it provides to hawki enrollees at least as accessible to the enrollees (in terms of timeliness, duration and scope) as those services are accessible to other commercial enrollees in the area served by the health or dental plan.

b. Participating health plans shall ensure that emergency services (inpatient and outpatient) are available for treatment of an emergency medical condition 24 hours a day, seven days a week, either through the health plan's own providers or through arrangements with other providers.

c. If a participating health or dental plan does not provide statewide coverage, the health or dental plan shall participate in every county in which it is licensed and in which a provider network has been established.

86.14(3) *Provider network.* The participating health or dental plan shall establish a network of providers. Providers contracting with the participating health or dental plan shall comply with hawki requirements, which shall include collecting copayments, if applicable.

86.14(4) *Identification cards.* Identification cards shall be issued by the participating health or dental plan to the enrollees for use in securing covered services.

86.14(5) *Marketing.*

a. Participating health and dental plans may not distribute any marketing materials directly or through an agent or independent contractor.

b. All marketing materials require prior approval from the department.

c. At a minimum, participating health and dental plans must provide the following material in writing or electronically:

(1) A current member handbook that fully explains the services available, how and when to obtain them, and special factors applicable to the hawki enrollees. At a minimum the handbook shall include covered services, network providers, exclusions, emergency services procedures, 24-hour toll-free number for certification of services, daytime number to call for assistance, appeal procedures, enrollee rights and responsibilities, and definitions of terms.

(2) All health and dental plan literature and brochures shall be available in English and any other language when enrollment in the health or dental plan by enrollees who speak the same non-English language equals or exceeds 10 percent of all enrollees in the health or dental plan.

d. All health and dental plan literature and brochures shall be approved by the department.

e. The participating health and dental plans shall not, directly or indirectly, conduct door-to-door, telephonic, or other "cold-call" marketing.

f. The participating health or dental plan may make marketing presentations at the discretion of the department.

86.14(6) *Appeal process.* The participating health or dental plan shall have a written procedure by which enrollees may appeal issues concerning the health or dental care services provided through providers contracted with the health or dental plan and which:

a. Is approved by the department prior to use.

b. Acknowledges receipt of the appeal to the enrollee.

c. Establishes time frames that ensure that appeals be resolved within 45 days, except for appeals that involve emergency medical conditions, which shall be resolved within time frames appropriate to the situations.

d. Ensures the participation of persons with authority to take corrective action.

e. Ensures that the decision be made by a physician, dentist, or clinical peer not previously involved in the case.

f. Ensures the confidentiality of the enrollee.

g. Ensures issuance of a written decision to the enrollee for each appeal, which shall contain an adequate explanation of the action taken and the reason for the decision.

h. Maintains a log of the appeals that is made available to the department at the department's request.

i. Ensures that the participating health or dental plan's written appeal procedures be provided to each newly covered enrollee.

j. Requires that the participating health or dental plan make quarterly reports to the department summarizing appeals and resolutions.

86.14(7) *Records and reports.* The participating health and dental plans shall maintain records and reports as follows:

a. The health or dental plan shall comply with the provisions of rule 441—79.3(249A) regarding maintenance and retention of clinical and fiscal records and shall file a letter with the commissioner of insurance as described in Iowa Code section 228.7. In addition, the health or dental plan or subcontractor of the health or dental plan, as appropriate, must maintain a medical or dental records system that:

(1) Identifies each medical or dental record by hawki enrollee identification number.

(2) Maintains a complete medical or dental record for each enrollee.

(3) Provides a specific medical or dental record on demand.

(4) Meets state and federal reporting requirements applicable to the hawki program.

(5) Maintains the confidentiality of medical or dental records information and releases the information only in accordance with established policy below:

1. All medical and dental records of the enrollee shall be confidential and shall not be released without the written consent of the enrollee or responsible party.

2. Written consent is not required for the transmission of medical or dental records information to physicians, dentists, other practitioners, or facilities that are providing services to enrollees under a subcontract with the health or dental plan. This provision also applies to specialty providers who are retained by the health or dental plan to provide services that are infrequently used, which provide a support system service to the operation of the health or dental plan, or that are of an unusual nature. This provision is also intended to waive the need for written consent for department staff assisting in the administration of the program, reviewers from the peer review organization (PRO), monitoring authorities from the Centers for Medicare and Medicaid Services (CMS), the health or dental plan itself, and other subcontractors that require information as described under numbered paragraph "5" below.

3. Written consent is not required for the transmission of medical or dental records information to physicians, dentists, or facilities providing emergency care pursuant to paragraph 86.14(2)*"b."*

4. Written consent is required for the transmission of the medical or dental records information of a former enrollee to any physician or dentist not connected with the health or dental plan.

5. The extent of medical or dental records information to be released in each instance shall be based upon a test of medical or dental necessity and a "need to know" on the part of the practitioner or a facility requesting the information.

6. Medical and dental records maintained by subcontractors shall meet the requirements of this rule except that written consent is required for the transmission of medical records relating to substance abuse, HIV, or mental health treatment in accordance with state and federal laws.

b. Each health or dental plan shall provide at a minimum reports and plan information to the department as follows:

(1) A list of providers of services under the plan.

(2) Encounter data on a monthly basis as required by the department.

(3) Other information as directed by the department.

c. Each health or dental plan shall at a minimum provide reports and health or dental plan information to the department as follows:

(1) Information regarding the plan's appeal process.

(2) A plan for a health improvement program.

(3) Periodic financial, utilization and statistical reports as required by the department.

(4) Time-specific reports that define activity for child health care, appeals and other designated activities that may, at the department's discretion, vary among plans, depending on the services covered or other differences.

(5) Other information as directed by the department.

86.14(8) *Payment to the participating health or dental plan.*

a. In consideration for all services rendered by a health or dental plan, the health or dental plan shall receive a payment each month for each enrollee. This capitation rate represents the total obligation of the department with respect to the costs of medical or dental care and services provided to the enrollees.

b. The capitation rate shall be actuarially determined by the department July of 2000 and each fiscal year thereafter using statistics and data assumptions and relevant experience derived from similar populations.

c. The capitation rate does not include any amounts for the recoupment of losses suffered by the health or dental plan for risks assumed under the current or any previous contract. The health or dental plan accepts the rate as payment in full for the contracted services. Any savings realized by the health or dental plan due to lower utilization from a less frequent incidence of health or dental problems among the enrolled population shall be wholly retained by the health or dental plan.

d. If an enrollee has third-party coverage or a responsible party other than the hawki program available for purposes of payment for medical or dental expenses, it is the right and responsibility of the health or dental plan to investigate these third-party resources and attempt to obtain payment. The health or dental plan shall retain all funds collected through third-party sources. A complete record of all income from these sources must be maintained and made available to the department.

441—86.15(514I) Use of donations to the hawki program. If an individual or other entity makes a monetary donation to the hawki program, the department will deposit the donation into the hawki trust fund. The department will track all donations separately and will not commingle the donations with other moneys in the trust fund. The department shall report the receipt of all donations to MAAC.

86.15(1) If the donor specifically identifies the purpose of the donation, regardless of the amount, the donation shall be used as specified by the donor as long as the identified purpose is permissible under state and federal law.

86.15(2) If the donation is less than $5,000 and the donor does not specifically identify how it is to be used, the department will use the moneys in the following order:

a. For the direct benefit of enrollees (e.g., premium payments).

b. For outreach activities.

c. For other purposes as determined by MAAC.

86.15(3) If the donation is more than $5,000 and the donor does not specify how the funds are to be used, MAAC will determine how the funds are to be used.

441—86.16(514I) Recovery.

86.16(1) *Amount subject to recovery from the enrollee or representative.* The department may recover from the enrollee or the enrollee's representative the amount of premiums incorrectly paid to a health or dental plan on behalf of the enrollee due to client error, minus any premium payments made by the enrollee, in accordance with 441—Chapter 11.

a. Premiums incorrectly paid to a health or dental plan on behalf of an enrollee due to an administrative error are not subject to recovery from the enrollee.

b. Payments made by a health or dental plan to a provider of medical or dental services are not subject to recovery from the enrollee regardless of the cause of the error.

86.16(2) *Notification.* The enrollee will be promptly notified when it is determined that funds were incorrectly paid due to a client error. Notification shall include:

a. The name of the person for whom funds were incorrectly paid;

b. The period during which the funds were incorrectly paid;

c. The amount subject to recovery; and

d. The reason for the incorrect payment.

86.16(3) *Recovery.*

a. Recovery shall be made:

(1) From the enrollee when the enrollee completed the application and had responsibility for reporting changes, or

(2) From the enrollee's representative (i.e., the parent, guardian, or other responsible person acting on behalf of an enrollee who is under the age of 19) when the representative completed the application and had responsibility for reporting changes.

b. The enrollee or representative shall repay to the department the funds incorrectly expended on behalf of the enrollee.

c. Recovery may come from income, income tax refunds, lottery winnings, or other resources of the enrollee or representative.

86.16(4) *Appeals.* The enrollee shall have the right to appeal a decision to recover benefits under the provisions of 441—Chapter 7.

441—86.17(514I) Supplemental dental-only coverage.

86.17(1) *Eligibility.* Unless otherwise specified, eligibility for supplemental dental-only coverage shall be determined in accordance with the provisions of rules 441—86.2(514I) through 441—86.12(514I) and 441—86.17(514I).

86.17(2) *Premiums.* Premiums for participation in the supplemental dental-only plan are assessed as follows:

a. No premium is charged to families whose countable income is less than or equal to 167 percent of the federal poverty level for a family of the same size using the modified adjusted gross income methodology or to an eligible child who is an American Indian or Alaska Native.

b. If the family's countable income is equal to or exceeds 168 percent of the federal poverty level but does not exceed 203 percent of the federal poverty level for a family of the same size, the premium is $5 per child per month with a $10 monthly maximum per family.

c. If the family's countable income exceeds 203 percent of the federal poverty level but does not exceed 254 percent of the federal poverty level for a family of the same size, the premium is $10 per child per month with a $15 monthly maximum per family.

d. If the family's countable income exceeds 254 percent of the federal poverty level for a family of the same size, the premium is $15 per child per month with a $20 monthly maximum per family.

e. If the family includes uninsured children who are eligible for both medical and dental coverage under hawki and insured children who are eligible only for dental coverage, the premium will be assessed as follows:

(1) The total premium will be no more than the amount that the family would pay if all the children were eligible for both medical and dental coverage.

(2) If the family has one child eligible for both medical and dental coverage and one child eligible for dental coverage only, the premium will be the total of the health and dental premium for one child and the dental premium for one child.

(3) If the family has two or more children eligible for both medical and dental coverage, no additional premium shall be assessed for dental-only coverage for the children who do not qualify for medical coverage under hawki because they are covered by health insurance.

f. The provisions of subrules 86.8(3) through 86.8(6) apply to premiums specified in this subrule.

86.17(3) *Waiting lists.* Before the provisions of subrule 86.3(10) are implemented, all children enrolled in supplemental dental-only coverage shall be disenrolled from the program.

These rules are intended to implement Iowa Code chapter 514I and 2024 Iowa Acts, Senate File 2385.

[Filed 7/7/25, effective 10/1/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9469C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to licensure of nursing home administrators

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 980, "Licensure of Nursing Home Administrators," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 17A, 147, 155 and 272C.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 147, 155 and 272C.

Purpose and Summary

This rulemaking implements Iowa Code chapter 155 and section 272C.2 as amended by 2024 Iowa Acts, House File 2013. This rulemaking extends the nursing home administrator provisional license from 12 months to 24 months. The intended benefit of this rulemaking is to ensure that licensees have additional time in order to meet full licensure requirements and allow the nursing home facilities to retain provisional administrators for longer periods of time.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8948C**. A public hearing was held on the following date(s):

- March 11, 2025

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on May 14, 2025, as **ARC 9273C**. Public comments from the Iowa Health Care Association were received following the Amended Notice stating concerns regarding preapproving preceptors. Since this did not cause a delay for licensure, the Board of Nursing Home Administrators approved the proposed amendments with no changes.

No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on July 14, 2025.

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 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend paragraph **980.2(3)"c"** as follows:

c. Completion of one of the following:

(1) Administrator training program supervised by a preceptor who meets the requirements outlined in rule 481—980.4(155);

(2) Practicum in long-term health care completed through an accredited college or university; or

(3) 2,080 hours of long-term health care administration or health-care-related experience in a nursing home may be approved by ~~the~~ board staff.

ITEM 2. Amend rule 481—980.4(155) as follows:

481—980.4(155) Preceptor qualifications. Preceptor qualifications are as follows:

980.4(1) Current licensure and at least two years of experience as a nursing home administrator.

980.4(2) Completion of ~~a~~ NAB's preceptor training course or another board-approved training course prior to the preceptorship.

980.4(3) Preceptor has not had the preceptor's nursing home administrator license disciplined, limited, suspended, or placed on probation during the one year immediately prior to ~~the approval to act as a preceptor~~ the preceptorship.

980.4(4) Is not related to the training administrator.

980.4(5) Is approved by board staff prior to preceptorship.

ITEM 3. Amend rule 481—980.5(155) as follows:

481—980.5(155) Provisional license. A provisional license may be issued to an administrator appointed on a temporary basis to perform the duties of a nursing home administrator. A provisional license is considered a temporary appointment, and the person appointed may serve as an administrator for a period of time not to exceed ~~12~~ 24 months in an entire career. The ~~12~~ 24 months in service are not required to be consecutive; however, a new application is required for each appointment period. It is the

responsibility of the approved provisional administrator to maintain documentation of the actual dates the administrator serves in that capacity.

980.5(1) No change.

980.5(2) Application for a provisional license shall be in writing on forms prescribed by the board. Applicants will meet the following minimum qualifications:

a. Be at least ~~18~~ 20 years of age.

b. to *d.* No change.

e. Provide evidence to establish that the provisional appointment will not exceed the lifetime maximum period of ~~12~~ 24 calendar months in duration. For any period in which the applicant previously served as a provisional administrator, written employment verification or a written attestation of the facility owner, chief operating officer, or board officer will satisfy this requirement.

f. No change.

980.5(3) and **980.5(4)** No change.

ITEM 4. Amend subrule 980.6(1) as follows:

980.6(1) An applicant who has been a licensed nursing home administrator under the laws of another jurisdiction will file an application for licensure by endorsement with the board office. The board may receive by endorsement any applicant from the District of Columbia or another state, territory, province or foreign country who:

a. Meets the requirements of rule 481—980.2(155)~~.~~, and

b. Provides evidence of an active license as a nursing home administrator for at least two years just prior to application, or meets the qualifications outlined in rule ~~481—980.4(155)~~ 481—980.2(155).

ITEM 5. Amend paragraph **980.7(3)"a"** as follows:

a. Meet the continuing education requirements of rule 481—981.2(272C) and the mandatory reporting requirements of subrule ~~980.9(8)~~ 980.7(8). 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

[Filed 7/17/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9470C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to discipline for hearing aid specialists

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 2063, "Discipline for Hearing Aid Specialists," Iowa Administrative Code, and adopts a new Chapter 2063 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 147.76, 272C.2 and 272C.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 147, 154A and 272C.

Purpose and Summary

This rulemaking implements 2024 Iowa Acts, Senate File 2385, which eliminated the Hearing Aid Specialist Board and changed that terminology to Department.

The rulemaking provides protection to Iowans because the rulemaking publicly defines required professional standards for hearing aid specialists. This is important to both the public and to the licensee because the rule 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, it can subject a licensee 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 Department 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 Health and Human Services (HHS) 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 chapter contains only those disciplinary grounds that are unique to the hearing aid specialist profession and are therefore excluded from the general disciplinary chapter.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 14, 2025, as **ARC 9272C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on June 18, 2025.

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 481—Chapter 2063 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2063
DISCIPLINE FOR HEARING AID SPECIALISTS

481—2063.1(154A,272C) Grounds for discipline. The department may impose any of the disciplinary sanctions provided in rule 481—504.3(272C) when the department determines that the licensee is guilty of any of the following acts or offenses or those listed in 481—Chapter 504:

2063.1(1) Failure to comply with the current Code of Ethics of the International Hearing Society (2023). The department hereby adopts by reference the current Code of Ethics of the International Hearing Society, available at www.ihsinfo.org.

2063.1(2) Advertising that hearing testing or hearing screening is a medical examination used to diagnose or refer.

2063.1(3) Except in cases of selling replacement hearing aids of the same make or model within one year of the original sale, a hearing aid will not be sold without adequate diagnostic testing and evaluation using established procedures to assess hearing needs as defined in 481—Chapter 2062. Testing equipment will be calibrated to current standards at least annually or more often if necessary. The distributor will keep with the testing equipment a certificate indicating the date of calibration.

This rule is intended to implement Iowa Code chapters 147, 154A and 272C.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9471C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to factory-built structures

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 16, "State Building Code—Factory-Built Structures," Iowa Administrative Code, and adopts a new Chapter 16 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 103A.7 and 103A.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 103A.

Purpose and Summary

This rulemaking repromulgates Chapter 16 and implements Iowa Code chapter 103A in accordance with the goals and directives of Executive Order 10. Iowa Code section 103A.7(1) empowers the State Building Code Commissioner to formulate, adopt, and periodically amend or revise and to promulgate, in conformity with and subject to the conditions set forth in Iowa Code chapter 103A, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public. Pursuant to Iowa Code section 103A.7(2)"c," the rules shall include reasonable provisions for the manufacture and installation of factory-built structures. Iowa Code section 103A.9 states that the State Building Code shall contain provisions relating to the manufacture and installation of factory-built structures.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9050C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

The Department did not receive any comments related to this rulemaking. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on July 10, 2025. Pursuant to Iowa Code sections 103A.7(1) and 103A.14, the State Building Code Advisory Council approved adoption of this rulemaking at its July 9, 2025, public meeting.

Fiscal Impact

This rulemaking has no fiscal impact in an amount requiring a fiscal impact statement pursuant to Iowa Code section 17A.4(4).

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 661—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16
STATE BUILDING CODE—FACTORY-BUILT STRUCTURES

661—16.1 to **16.609** Reserved.

PART 1—MODULAR FACTORY-BUILT STRUCTURES

661—16.610(103A) "Modular factory-built structures." Part 1 of this chapter contains the rules and regulations applicable to all factory-built structures that are not specifically included in Part 2.

16.610(1) *Authority to promulgate rules.* Provisions contained within all of Part 1 are authorized under Iowa Code section 103A.9.

16.610(2) *Scope and applicability.* The provisions contained within Part 1 apply to the following:

a. Plan evaluation, manufacture, inspection, and installation of "modular factory-built structures," of closed-type construction and of open-type construction for those manufacturers who have by option chosen to have their building component, assembly or system considered to be closed construction.

b. Approval by the commissioner or the commissioner's designated representative of an organization or person referred to as a third-party agent, or independent inspection agency.

c. All "modular factory-built structures" manufactured for installation in Iowa after February 1, 1973.

16.610(3) *Definitions.* The definitions set forth in Iowa Code sections 103A.3 and 103A.51 and rule 661—301.2(103A) are incorporated herein by reference. The following definitions also apply:

"Certificate of compliance." A certification that is filed with the commissioner that indicates that the third-party agency has approved specific models or model groups of factory-built structures as meeting the state building code. (More information contained in paragraph 16.610(14)*"d"* and subrule 16.610(17).)

"Closed construction." Any structure, building, component, assembly or system manufactured in such a manner that all portions cannot be readily inspected at the installation site without disassembly, damage to, or destruction thereof.

"Code compliance certificate." The certificate prepared by an approved manufacturer and submitted by the manufacturer for each unit that is to be installed in Iowa and includes an Installation Certificate. (More information contained in subrules 16.610(19) and 16.610(20).)

"Commercial modular." A modular factory-built structure that is not a modular home.

"Component." Any part, material or appliance that is built in as an integral part of the factory-built structure during the manufacturing process, or any factory-built system, subsystem or assembly not approved as part of a unit, section, or module.

"Evaluation or inspection agency." An approved person or organization, private or public, determined by the commissioner to be qualified by reason of facilities, personnel, experience and demonstrated reliability and independence of judgment, to investigate, evaluate and approve factory-built structures or buildings, building components, building systems, and compliance assurance programs.

"Factory-built structure." Any structure, building, component, assembly or system that is of closed construction and that is made or assembled in manufacturing facilities, on or off the building site, for installation or assembly and installation, on the building site. Factory-built structures may also mean, at the option of the manufacturer, any structure or building of open construction, made or assembled in manufacturing facilities away from the building site, for installation, or assembly and installation, on the building site. Factory-built structure also means "factory-built unit."

"Independence of judgment" means not being affiliated with or influenced by or controlled by building manufacturers or producers, suppliers, or vendors of products or equipment used in factory-built structures or buildings and building components in any manner that is likely to affect their capacity to tender reports and findings objectively and without bias.

"Manufacturer's bill of sale." Any document, certificate, sales receipt, etc., signed by the manufacturer or importer that the modular factory-built structure described has been transferred to the person or dealer named. The document shall have attached a copy of the 3A section of the Code Compliance Certificate or shall contain at least the make, model year, manufacturer's serial number, Iowa model approval number and the code compliance seal number of the unit.

"Model or model groups." One or more manufacturer-designed modular homes that can constitute one model group.

"Modular." A general term to describe factory-built structures that are not manufactured homes or manufactured home add-on units. Modular includes but is not limited to panelized units, components, sections and modules.

"Module." A unit or a section that is assembled in its final form and transported in such a manner.

"Open construction." Any structure, building, component, assembly or system manufactured in such a manner that all portions can be readily inspected at the installation site without disassembly, damage to, or destruction thereof.

"Residential modular" or *"modular home."* Modular factory-built structure used as a one- or two-family dwelling.

"Seal" or *"insignia."* A device or insignia issued to the manufacturer by the commissioner for affixing to a factory-built structure or system evidencing compliance with the code.

"Section." A division of a factory-built structure that must be combined with other sections to form a complete structure.

"Temporary field construction office." A factory-built structure used at a construction site as an office facility by the personnel engaged in the construction of another structure or project. The intent of this structure is to remain on the job site only as long as necessary during the construction and then be removed before construction is completed.

"Testing agency." An organization approved by the commissioner that:

1. Is qualified and equipped for the testing, observation, evaluation, or approval of building components, construction, materials, equipment, or systems as regulated by approved standards;
2. Is not under the jurisdiction, affiliation, influence, or control of any manufacturer or supplier of any industry;
3. Makes available a published report in which specific information is included certifying that the equipment and installations listed or labeled have been tested and found acceptable according to approved standards.

"Third-party agency." An approved person or organization, private or public, determined by the state building code commissioner to be qualified to act as an evaluation, inspection, testing, or listing agency, as defined in this section.

"Unit." A single factory-built structure approved by the state building code commissioner. Units may be combined to form a larger complex structure or may be a combination of sections.

16.610(4) *Administration.* This section covers the basic requirements for constructing modular structures and all of the administrative procedures under which the modular program functions including methods of certification approval and manufacturing requirements, inspection and installation.

16.610(5) *Modular construction requirements.* All modular factory-built structures shall be constructed in accordance with the following provisions in 661—Chapter 301, as applicable: rules 661—301.3(103A), 661—301.4(103A), 661—301.5(103A), 661—301.6(103A), and 661—301.8(103A); Part 2; and Part 3.

16.610(6) *Modular installation requirements.* All modular factory-built structures shall be installed according to the manufacturer's approved installation drawings and any additional state-approved requirements. All approvals shall be part of the third-party certification agency approval for their respective manufacturer. All installations shall comply with local building codes for items not included as part of the state approval and local zoning requirements whenever applicable.

Modular installation seals shall be obtained and attached upon completion and the installation certificate completed and filed pursuant to subrule 16.610(20).

16.610(7) *Procedures for approval.* Approval procedures shall meet the following criteria:

The manufacturer contracts with third-party agencies for third-party approvals and notifies the commissioner of the intent to manufacture units to be installed in Iowa and the name of the third party or parties to be used.

The third-party agency notifies the commissioner that it has entered into a contract to perform services with the manufacturer.

Third-party approvals are required for plan and design approval, plant facilities approval and a continuing inspection of units during manufacture.

The manufacturers submit plans to the third-party agency or agencies for review and approval. After the plans, the plant facilities, and an inspection procedure have been approved by the third-party agency, the manufacturer submits a compliance certificate on the form supplied by the commissioner for each model or model group. The commissioner will assign an Iowa approval number for those models included in the approval.

At the time of production of units for installation in Iowa the manufacturer obtains from the commissioner Iowa insignia seals for manufacture and installation, to be attached to the units at the time of manufacture and installation, as well as code compliance and installation certificates.

16.610(8) *Requirements and procedures for obtaining third-party agency approval.*

a. The commissioner or the commissioner's designated representative will be responsible for approving any person, state or organization who applies to the commissioner for approval and whose application is accompanied by written material evidencing that said agency is:

(1) Capable of discharging without bias the responsibilities assigned by these regulations.

(2) Not under the jurisdiction or control of any manufacturer or supplier of any industry.

(3) Professionally competent with independence of judgment to perform the function for which commissioned.

(4) Qualified to submit all findings regarding code compliance in a detailed report to the commissioner.

(5) Willing to be inspected and reviewed by the commissioner for all phases of work.

b. The commissioner may limit the agencies' approval to particular types of factory-built structures, buildings, building systems, components, assemblies or systems.

c. Other states wishing to exercise application with this state in order to act in the capacity of an approved third-party agency, may do so provided that:

(1) The state laws for issuing seals or insignia for code compliance are substantially similar to those specified in this code.

(2) The conditions in subparagraph 16.610(8)*"c"*(1) are enforced in their state.

(3) Other states agree to monitoring of this reciprocal agreement by representatives of this state assigned by the commissioner.

(4) Violations of any condition as part of the reciprocal agreement may be deemed just cause for revocation or suspension of this agreement by the commissioner.

16.610(9) *Third-party agency responsibilities.* Third-party approval agencies shall satisfy the following criteria:

a. Evidence of approval by the state are on file at each manufacturing facility.

b. Notification to the commissioner when they have contracted with a manufacturer to serve as their third-party agency.

c. Manufacturer plans and specifications are approved by the third-party agency.

d. File of all plans and documents are maintained at each manufacturing facility and in the third-party agency office.

e. Send a report to the commissioner stating that the plans and specifications comply with the Iowa state building code.

(1) Plans and specifications are not necessary for submittal with this report.

(2) A list of approved models for each manufacturing facility.

(3) Verify that all engineering documents have been signed by a registered engineer or architect.

(4) Update the report as necessary.

(5) Indicate approval of installation procedures for all of these structures as well as the personnel who will be doing the installation. Installation of factory-built structures comply, in addition to provisions of this code, with any local ordinances that apply. (That is, those construction processes that are not included as part of the state approval.)

f. Notify the manufacturer of plans and specifications approval including model numbers for use in preparing certificates of compliance.

g. Inspect manufacturing facilities and review or establish a quality control program and test procedure.

h. Notify the manufacturer of facilities approval for use in preparing certificates of compliance.

i. Prepare an inspection manual to be used by the third-party inspectors and the commissioner, maintained on file at each manufacturing facility.

j. Report to the state outlining in-plant procedures and include a typical inspection checkoff sheet.

k. Notify the manufacturer when in-plant inspection program is in force for use in preparing certificates of compliance.

l. Report each quarter to the state for each manufacturer and submit information as follows:

(1) Account for all Iowa seals used by each manufacturer during the quarter.

(2) Manufacturer's serial number and model number.

(3) Third-party seal number.

(4) Iowa seal number.

(5) The portion of the unit that was actually inspected during an in-plant inspection.

16.610(10) *Third-party agency documentation and plan verification.* The third-party agency is responsible for the investigation, evaluation, review of test results, of plans and documents, and each revision thereto submitted to the agency by the manufacturer with which it has a contract for compliance with applicable requirements set forth in this code. Such a review shall include but not be limited to:

a. All documentations and plans indicate the manufacturer's name, office address, and manufacturing facility address.

b. Manufacturer's plans show all elements relating to specific systems on drawings properly identifiable.

c. Each plan that contains material requiring engineering evaluation bears the signature and seal of a registered architect or engineer.

d. The plans indicate the method of evaluation and inspection for all required on-site testing of each system.

e. Plans designate all work to be performed on site, including all system connections, equipment and appliances and all work performed within the plant.

f. Space is provided on all sheets of plans near the title box for the approved stamp.

g. Individual system design or any structural design or method of construction and data complies with the Iowa state building code. Plumbing, electrical, heating and mechanical systems constitute individual system designs.

h. Grade, quality, and identification of all materials are specified.

i. Design calculations and test reports are submitted when specified or required.

j. Plans are drawn to scale.

k. Plans indicate the location of the approved seal and data plate locations.

l. Copies of approved plans showing third-party agency approval are on file at each manufacturing facility or made readily available.

m. Review and approval of all installation procedures conforms to the following:

(1) Crews performing installation that are under the jurisdiction of the unit manufacturer or the manufacturer's designee are approved as competent by the authorized third-party agency.

(2) Copies of the installation manual are available during installation for use by the commissioner or the commissioner's representative or by the local building official.

16.610(11) *Third-party agency plant investigation for quality control.* All manufacturing facilities shall be inspected to the performance objectives as stated in the Iowa state building code. These include as follows:

a. Review of the manufacturer's quality control manuals or establishing a quality control procedure to ensure code compliance.

b. Implementation of inspection and test procedures that will control the quality of fabrication and workmanship.

c. Making a complete report to the commissioner that includes certification of all manufacturing procedures.

16.610(12) *Third-party agency in-plant inspections.* To ensure compliance with the approved specifications and plans and the Iowa state building code and in conjunction with monitoring each manufacturer's quality control program, every approved third-party agency shall:

a. Maintain a record of inspections, with such records including the seal report and reported to the commissioner every quarter.

b. Witness and verify all required testing in accordance with the quality control manual.

c. Certify that all seals are being attached as required and only after each unit meets the code requirements.

d. Prepare a detailed inspection manual that specifies the third-party agency procedures in making the required inspections, which will be available for use by the commissioner or the commissioner's representative when periodic monitoring is performed.

e. Inspect some part of every unit, although 100 percent inspection is not necessary. A complete inspection of a typical structural, plumbing, heating and electrical system shall be made each visit to the manufacturing facility.

16.610(13) *Reapproval of third-party agencies.* Any agency approved by the commissioner or the commissioner's designated representative must file for reapproval annually. Such application for reapproval may be filed at any time from the forty-fifth day prior to the scheduled annual expiration date of the current approval. The applying third-party agency seeking reapproval shall completely and accurately update all information previously submitted to the commissioner or the commissioner's representative as part of its original application for approval and all subsequent applications for reapproval. The application for reapproval will become a permanent record of the department administering the provisions of the code. Should there be no change in the status of the applying agency from its original application, an affidavit to that effect will suffice for consideration of approval.

16.610(14) *Requirements and procedures for modular manufacturers.* Every modular manufacturer shall perform or meet the following:

a. Be responsible for all corrective actions required. The contractual agreement that each has with the approved third-party agency does not diminish this responsibility.

b. Notify the commissioner that the manufacturer's facility desires to construct units that are to be installed in the state of Iowa.

c. Contract with an approved third-party agency to perform all duties listed in subrules 16.610(9), 16.610(10), 16.610(11), and 16.610(12). The commissioner will furnish a list of approved third-party agencies upon request.

d. File certificates of compliance with the commissioner for each model or model group after all third-party reviews are completed; whenever additional models or changes are proposed, file additional certificates of compliance or request that additions be made to existing model lists.

e. Purchase Iowa seals from the office of the commissioner in accordance with requirements of subrule 16.610(22).

f. All units or sections have seals if manufactured after February 1, 1973, and if they are to be installed in Iowa. Regardless of manufactured date, all units being installed in Iowa for the first time have a seal attached.

g. Complete and furnish compliance certificates and installation certificates in accordance with the requirements of subrules 16.610(19) and 16.610(20).

16.610(15) *Manufacturer's data plate for modular units.* The following information shall be placed directly or by reference on one or more permanent manufacturer's data plates in the vicinity of the electrical distribution panel box or in some other designated location that is readily accessible for inspection.

a. Manufacturer's name and address.

b. Serial number of the structure or unit.

c. Model designation and name of each of the manufacturers of major factory-installed appliances.

d. Wherever applicable, identification of permissible type of gas for appliance and direction for water and drain connections.

e. Name and date of the standards complied with in construction of this structure or unit.

f. The seal serial number.

g. Design loads and special conditions or limitations.

h. Date of manufacture.

i. Electrical ratings. Instructions and warnings on voltage, phase size and connections of units and grounding requirements.

16.610(16) *Changes and alterations to factory-built structures.*

a. Changes to approved plans, drawings or installation instructions proposed by the manufacturer or third-party agency are to be requested in writing and submitted to the commissioner. All work being performed in the manufacturing plant that is affected by these changes will not proceed until written approval is received from the commissioner. Where these changes do not affect code compliance, then

approval is permitted when changes are authorized through the third-party agency and said changes are then incorporated into the design documents.

b. The commissioner will notify the manufacturer and the third-party agency of all amendments, deletions or additions to the code provisions and the commissioner will allow the manufacturer a reasonable time frame in which to submit a request for a change in plan approval, if required, in order to conform to the code change.

c. Basic changes in manufacturing facility locations, company name or address changes, and changes resulting in companies changing ownership or dissolving their business are all to be reported promptly to the commissioner and the third-party agency, in writing, generally within a two-week period after said change was made.

d. Alterations to factory-built structures pursuant to the construction, plumbing, heat producing, electrical equipment or installation or fire safety in a unit after an Iowa seal has been affixed are all considered to be subject to the same requirements that exist for any structure within the local jurisdiction.

e. The following do not constitute an alteration to a factory-built structure.

(1) Any repairs to approved component parts.

(2) Conversion of listed fuel-burning appliances in accordance with the terms of their listing.

(3) Adjustment and maintenance of equipment installed in the factory-built structure.

(4) Replacement of equipment in kind.

16.610(17) *Certificate of compliance.* The manufacturer shall provide the commissioner with a certificate of compliance for each model or model group of the approved modular design that includes the following:

a. Model or model group number that will appear on the data plate and compliance certificate.

b. The signature of an authorized representative of the manufacturer.

c. The name of the third-party agency certifying compliance with the code, for each of the three certifications.

d. Evidence of code compliance certified by the third-party agencies, for the specific model or model group being submitted.

16.610(18) *Limitations.* For all types of structures other than modular homes, there shall be, with the certificate of compliance, an attached statement that sets out the limitations of the structure based on site conditions, type of construction, area, and height limitations. A statement to the effect that the structure should not be used except where it meets these conditions will not be acceptable.

16.610(19) *Code compliance and installation certificates.* Code compliance and installation certificates approved for use are available at the website of the building code bureau when seals are purchased pursuant to subrule 16.610(22). The manufacturer shall complete the certificate and distribute it as follows:

a. A copy returned to:
State Building Code Bureau
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321

b. A copy retained for plant records and to be used to make additional copies if necessary, including an additional copy to accompany other shipping documents carried by the transporter and to be available for inspection by any authorized official or department.

c. A copy of the compliance certificate forwarded to the dealer, distributor, or any other person who is required to obtain a local building permit or to oversee installation.

16.610(20) *Installation certificates.* The installation certificate portion of the supplied combination certificate (subrule 16.610(19)) shall be partially completed by the manufacturer at the same time the code compliance certificate is prepared and made part of the documents shipped with the unit and completed by the local building official or the installer.

a. When a building permit is required, a copy of the code compliance certificate shall be presented to the local building official at the time application for a permit is made. The building official shall sign the certificate and send a copy to the commissioner at the address designated in this rule.

b. When a building permit is not required, the code compliance certificate shall be signed by the installer and forwarded to the commissioner at the address designated in this rule.

16.610(21) *Certification seals.* There shall be two seals attached to every factory-built structure that is installed in Iowa as follows:

a. Every module, unit, section, or component has a state compliance seal securely affixed at the manufacturing facility to show that the manufactured unit complies with the code. When components and systems are included within a module, section or unit and have been approved by the third-party agency to be part of that module, section or unit, only one seal is necessary for the module, section, or unit. A series of panels that make up the final unit when assembled at the site, and where approved in that manner, need only one seal.

b. Every completed unit when installed at the final site has an installation seal attached to show that the installation complies with the requirements of this code.

16.610(22) *Compliance seals.*

a. Compliance seal issuance. The state compliance seal will be issued by the commissioner upon application and after approval of the plans and manufacturing procedures has been certified by the third-party agency evidencing compliance with this code. Applications for compliance seals shall be made to the commissioner on the supplied form and include the following:

(1) Number of seals requested.

(2) Iowa model or system approval numbers.

(3) Reference to approval of manufacturing procedures and third-party agency or agencies involved.

(4) A statement by the applicant that consent is given for inspection and investigation at all reasonable hours.

(5) Applicable compliance seal fees.

b. Compliance seal reporting. Manufacturers shall notify the commissioner monthly of the use of seals by the manufacturers' facilities, on a form approved by the commissioner and containing adequate information to determine the following:

(1) Compliance seal number.

(2) Serial number of the unit on which the seal was placed.

(3) Make and model of the unit on which the seal was placed.

(4) Number of sections that comprise the finished unit.

(5) Location to which the unit was shipped.

16.610(23) *Number of compliance seals required.* Each modular building shall have a compliance seal attached to every section or unit of the building.

16.610(24) *Compliance seal placement on modular units.* Every compliance seal shall be assigned and securely affixed to a specific section or unit in a readily visible location. Assigned seals are not transferable and are void when not affixed as assigned. All seals not properly affixed shall be returned to or may be confiscated by the commissioner. The seal remains the property of the commissioner in the event of violation of the conditions of approval.

16.610(25) *Denial and repossession of seals.* Should investigation or inspection reveal that a manufacturer is not constructing modular units in accordance with the plans approved by the third-party agency, and such manufacturer, after having been served with a notice setting forth in what respect the provisions of these rules and the code have been violated, continues to manufacture units in violation of these rules and the code, applications for new seals will be denied and the seals previously issued will be confiscated. Upon satisfactory proof of compliance, such manufacturer may resubmit an application for seals.

16.610(26) *Seal removal.* In the event that any unit bearing the seal is found to be in violation of the code, the commissioner may remove the seal after furnishing the owner or the owner's agent with a

written statement of such violations. No new seals will be issued until proof of corrections has been submitted to the commissioner.

16.610(27) *Lost or damaged seals.* When or if a seal has been lost or damaged, the commissioner shall be notified immediately in writing by the manufacturer, including identification of the unit serial number, and when possible, the seal number.

a. All seals that are damaged shall be promptly returned to the commissioner.

b. Lost and damaged seals will be replaced by the commissioner with a new seal upon payment of the seal fee as provided in this section.

16.610(28) *Return of seals.* When a manufacturer discontinues production of a unit carrying plan approval, the manufacturer shall within ten days advise the commissioner of the date of such discontinuance and either return all seals allocated for such discontinued unit or assign said seals to other approved units.

16.610(29) *Fees.*

a. Form of remittance. All remittances are to be:

(1) In the form of checks or money orders;

(2) Made payable to Iowa Department of Inspections, Appeals, and Licensing; and

(3) Addressed to:

State Building Code Bureau
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321

b. Seal fees.

Modular code compliance seals	$30 per seal
Modular installation seals	$15 per seal

c. Other fees. A fee equal to the direct expense will be charged for all other services furnished by the commissioner that are not direct administrative duties of the commissioner's office, including but not limited to obtaining consultants for review and evaluation of applications or obtaining reviews from the national code writing organizations.

16.610(30) *Local issuance of building permits and local zoning.*

a. The issuance of building permits and occupancy permits will be in accordance with local ordinances and Iowa Code sections 103A.19 and 103A.20.

b. Local building codes and regulations apply to all parts of any project that are not included in the state approval of either the manufactured structure or the installation procedure.

c. Nothing in these rules or the state building code exempts any factory-built structure from the requirements of local zoning or site condition requirements.

d. A modular factory-built structure moved or relocated after the first installation in Iowa shall comply with the applicable codes and zoning restrictions of the jurisdiction into which it is being moved or relocated.

16.610(31) *Noncompliance to code provisions.* Any noncompliance or unauthorized deviation with the provisions of this code from the approved plans or production procedures will be just cause for the revocation of the plan approval and the return of the seals.

661—16.611 to **16.619** Reserved.

PART 2—MANUFACTURED HOUSING

661—16.620(103A) Manufactured home construction. (Previously called mobile home.)

16.620(1) *Authority to promulgate rules.* Pursuant to Public Law 93-383, Section 604, of the National Manufactured Home Construction and Safety Act of 1974, specified in 42 U.S.C. 5403 and signed into law on August 22, 1974, the authority to promulgate rules and regulations in order to establish federal manufactured home construction standards and procedures of enforcement were

established by Congress and subsequent provisions for their implementation were so granted to the United States Department of Housing and Urban Development (HUD). Title VI of this Act authorizes the secretary of HUD to promulgate the federal standards and to issue the rules and regulations to ensure adequate administration and enforcement of such standards.

16.620(2) *Scope and applicability.* Provisions contained within Part 2 shall apply to all factory-built structures defined as a "manufactured home" in subrule 16.620(4). These regulations shall govern manufactured homes that enter the first stage of production on or after June 15, 1976, and manufactured homes that entered the first stage of production prior to June 15, 1976, to which HUD labels were affixed. These provisions supersede all local, state, or other governmental regulations for manufactured home standards and are applicable for every manufactured home unit newly manufactured and offered for sale in the United States and its governing territories. These provisions do not apply to the following:

a. Factory-built structures that comply with the requirements of Part 1.

b. Manufactured homes manufactured for installation in the state of Iowa on or after February 1, 1973, and prior to June 15, 1976.

16.620(3) *Manufacture of units prior to June 15, 1976.* Manufactured home units and add-on units that were manufactured for installation in Iowa prior to June 15, 1976, which established the effective date of the HUD standard, shall have been constructed to the standards of manufactured homes of the Iowa state building code that was in effect at the time of manufacture.

16.620(4) *Definitions and terms.* Terms and definitions for purposes of clarification when used in Part 2. (More information contained in subrule 16.610(3).)

"Anchoring equipment." Straps, cables, turnbuckles, clamps, clips, and other fasteners including tensioning devices, which are used with ties to secure a manufactured home to ground anchors.

"Anchoring system." A combination of ties, anchoring equipment, and ground anchors that will, when properly designed and installed, resist overturning and lateral movement of the manufactured home from wind forces.

"Approved installer." Approval by the commissioner or the commissioner's designated representative of a person, dealer, agency or organization, qualified to inspect, or install ground anchoring and support systems for manufactured homes or other manufactured structures, who installs units, for others, at a site of occupancy by attaching support and anchoring systems, and is familiar with and has agreed to comply with these installation procedures.

"Certificate, installation." The certificate provided by the installer to both the commissioner and the owner that warrants that the installation system complies with these rules. When an installer installs only the support system or anchorage system, an installation certificate shall also be completed and copies distributed accordingly for each installation and with the applicable information completed on the certificate pertinent to that type of installation (more information contained in subrule 16.623(5)).

"DAPIA." A design inspection agency approved by HUD to perform in-plant design reviews on all drawings and specifications in order to provide compliance to the HUD standard for manufactured home construction.

"Diagonal tie (frame tie)." A tie intended primarily to resist horizontal or shear forces and that may secondarily resist vertical, uplift, and overturning forces.

"Ground anchor." Any device at the manufactured home site designed to transfer manufactured home anchoring loads to the ground.

"IPIA." A production inspection agency approved by HUD to perform the in-plant quality assurance inspection programs within manufactured home manufacturing facilities.

"Label or certification label." The approved form of certification by the manufacturer that is affixed to each transportable section of each manufactured home manufactured for sale to a purchaser in the United States or its governing territories.

"Main frame (chassis)." The structural component on which is mounted the body of the manufactured home.

"Manufactured home." (Previously called mobile home.) A structure transportable in one or more sections that when erected on site measures 8 body feet or more in width and 40 body feet or more in length or when erected on site is 320 or more square feet in area, and that is built on a permanent chassis

and designed to be used as a dwelling unit with or without a permanent foundation when connected to the required utilities and includes the plumbing, heating, air conditioning and electrical systems contained therein.

"Manufactured home add-on." A structure that is designed and produced and to be made an integral part of a manufactured home and will be considered part of the manufactured home, when attached thereto.

"Manufacturer's statement of origin" means a certification signed by the manufacturer or importer that the manufactured home described has been transferred to the person or dealer named and that the transfer is the first transfer of the manufactured home in ordinary trade and commerce. The label number required by 24 CFR Chapter XX, Section 3282.362(c)(2), shall be included. (This number is commonly known as the HUD number.) The terms "manufacturer's certificate," "importer's certificate," "MSO" and "MCO" shall be synonymous with the term "manufacturer's statement of origin."

"Pier." That portion of the support system between the pier foundation and the manufactured home exclusive of caps and shims.

"Pier foundation (footing)." That portion of the support system that transmits loads directly to the soil, and shall be sized to support the loads shown herein.

"SAA." A state administrative agency approved by the Department of Housing and Urban Development to participate in the enforcement of all provisions to which a manufactured home is regulated under the HUD standard.

"Seal, installation." Is an insignia issued by the commissioner that is attached to a manufactured home by the installer to certify that the installation is in compliance with the requirements of the state building code.

"Stabilizing system (tie-down system)." A combination of the anchoring system and the support system when properly installed. Therefore, components of the anchoring and support systems such as piers, pier foundations, ties, anchoring equipment, anchors, or any other equipment that supports or secures the manufactured home to the ground, shall be defined as stabilizing devices. For the purposes of this code the definition of a stabilizing system and the definition of a tie-down system shall be one and the same.

"Support system." A combination of pier foundations, piers, caps, and shims that will, when properly installed, support the manufactured home.

"Tie." Strap, cable or securing device used to connect the manufactured home to ground anchors.

"Tie-down system (stabilizing system)." Means a ground support system and a ground anchoring system used in concert to provide anchoring and support for a manufactured home.

"Vertical tie (over-the-top)." A tie intended to resist the uplifting and overturning forces. This tie may continue over-the-top but if properly attached may only extend partway up each side.

16.620(5) *Administration.* This section covers the basic requirements for constructing manufactured homes and all of the administrative procedures under which the manufactured home program functions including information pursuant to certification, approval and manufacturing requirements. This section also applies to those structures defined in subrule 16.620(4) of Part 2 as manufactured home add-on units, temporary field construction offices and multifamily homes. There are also included within Part 2 (rule 661—16.621(103A)) sections dealing with installation procedures and information pursuant to the handling of consumer complaints (subrule 16.620(15)) consistent with the duties of the state of Iowa to be performed as a State Administrative Agency (SAA) in conjunction with the manufactured home program.

16.620(6) *Manufactured home construction requirements.* All factory-built structures that are defined as a manufactured home under subrule 16.620(4) of Part 2, shall be constructed to the standards as promulgated by the United States Department of Housing and Urban Development hereafter referred to as HUD. These standards were published as final rules in the December 18, 1975, issue of the Federal Register, Volume 40, No. 244, and will be amended from time to time. These standards are herein adopted and apply to all manufactured homes manufactured after June 15, 1976. All provisions for manufactured home procedural and enforcement regulations are covered within the May 13, 1976,

Federal Register, Volume 41, No. 94. All factory-built structures defined as a manufactured home by the federal standard shall be manufactured and so regulated by these documents.

16.620(7) *Procedures of approval for manufactured homes.* Every manufactured home unit or structure approval will follow the method of third-party certification approval with all approvals obtained through the HUD secretary. All manufactured home plans, specifications, documentation, plant facilities and in-plant inspections must be submitted to and approved by a third-party certification agency so designated by the HUD secretary. Rules and regulations pursuant to these procedures are outlined in the manufactured home procedural and enforcement regulations, Parts 3282.201 through 3282.204, which set out requirements to be met by states or private organizations that wish to qualify as primary inspection agencies (more information contained in subrule 16.620(4) about Part 2 definitions for IPIA and DAPIA).

16.620(8) *Compliance certification.* Every manufactured home unit or structure must conform to the certification requirements within section 3282.205 of the manufactured home procedural enforcement regulatory document.

16.620(9) *Certification seals (labels) and other seal requirements.* Every manufactured home unit or structure must conform to the requirements within the manufactured home procedural and enforcement regulatory document section 3282.362(c)(2) in lieu of Iowa insignias. Other types of units manufactured under the requirements of Part 2 will be labeled as prescribed in subrule 16.620(10).

16.620(10) *Manufactured home add-on units.* Every factory-built structure manufactured as a manufactured home add-on unit as defined in subrule 16.620(4) shall be constructed to the standards set forth in subrule 16.620(6), except that these units will bear an Iowa seal in accordance with the provisions of Part 1. Manufacturers of manufactured home add-on units with the exception of constructing to the HUD standard, which has been herein adopted for these units, must comply with all other provisions of Part 1.

16.620(11) *Seal types for manufactured home add-on units.*

a. When ordering seals for manufactured home add-on units, each manufacturer will indicate the number of each type of seal requested and the letter prefix required. Examples of seals issued are as follows: (A00-0000MH), (B00-0000MH), C, D, and E, etc. Single units are without prefix letters (00-0000MH). More details are contained in subrule 16.610(21).

b. It is noted that manufactured home type seals shall be attached to all of these type units. All other procedures for seal issuance, removal, damage, repossession and return are to conform with provisions of this code as outlined in Part 1.

16.620(12) *Noncompliance.* Failure to conform to the provisions of Part 2 as they apply to the federal standard for the construction of manufactured homes is subject to the penalties where applicable as set forth within Part 1. The state of Iowa having adopted the federal standard and the enforcement regulations shall participate in the federal program as an agent of HUD, thereby providing assurances to ensure code compliance when these units are offered for sale for subsequent installation within the state of Iowa.

16.620(13) *Consumer complaints.* The state building code bureau serving as an approved State Administrative Agency (SAA) for the Federal Department of Housing and Urban Development shall receive complaints and process them in accordance with the requirements of the federal regulations as outlined in subpart I, paragraph 3282.401, titled, "Consumer Complaint Handling and Remedial Actions of the Manufactured Home Procedural and Enforcement Document." These specific complaints are categorized as possible imminent safety hazards or possible failures to conform to the federal standard. Imminent safety hazards shall be those items that could result in an unreasonable risk of injury or death to the occupants of the manufactured homes. Failures to conform to the federal standard are those items that do not result in an unreasonable risk of injury or death to the occupants of manufactured homes, but nevertheless do not meet the provisions of the federal standard in some specific manner.

661—16.621(103A) Installation of manufactured homes.

16.621(1) *Authority.* These rules and regulations are to establish minimum requirements for the installation of manufactured homes as authorized by Iowa Code sections 103A.7(2)*"c"* and 103A.9.

16.621(2) *Application.*

a. These rules apply to the initial installation of manufactured homes manufactured on or after February 1, 1973, and to factory-built structures manufactured homes before February 1, 1973, which have never been installed in Iowa, and are approved by the commissioner.

b. These rules apply to all manufactured homes, new or used, that are sold in Iowa or sold to be installed in Iowa after September 1, 1977, for new manufactured homes and January 1, 1978, for used manufactured homes. The seller shall provide an approved tie-down system and the purchaser shall install or have the system installed within 150 days (more information contained in subrule 16.620(4) about the definition of a tie-down system). The 150-day period is designated for time to complete the installation when climatic conditions may restrict the completion of the tie-down system.

c. These rules apply to the installation of manufactured home add-on units, temporary field construction offices and manufactured multifamily homes.

d. These rules shall apply to any person doing any work on any part of the tie-down system (both support or anchorage systems) whether the unit is being sold or not.

16.621(3) *Enforcement.* The commissioner shall administer and enforce these provisions. Any person, agent, or organization approved and authorized by the commissioner may inspect any installation system and equipment to ensure compliance with these regulations. Evidence of compliance shall be supported by the submission to the commissioner of a certificate of installation. One copy of such certificate will remain in possession of the owner of the installed structure.

16.621(4) *Manufactured home installation instructions.* Every manufactured home manufacturer that manufactures manufactured homes for installation in Iowa shall provide the commissioner with a reproducible copy of printed instructions of installation for each specific make and model of manufactured home that is to be installed in Iowa. These instructions shall include copies of the materials that have been certified by a registered professional engineer for compliance with the federal manufactured home construction standards and 3280.306(a)(2), 3280.306(b), and 3280.303(c) of the regulatory standards. The manufacturer's installation instructions shall also be available at the installation site.

16.621(5) *Approvals and procedures.* Requirements for approval of installers, support and anchorage systems, seals and certificates are described in the remaining sections of this part.

661—16.622 Reserved.

661—16.623(103A) Installation seal and certificate procedures for manufactured homes.

16.623(1) *Application for seals.* Any installer who has met the applicable requirements of 661—Chapter 374 may apply for installation seals as needed. Such seals may be obtained from the commissioner or local building officials or building department who is a participant in the state's installation program.

16.623(2) *Manufactured home installation certificates.* The installer of manufactured homes shall supply the building code commissioner and the owner of the unit with the signed and completed installation certificate that has been issued by the Iowa building code commissioner, within 30 days of affixing the Iowa installation seal.

16.623(3) *Obtaining installation certificates.* Any person who installs a tie-down system or any portion thereof shall be supplied with the installation certificate forms when ordering installation seals and the payment of the appropriate fee. Installers who are not listed as an installer shall be supplied the proper form to be attached to the copy of the installation certificate to be filed with the commissioner, which will record compliance with the approved system.

16.623(4) *Placement of installation seal.*

a. The installation seal shall be placed in a readily visible location on the rear of the unit. Those units manufactured after June 15, 1976, shall have the installation seal placed adjacent to the federal (HUD) label. Those units manufactured before June 15, 1976, shall have the installation seal placed at the left rear corner above any skirting.

b. Multiple width units require only one seal for the completed installation. Additions that are added after the initial installation shall have an installation seal on that portion.

16.623(5) *Denial and repossession of installation seals.* Should investigation or inspection reveal that an approved installer has not installed an anchoring system, support system, or the complete tie-down system according to these rules and the code, the commissioner may deny such installer's application for new installation seals and any installation seals previously issued shall be confiscated. Upon satisfactory proof of modification of such installation bringing them into compliance, such dealer or installer may resubmit an application for installation seals.

16.623(6) *Seal removal, installation.* Should a violation of the rules regarding installation be found, the commissioner may remove the installation seal after furnishing the owner or a designated agent with a written statement of such violation. The commissioner shall not issue a new installation seal until corrections have been made and the owner or a designated agent has requested an inspection pursuant to subrule 16.625(1).

16.623(7) *Lost or damaged seals, installation.* When an installation seal is lost or damaged, the commissioner shall be notified in writing. Damaged or lost installation seals shall be replaced by the commissioner upon payment of the replacement installation seal fee as provided in rule 661—322.20(103A).

16.623(8) *Return of seals, installation.* When a dealer or installer discontinues the installation of manufactured homes, the dealer or installer shall notify the commissioner within ten days of the date of such discontinuance and return all unused installation seals that have been issued to the dealer or installer. Installation seals may not be transferred by any dealer or installer after being issued to that dealer or installer.

16.623(9) *Seals for existing manufactured homes.* Seals may be obtained for existing manufactured homes that are tied down in accordance with the requirements of rule 661—16.627(103A).

661—16.624 to **16.626** Reserved.

661—16.627(103A) Approval of existing manufactured home tie-down systems. This rule is to provide a method by which manufactured homes that have been installed prior to August 12, 1983, can be sold without requiring a new tie-down system to be installed and to allow existing manufactured homes that are properly supported and anchored to be sold without installing new support and anchorage systems.

16.627(1) *Sale of a certified unit.*

a. The commissioner shall be notified in writing by the seller of the change of ownership when any manufactured home sold after August 12, 1983, remains in the same location. The installation seal shall remain in place and a copy of the installation certificate shall be supplied to the new owner. Replacement seals and certificates may be obtained if necessary (subrule 16.623(9)).

b. A certified manufactured home sold after August 12, 1983, that is moved to a new location must obtain a new certificate and seal. The existing support and anchorage system may be used if the installer verifies the conditions of use and the installation procedures of the existing systems are met at the new location.

16.627(2) *Sale or acceptance of installed existing units as an owner's option.* Application may be made to the commissioner for approval of an existing manufactured home support and anchor system on one of the following conditions:

a. If the support and anchorage systems were installed by an approved installer and are approved systems.

b. If the existing support and anchorage system has been inspected by an approved installer and the installer attests by signing the installation certificate that to the best of the installer's knowledge, the existing systems are equal to or better than the minimum requirements of this code.

c. If the existing support and anchorage systems are inspected and approved by a registered engineer or architect, and attested to in writing.

d. If the existing support and anchorage systems are inspected by a field inspector with the Iowa state building code and the existing systems are found to be equal to or better than the minimum requirements of this code.

If compliance is met by one of the above procedures and payment of the required fee has been paid, an Iowa installation seal and certificate may then be issued.

661—16.628(103A) Procedure for governmental subdivisions for installation of factory-built structures.

16.628(1) Any governmental subdivision that has adopted the state building code or any other building code is required to enforce the state building code requirements for the installation of factory-built structures (Iowa Code section 103A.9(1)*"d"*(1)).

16.628(2) Governmental subdivisions that are issuing building permits and are inspecting construction for compliance with the local building regulations shall verify the installation of factory-built structures within their jurisdiction and shall sign the installation certificate and forward the appropriate copy to the commissioner.

a. The local official shall obtain the installation certificate and the installation seal from the person making application for a building permit that includes a factory-built structure.

b. Upon completion and review of the installation the local official shall attach the installation seal to the unit.

c. Governmental subdivisions are permitted to assess fees as may be required by local ordinances.

d. Nothing in this rule is intended to reduce the authority of the governmental subdivision from establishing zoning regulations as outlined in Iowa Code sections 414.28 and 335.30.

661—16.629(103A) Support and anchoring systems submission.

16.629(1) *Submission by manufacturer.* The manufacturer of each manufactured home installed in Iowa shall submit to the building code commissioner a copy of the installation instructions by mail in printed form and in an electronic form acceptable to the commissioner.

16.629(2) *Submission by licensed professional engineer.* A licensed professional engineer who designs a support and anchoring system for use in the installation of a manufactured home in Iowa shall submit to the building code commissioner a copy of the specifications and instructions for the system by mail in printed form and in an electronic form acceptable to the building code commissioner. A support and anchoring system designed by a licensed professional engineer shall not be utilized unless it has been submitted to the building code commissioner in compliance with this subrule.

TABLE 6A

MINIMUM NUMBER OF TIEDOWNS

REQUIRED FOR SINGLEWIDE MOBILE HOMES

MOBILE HOME BOX LENGTH NOT EXCEEDING	MINIMUM NUMBER OF TIEDOWNS PER SIDE	
	DIAGONAL TIES	VERTICAL TIES*
40′-0″	3	2
54′-0″	3	2
73′-0″	4	2
84′-0″	5	2

*If more than minimum number of vertical or diagonal ties have been supplied, they shall all be used.

NOTES:

1. Doublewide mobile homes shall comply with Table 6A except that no vertical ties are required.
2. Wherever a vertical tie and a diagonal tie lie in a plane that is vertical and transverse to the main longitudinal beam, both ties may be connected to the same ground anchor, providing that particular anchor withstands both loadings.
3. This table shall be used only if there are no manufacturers approved installation requirements.

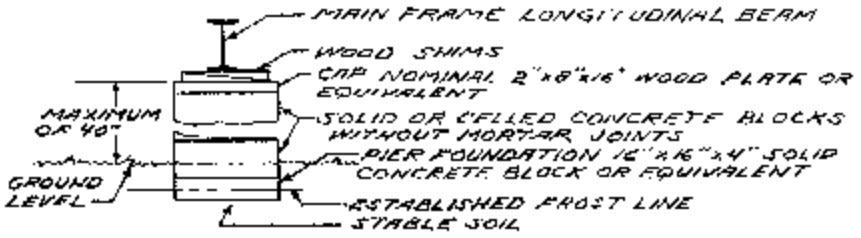


FIGURE 1. PIERS UP TO 40" IN HEIGHT (SINGLE BLOCK CONSTRUCTION)

NOTE: CORNER PIERS MORE THAN THREE (3) BLOCKS HIGH SHALL BE DOUBLE BLOCK CONSTRUCTION AS SHOWN IN FIGURES 2 & 3

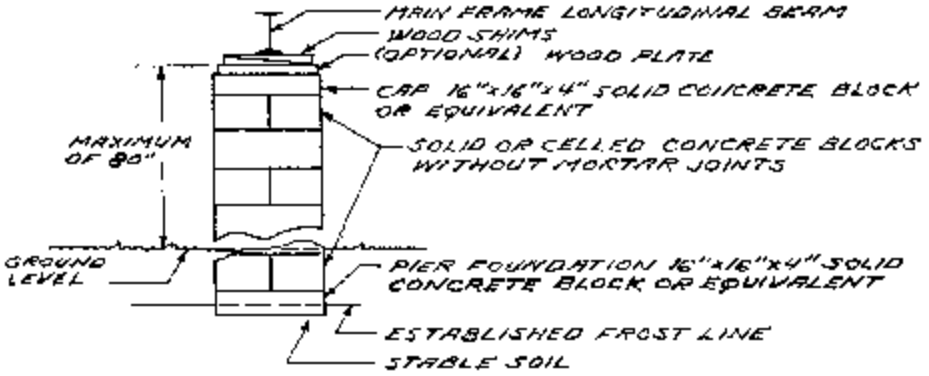


FIGURE 2 - PIERS OVER 40" IN HEIGHT AND NOT EXCEEDING 80" IN HEIGHT (DOUBLE BLOCK CONSTRUCTION)

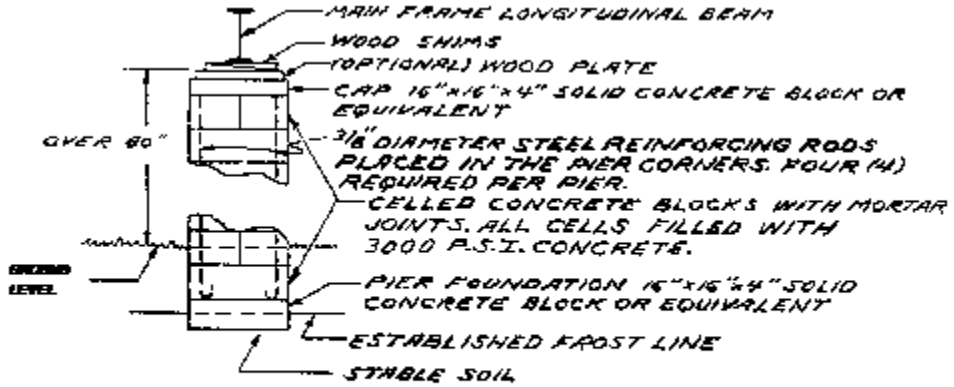
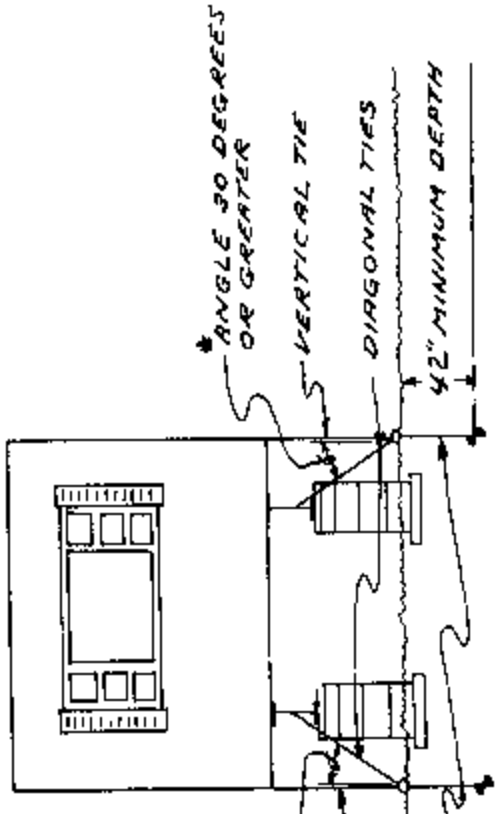


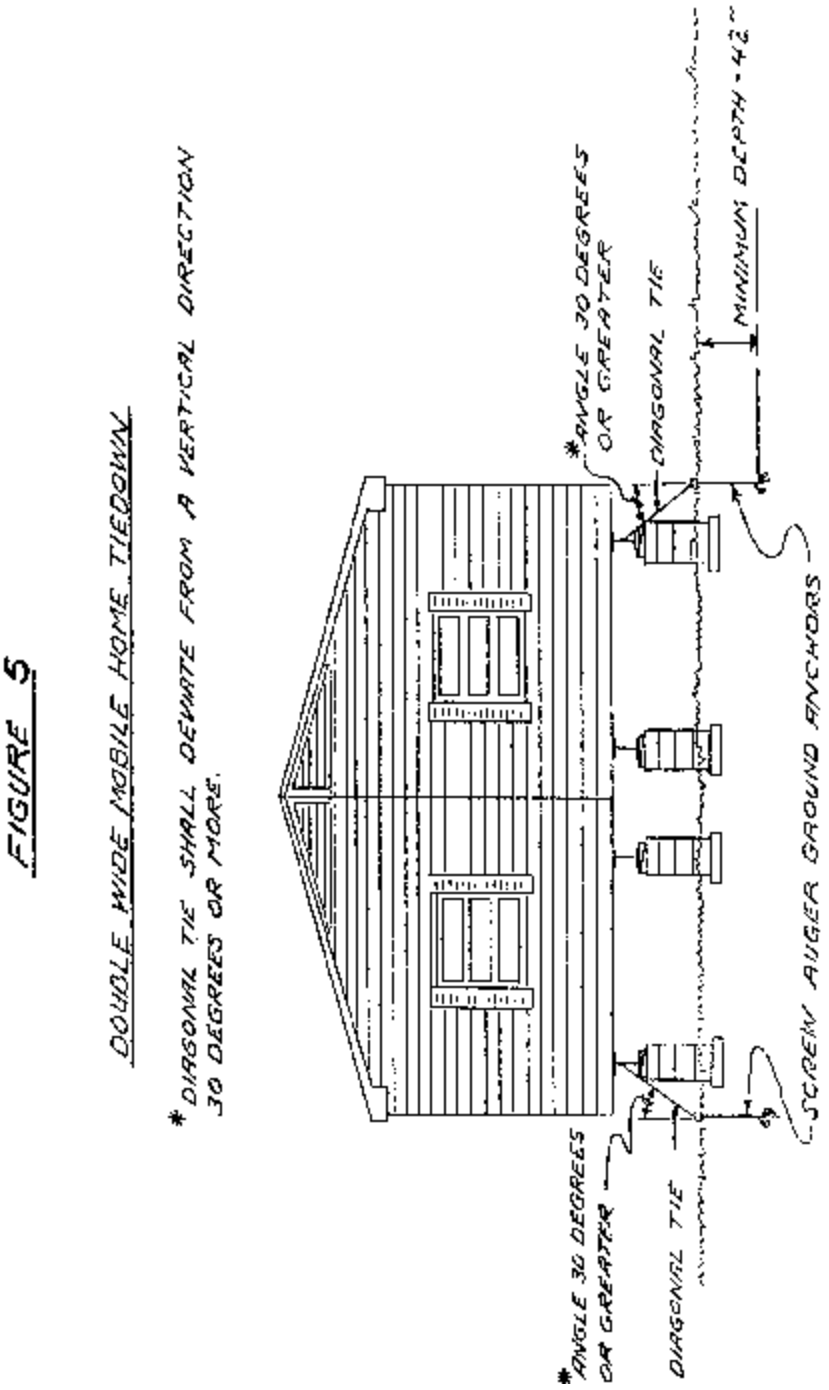
FIGURE 3 - PIERS OVER 80" IN HEIGHT (DOUBLE BLOCK CONSTRUCTION, STEEL REINFORCED)

FIGURE 4

MOBILE HOME TIEDOWN



*DIAGONAL TIE SHALL DEVIATE FROM A VERTICAL DIRECTION 30 DEGREES OR MORE.



These rules are intended to implement Iowa Code sections 103A.7 and 103A.9 and Public Law 102-486.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9472C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to fire control administration

The Department of Inspections, Appeals, and Licensing (DIAL) hereby rescinds Chapter 200, "Fire Marshal Administration"; rescinds Chapter 201, "General Fire Safety Requirements"; adopts a new Chapter 201, "Fire Control Administration"; and rescinds Chapter 202, "Requirements for Specific Occupancies," Chapter 205, "Fire Safety Requirements for Hospitals and Health Care Facilities," Chapter 210, "Smoke Alarms/Detectors," and Chapter 211, "Carbon Monoxide Alarms," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 10A.511, 10A.518 and 10A.523.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 10A.511, 10A.518 and 10A.523.

Purpose and Summary

This rulemaking is rescinding Chapters 200, 202, 205, 210, and 211. This rulemaking repromulgates pertinent rules in a combined and streamlined Chapter 201. Pursuant to 2023 Iowa Acts, Senate File 514, the content from the following rules will be retained by the Department of Public Safety and analyzed as part of its Red Tape Review:

661—200.1(100) Description.

661—200.2(100) General administrative procedures.

661—200.6(100) Fire investigations.

661—200.9(100A) Sharing of insurance company information with the fire marshal.

661—200.10(100A) Release of information to an insurance company.

661—200.11(100A) Forms.

Iowa Code section 10A.511 provides that the Director of DIAL is to promulgate fire safety rules in consultation with the State Fire Marshal. Wherever by any statute the Director or DIAL is authorized or required to promulgate, proclaim, or amend rules and minimum standards regarding fire hazards or fire safety or protection in any establishment, building, or structure, the rules and standards shall promote and enforce fire safety, fire protection, and the elimination of fire hazards as the rules may relate to the use, occupancy, and construction of the buildings, establishments, or structures. The rules and minimum standards shall be in substantial compliance, except as otherwise specifically provided in Iowa Code chapter 10A, with the standards of the National Fire Protection Association (NFPA) relating to fire safety as published in the National Fire Codes. Pursuant to Iowa Code section 10A.511(4), another duty of the Director is to adopt rules designating a fee to be assessed for each building, structure, or facility for which a fire safety inspection or plan review by the Director is required by law. The fee designated by rule shall be set in an amount that is reasonably related to the costs of conducting the applicable inspection or plan review.

Iowa Code section 10A.518(2)"b" states that DIAL's rules shall require the installation of smoke detectors in existing single-family rental units and multiple-unit residential buildings. The Director shall adopt rules and establish appropriate procedures to administer this Iowa Code section.

Iowa Code section 10A.518(3)"b" states that DIAL's rules shall require the installation of carbon monoxide alarms in existing single-family rental units and multiple-unit residential buildings that have a

fuel-fired heater or appliance, a fireplace, or an attached garage. Existing single-family dwellings that have a fuel-fired heater or appliance, a fireplace, or an attached garage shall be equipped with approved carbon monoxide alarms. The Director shall adopt rules and establish appropriate procedures to administer this Iowa Code section.

Iowa Code section 10A.523 provides that the Director shall adopt standards relating to exits and exit lights, fire escapes, fire protection, fire safety and the elimination of fire hazards, in and for hospitals, health care facilities and other buildings or structures where persons congregate from time to time, whether publicly or privately owned. Rules by the Director affecting the construction of new buildings, additions to existing buildings or rehabilitation of existing buildings and related to fire protection shall be substantially in accord with the provisions of the nationally recognized building and related codes adopted as the State Building Code pursuant to Iowa Code section 103A.7 or with codes adopted by a local subdivision that are in substantial accord with the codes comprising the State Building Code.

This rulemaking implements the aforementioned Iowa Code sections by setting forth building plan submission and inspection standards. The rulemaking sets forth safety requirements in processes for specific buildings, including hospitals and health care facilities. The rulemaking adopts by reference NFPA 101, Life Safety Code, 2012 edition, for fire safety rules for new and existing hospitals, nursing facilities, hospices, ambulatory surgical centers, and existing religious nonmedical health care institutions.

A uniform procedure is being established for issuing a certificate of compliance, including an appeal process if a certificate is not granted. The rulemaking adopts the International Fire Code (IFC), 2024 edition, with amendments and establishes appropriate fees for plan reviews. The rulemaking further establishes safety standards for smoke detectors and carbon monoxide alarms. These rules were promulgated in consultation with the State Fire Marshal.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9047C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

No public comments were received. Minor changes from the Notice have been made to update erroneous citations.

Adoption of Rulemaking

This rulemaking was adopted by the Department on May 7, 2025.

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 DIAL for a waiver of the discretionary provisions, if any, pursuant to 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **661—Chapter 200**.

ITEM 2. Rescind 661—Chapter 201 and adopt the following **new** chapter in lieu thereof:

CHAPTER 201
FIRE CONTROL ADMINISTRATION

661—201.1(10A) Fire control administration description and contact information. Fire control is administered within the health and safety division of the department and may be contacted as provided in 481—Chapter 1 and on the department's website: dial.iowa.gov. The general email address for the fire safety bureau is fire.inspections@dia.iowa.gov. The department will collaborate with the state fire marshal division of the department of public safety in accordance with Iowa Code chapter 10A and as necessary.

661—201.2(10A) Definitions. The definitions set forth in Iowa Code section 10A.101 are incorporated herein by reference. The following definitions also apply:

"Ambulatory surgical center" means a facility or portion thereof as defined in Iowa Code section 135R.1.

"Fire alarm system" means a system or a portion of a combination system consisting of components and circuits arranged to monitor and annunciate the status of fire alarm or supervisory signal-initiating devices and to initiate the appropriate response to those signals.

"Hospice" means a facility licensed or seeking licensure pursuant to Iowa Code section 135J.2.

"Hospital" means a facility licensed or seeking licensure pursuant to Iowa Code chapter 135B.

"Intermediate care facility" means a facility licensed or seeking licensure pursuant to Iowa Code section 135C.6 as an intermediate care facility for persons with an intellectual disability or intermediate care facility for persons with mental illness as both are defined in Iowa Code section 135C.1.

"Multiple-station smoke alarm" means two or more single-station smoke alarm devices that are capable of interconnection such that actuation of one causes the appropriate alarm signal to operate in all interconnected alarms. Interconnection may occur wirelessly for residential smoke alarms.

"NFPA" means the National Fire Protection Association, available at: www.nfpa.org. References to the form "NFPA xx," where "xx" is a number, refer to the NFPA standard or pamphlet of the corresponding number.

"Nursing facility" means the same as defined in Iowa Code section 135C.1.

"Single-station smoke alarm" means an assembly incorporating the detector, the control equipment and the alarm-sounding device in one unit, operated from a power supply either in the unit or obtained at the point of installation or both.

"Smoke alarm" means a single- or multiple-station alarm responsive to smoke. See also "single-station smoke alarm" and "multiple-station smoke alarm."

"Smoke detector" means a device that senses visible or invisible particles of combustion. Smoke detectors are typically listed under Underwriters Laboratories (UL) 268.

661—201.3(10A) Building plan submission.

201.3(1) Plans for initial construction or alterations, changes, additions, renovations, or remodeling of buildings requiring the approval of the director shall be submitted to the building code bureau pursuant to rule 661—300.4(103A), except that plans related to the following entities may be submitted

to a local fire or building department for approval upon a determination of compliance with the rules of the department or a local fire ordinance recognized in rule 661—201.11(10A):

a. Any educational building or facility serving kindergarten through twelfth grade,
b. Any college or university building or facility,
c. Any child care facility intended to serve seven or more children at one time,
d. Any correctional facility, or
e. Any gaming facility.

201.3(2) When approval of building construction projects is required by this chapter or requested by the submitter for other building construction projects covered by this chapter, one complete set of the final working plans and specifications shall be submitted to the building code bureau in accordance with Iowa Code chapters 542B and 544A and with rule 661—300.4(103A) (Note: 661—subrule 300.4(2) establishes fees for plan reviews that are paid to the building code bureau. These fees are not collected by the fire control bureau). Submittals will be examined, and the submitter will be notified of the findings. If the working plans and specifications comply with this chapter, an approval letter will be sent to the submitter.

201.3(3) Shop drawings, equipment specifications, and supporting documentation for fire alarm and sprinkler systems shall be submitted for review and approval and signed by a responsible managing employee licensed in accordance with Iowa Code chapter 100C. If the system is being installed as part of a project that has been designed by an engineer or architect, the submittal shall be approved by the responsible architect or engineer prior to submittal to the department. Submittals will be examined, and the submitter will be notified of the findings. Only one copy of shop drawings, equipment specifications, and supporting documentation should be submitted. The building code bureau will send a letter of approval to the submitter in lieu of returning approved shop drawings.

201.3(4) No changes shall be made to the approved final working plans and specifications or shop drawings unless the changes are submitted to and approved by the building code bureau.

201.3(5) If the blueprints and specifications are not acceptable, the building code bureau will notify the submitter of the deficiencies and request that the submitter either forward changes or request a review of the blueprints and specifications with the building code bureau. If after such review the submitter disputes the findings of the plan reviewer, the submitter may request that the disputed questions be reviewed by the chief for the building code bureau and the chief of the fire prevention bureau. If the submitter disputes the findings of the chief for the building code bureau and the chief of the fire prevention bureau, the submitter may appeal by submitting a request for a contested case hearing to the department, in writing, within 30 days of receipt or service of the order in accordance with Iowa Code section 10A.515 and chapter 17A. Contested cases are governed by 481—Chapter 9 (contested cases) and 481—Chapter 10 (rules of practice and procedure before the administrative hearings division).

201.3(6) The responsible design professional for a project will schedule a preliminary meeting with the building code bureau to discuss code compliance issues early in the design development phase in accordance with 661—subrule 300.4(3). Approval to bid the project will not be given unless all applicable issues identified on the checklist have been addressed to the satisfaction of the building code bureau.

661—201.4(10A,101,101A) Inspections and inspection fees. The director, any employee of the department, or any designated subordinate or local fire department authorized by the director may enter to inspect any building or premises and the contents thereof at any reasonable time, without notice, in accordance with Iowa Code sections 10A.512 and 10A.514.

201.4(1) An inspection may be of a particular system in the building, facility, or installation, or the inspection may include the entire building, facility, or installation.

201.4(2) An inspection to evaluate compliance with the rules of the department may be conducted by the department or by a consultant as requested by the director. A consultant will have the necessary degree of training, education, or experience to examine a system within a building required to comply with the rules of the department and determine if such system or systems comply with requirements. If a

consultant is engaged to conduct an inspection, the consultant may be accompanied by an employee of the department or of a local fire department while conducting the inspection.

201.4(3) Inspections will be conducted without announcement and occur on a random basis, upon request, in response to a complaint, or to investigate a suspected fire hazard.

201.4(4) An owner or person in control of the building, facility, or installation will be advised of an inspection upon the inspector's arrival, if available, but the inspection will commence in any event. The owner or a representative may accompany an inspector throughout the inspection, provided that the inspection is not delayed.

201.4(5) Upon completion of an inspection, the inspector may complete a written inspection order if any violations or deficiencies are discovered. The order will be signed by the employee and, if prepared by a consultant, will also be signed by the consultant.

201.4(6) Upon completion of the inspection, if the building, facility, or installation does not comply with applicable laws or rules, the inspector will identify specific provisions with which the building, facility, or installation does not comply and will notify the owner. The owner may be ordered to correct or repair the deficiency. The owner may order the building, facility, or installation removed or demolished in lieu of correcting the deficiency.

a. The employee or consultant signing the notice of deficiency or order will retain a copy and distribute a copy to the department or fire department having jurisdiction as necessary.

b. The time allowed to comply with the order will be determined by the employee or consultant, who will consider the likelihood that a fire may occur; the possibility of personal injury or property loss; the cost and availability of materials and labor to correct, repair, remove, or demolish; and other relevant information.

c. If the owner of the building, facility, or installation does not agree with the deficiency findings and order, the owner may appeal the order by submitting a request for a contested case hearing to the department in the same manner as set forth in subrule 201.3(5).

201.4(7) Inspection fees are payable through the department's website or by check or money order made payable to the department. If a certificate of occupancy is required for use of the building, facility, or installation, the certificate will not be issued until the inspection fee has been paid. When an initial inspection requiring a fee pursuant to this subrule results in a finding of a deficiency requiring reinspection, the initial reinspection will be performed without an additional fee. If the original deficiency or deficiencies have not been corrected at the time of the initial reinspection, then a fee of $125 for each additional reinspection after the initial reinspection is required until any original deficiency has been corrected. Inspection fees apply for entities licensed or seeking licensure as follows:

a. Hospital (Iowa Code chapter 135B) or health care facility (Iowa Code chapter 135C): $2.50 per bed.

b. Elder group home (Iowa Code chapter 231B) or assisted living program (Iowa Code chapter 231C): $10 per bed.

c. Adult day services (Iowa Code chapter 231D): $75 per facility.

d. Child care facility (Iowa Code chapter 237A): $25 per facility.

661—201.5(10A) Certificates for licensure. The department will issue a certificate approving a building, facility, or installation for occupancy upon request from an owner or owner's agency if the building, facility, or installation comply with applicable rules and all fees have been paid. Denial of such a certificate is subject to appeal in the same manner as set forth in subrule 201.3(5).

661—201.6(10A) Fire drills. Public and private schools shall conduct fire drills in all school buildings as specified in Iowa Code section 10A.522 when school is in session.

661—201.7(10A) Inspection based on complaint.

201.7(1) *Request for inspection.* A person alleging a building, facility, or installation presents a significant fire hazard may submit a complaint to the department and should provide the following information, if known:

a. The address of the building, facility, or installation and name and address of its owner;

b. The complainant's name, address, and telephone number; and

c. A general description of the alleged deficiencies.

201.7(2) *Initial determination.* The department will determine whether allegations warrant an inspection. The complainant or owner of the building, facility, or installation may be advised of the determination. Inspection is likely to occur for any building, facility, or installation that:

a. By want of proper repair, or by reason of age and dilapidated condition, is especially liable to fire and is so situated as to endanger other buildings, facilities, installations, property, or persons, or

b. Contains combustibles, explosives, or flammable materials dangerous to the safety of any buildings, premises, or persons.

201.7(3) *Final decision.* Upon completion of the inspection:

a. If the building, facility, or installation complies with applicable laws or rules and no deficiencies are found, the department will accordingly notify the owner and the complainant.

b. If any deficiencies are found and the building, facility, or installation is within the corporate limits of a city, the department will notify the mayor and clerk of said city of the deficiencies and the need for repairs.

c. If any deficiencies are found and the building, facility, or installation is outside the corporate limits of any city, the department will specifically identify such deficiencies and prepare an order to correct or repair the deficiencies in accordance with Iowa Code section 10A.515. The order will be mailed to or served upon the owner of the building, facility, or installation in accordance with Iowa Code chapter 17A and may be provided, as appropriate, to any occupants, lienholders, or lessees. The order is effective upon receipt or issuance and will give the owner a reasonable time to comply with its mandate(s). The department will determine what constitutes a reasonable time by considering the likelihood of fires; possibility of personal injury or property loss; cost; availability of materials and labor to correct, repair, remove or demolish the building, facility, or installation; and any other reasonable and relevant information. The order will also notify the owner that the owner may appeal the order in accordance with Iowa Code section 10A.515 and the process described in subrule 201.3(5).

d. Emergency orders may be issued in accordance with Iowa Code section 10A.515.

201.7(4) *Reinspection.* If the owner of the building, facility, or installation elects not to challenge the department's order, the department will, at the end of the period during which compliance was required, conduct another inspection of the building, facility, or installation.

201.7(5) *Failure to comply.* At the request of the department, the county attorney shall institute legal proceedings to obtain compliance or enforce penalty provisions in accordance with Iowa Code section 10A.516.

661—201.8(10A) General provisions. The following publications or indicated portions thereof are hereby adopted by reference as general fire safety requirements and apply to all occupancies other than those to which provisions specific to an occupancy explicitly exclude these provisions or any individual provision contained therein.

201.8(1) International Fire Code, 2024 edition, published by the International Code Council, available at www.iccsafe.org, with the following amendments:

a. Delete section 103 and sections contained therein, section 104 and sections contained therein except section 104.2.3, section 105 and sections contained therein, section 106 and sections contained therein, section 107 and sections contained therein, section 108 and sections contained therein, section 109 and sections contained therein, section 110 and sections contained therein, section 111 and sections contained therein, section 112, section 113 and sections contained therein, section 114 and sections contained therein, and section 115 and sections contained therein.

b. Delete section 301.2.

c. Delete section 307.2.

d. Add the following new section 308.1.11:

308.1.11 Open Flame Cooking Devices. Charcoal burners and ash- or coal-producing devices shall not be operated on combustible balconies or within 10 feet of combustible construction.

Exceptions:

1. One- and two-family dwellings.
2. LP-gas burners connected to one (1) 20-pound LP-gas container.
3. Where buildings, balconies and decks are protected by an automatic sprinkler system.

e. Delete section 315.3.3 and insert in lieu thereof the following new section:

315.3.3 Equipment Rooms. Combustible material shall not be stored in boiler rooms, mechanical rooms, or electrical equipment rooms or in fire command centers as specified in Section 508.1.5.

Exception: In sprinklered equipment rooms that have sufficient space to allow a minimum of 10 feet between all combustible storage and the heating, mechanical or electrical equipment in the room.

f. Delete section 405.3 and table 405.3 and insert in lieu thereof the following new section and new table:

405.3 Frequency. Required emergency evacuation drills will be held at the intervals specified in Table 405.3 or more frequently where necessary to familiarize all occupants with the drill procedure.

TABLE 405.3

FIRE AND EVACUATION DRILL FREQUENCY AND PARTICIPATION

GROUP OR OCCUPANCY	FREQUENCY	PARTICIPATION
Group A	Quarterly	Employees
Group B[(c)]	Annually	Employees
Group E	See [(a)] below	All occupants
Group I	Quarterly on each shift	Employees
Group I-1[(b)] and Group R-4	Quarterly	All occupants
Group R-1	Quarterly on each shift	Employees
Group R-2[(d)]	Four annually	All occupants
High-rise	Annually	Employees

[(a)] Fire and severe weather drills shall be conducted in accordance with Iowa Code section 10A.522. In severe climates, the fire code official has the authority to modify the emergency evacuation drill frequency.

[(b)] Fire and evacuation drills in assisted living facilities include complete evacuation of the premises in accordance with Section 405.2. Drills shall be conducted not less than six times per year on a bimonthly basis, with not less than two drills conducted during the night when residents could reasonably be expected to be sleeping. The drills may be announced in advance to the residents. Where occupants receive habilitation or rehabilitation training, fire prevention and fire safety practices shall be included as part of the training program.

[(c)] Group B buildings that have an occupant load of 500 or more persons or more than 100 persons above or below the lowest level of exit discharge.

[(d)] Applicable to Group R-2 college and university buildings in accordance with Section 408.3.

g. Delete section 807.5.2.1 and insert in lieu thereof the following new section:

807.5.2.1 Storage in corridors and lobbies. Clothing and personal effects will not be stored in corridors and lobbies.

Exceptions:

1. Corridors protected by an approved automatic sprinkler system installed in accordance with Section 903.3.1.1.
2. Storage in metal lockers, provided the minimum required egress width is maintained.

h. Delete section 903.2.8 and insert in lieu thereof the following new section:

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area.

Exception: Cabin buildings that are located in remote areas without a sufficient municipal water supply for design of a fire sprinkler system and that meet all of the following:

1. Not more than one story.

2. Not more than 750 square feet in floor area.

3. Fuel-fired heating equipment and other fuel-fired appliances are separated from sleeping areas by a one-hour fire-rated assembly.

4. Provided with fire alarm and smoke alarm systems as required by Section 907 for R-1 occupancies.

5. Basements are not allowed.

6. Maintain a fire separation of 20 feet from any other building or structure.

7. Comply with all applicable requirements of this Code.

i. Delete section 907.2.3 and insert in lieu thereof the following new section:

907.2.3 Group E. In the absence of a complete automatic sprinkler system, a complete automatic detection system utilizing an emergency voice/alarm communication system shall be installed throughout the entire Group E occupancy. A Group E occupancy with a complete automatic sprinkler system will be provided with a fire alarm system utilizing an emergency voice/alarm communication system in compliance with Section 907.5.2.2 and installed in accordance with Section 907.6. As a minimum, smoke detection will be provided in corridors at a maximum spacing of 30 feet on center, and heat or smoke detection will be provided in any hazardous or nonoccupied areas in all new or existing Group E occupancies.

Exceptions:

1. Group E occupancies with an occupant load of less than 50.

2. Manual fire alarm boxes are not required in Group E occupancies where all of the following apply:

2.1. Interior corridors are protected by smoke detectors with alarm verification.

2.2. Auditoriums, cafeterias, gymnasiums and the like are protected by heat detectors or other approved detection devices.

2.3. Shops and laboratories involving dusts or vapors are protected by heat detectors or other approved detection devices.

2.4. Off-premises monitoring is provided.

2.5. The capability to activate the evacuation signal from a central point is provided.

2.6. In buildings where normally occupied spaces are provided with a two-way communication system between such spaces and a constantly attended receiving station from which a general evacuation alarm can be sounded, except in locations specifically designated by the fire code official.

3. Manual fire alarm boxes are not required in Group E occupancies where the building is equipped throughout with an approved automatic sprinkler system, the notification appliances will activate on sprinkler water flow, and manual activation is provided from a normally occupied location.

4. Emergency voice/alarm communication systems meeting the requirements of Section 907.5.2.2 and installed in accordance with Section 907.6 are not required in Group E occupancies with occupant loads of 100 or less, provided that activation of the fire alarm system initiates an approved occupant notification signal in accordance with Section 907.5.

j. Add the following new section 1003.8:

1003.8 Frost protection. Exterior landings at doors will be provided with frost protection.

k. Add the following new section 1028.6:

1028.6 Exit discharge pathways. Exit discharge pathways will be paved from all required exits of a building to a public way or parking lot.

l. Delete section 1030.1.1 and insert in lieu thereof the following new section:

1030.1.1 Bleachers, grandstands, and folding and telescopic seating that are not building elements will comply with ICC-300, Standard for Bleachers, Folding and Telescopic Seating, and Grandstands, 2023 edition, with the following amendments to ICC-300:

(1) Delete section 105.2 and insert in lieu thereof the following new section:

105.2 Yearly inspection required. All bleachers and folding and telescopic seating installed on or after December 1, 2011, shall be inspected at least once a year in order to verify that the structure is maintained in compliance with the provisions of this standard. All folding and telescopic seating will also be inspected to evaluate compliance with the manufacturer's installation and operational instructions

during the opening and closing of such seating. Any inspection conducted in compliance with this section may be conducted by any knowledgeable person including, but not limited to, a person who has been instructed by the manufacturer or installer as to procedures and standards for inspections of the structure being inspected and including, but not limited to, the owner of the structure or an employee of the owner of the structure. There are no further limitations on the identity or employment of the person conducting the inspection unless otherwise provided by law. The owner shall maintain documentation of the required annual inspections, showing the date and name of the person conducting the inspection and initialed by the person conducting the inspection.

(2) Reserved.

m. Delete section 1103.5.1 Group A-2. Notwithstanding this deletion, a Group A-2 occupancy shall be equipped with an automatic sprinkler system if it was so required by another applicable section of a fire code adopted at the time of the Group A-2 occupancy's construction. Alternative means of compliance may be submitted for consideration per section 104.2.3 of the 2024 international fire code. Alternative means must be submitted to the department's fire safety bureau by a fire protection engineer for consideration of approval.

n. Delete section 1103.7.1 and insert in lieu thereof the following new section:

1103.7.1 Existing Group E occupancies shall be provided with a fire alarm system utilizing an emergency voice/alarm communication system in compliance with Section 907.5.2.2 and installed in accordance with Section 907.6. As a minimum, smoke detection will be provided in corridors at a maximum spacing of 30 feet on center, and heat or smoke detection will be provided in any hazardous or nonoccupied areas.

Exceptions:

1. A building with a maximum area of 1,000 square feet that contains a single classroom and is located no closer than 50 feet from another building.
2. Group E occupancy with an occupant load of less than 50.
3. Emergency voice/alarm communication systems meeting the requirements of Section 907.5.2.2 and installed in accordance with Section 907.6 are not required in Group E occupancies with occupant loads of 100 or less, provided that the activation of the fire alarm system initiates an approved occupant notification signal in accordance with Section 907.5.

o. Delete section 1103.8 and insert in lieu thereof the following new section:

1103.8 Single- and multiple-station smoke alarms. Single- and multiple-station smoke alarms shall be installed in existing Group I-1 and R occupancies in accordance with Sections 1103.8.1 through 1103.8.4.

p. Add the following new section 1103.8.4:

1103.8.4 Smoke alarm service life. Single-station battery-operated smoke alarms will be replaced in accordance with the manufacturer's instructions.

201.8(2) The state building code in rule 661—301.8(103A) for residential construction requirements.

661—201.9(10A) Electrical installations. The provisions of the state electrical code in 481—Chapter 404 are hereby adopted by reference as the requirements for electrical installations. In addition to compliance with 481—Chapter 404, any installation of wiring and equipment will comply with requirements established by the manufacturer of the equipment serviced by the wiring.

661—201.10(10A) Existing buildings or structures. Additions to any building or structure shall comply with the requirements for new construction. Additions shall comply with the height and area provisions of Chapter 5 of the International Building Code in rule 661—301.3(103A). Alterations to any building or structure shall comply with the requirements of the International Existing Building Code in rule 661—301.7(103A) for new construction. Only portions of the structure altered or affected by the alteration are required to comply with the requirements for new construction.

661—201.11(10A) Recognition of local fire ordinances and enforcement.

201.11(1) With the exception of a health care facility subject to the requirements of rule 661—201.14(10A), a building, structure, or facility is deemed to comply if all of the following conditions are met:

a. The building, structure, or facility is in a local jurisdiction that has adopted a local fire ordinance that adopts by reference any edition of the International Fire Code, published by the International Code Council; any edition of NFPA 1, Uniform Fire Code, published by the NFPA; or the Uniform Fire Code, 1997 edition, published by the Western Fire Chiefs Association.

b. The local fire ordinance is enforced through a process of review and approval of construction plans for compliance with the local fire ordinance and a process of regular inspections for compliance with the local fire ordinance.

c. The building, structure, or facility is subject to regular fire safety inspections.

d. The local jurisdiction has verified, during its most recent inspection, including any follow-up inspections, that the building, structure, or facility complies with the local fire ordinance.

201.11(2) Notwithstanding any conflicting provisions contained in any code adopted by reference in this chapter or by any local fire ordinance, compliance with the provisions of 481—Chapter 282 is required at any location or facility in which flammable or combustible liquids are stored, handled, or used, other than incidental use.

REQUIREMENTS FOR SPECIFIC OCCUPANCIES

661—201.12(10A) Scope of rules related to specific occupancies. The provisions of this chapter related to a specific occupancy apply solely to buildings, structures, and facilities currently being used and those proposed to be used in the specific ways described in the rule governing that specific occupancy. All other buildings, structures, and facilities in which people congregate are subject to the provisions of rules 661—201.8(10A) through 661—201.11(10A) or rule 661—201.14(10A).

661—201.13(10A,135C) Residential care facilities with a three- to five-bed specialized license and facilities in which foster care is provided by agencies to fewer than six children pursuant to Iowa Code chapter 237. This rule applies to residential care facilities with a three- to five-bed specialized license pursuant to Iowa Code section 135C.2(5) and 481—Chapter 63 and facilities in which foster care is provided by agencies to fewer than six children pursuant to Iowa Code chapter 237. The following is required:

201.13(1) *Exits.*

a. A minimum of two approved exits from the main level of the home and from each level with resident sleeping rooms.

b. Interior and exterior stairways with a minimum clear width of not less than 30 inches.

201.13(2) *Windows.* For every resident sleeping room, an outside window or outside door arranged and located to permit the venting of products of combustion and access to fresh air in the event of an emergency.

a. In new construction, windows with a minimum net clear openable area of 5.7 square feet, minimum net clear openable height of 24 inches, minimum net clear openable width of 20 inches, and finished sill height not more than 44 inches above the floor.

b. In existing construction, the finished sill height not more than 44 inches above the floor or the finished sill accessible from a platform not more than 44 inches below the window sill.

201.13(3) *Interior finish.* Interior finish in an exit shall be in accordance with the IFC edition adopted in subrule 201.8(1).

201.13(4) *Doors.* A minimum of 1⅜-inch solid core wood or equivalent doors to resident sleeping rooms.

201.13(5) *Vertical separations.* Basement stairs enclosed with one-hour rated partitions and 1¾-inch solid core wood doors equipped with self-closers. These doors must be kept closed unless held open by an approved electromagnetic holder, actuated by an approved smoke detection device located at the top of the stairwell and interconnected with the alarm system.

201.13(6) *Fire detection, fire alarms, and sprinklers.*

a. Smoke detection installed on each occupied floor, including basements, in accordance with NFPA 72, as set forth in the IFC edition adopted in subrule 201.8(1). Smoke detectors shall be interconnected so that activation of any detector will sound an audible alarm throughout. The system must be tested by a competent person at least semiannually with date of test and name noted.

b. For homes in which exiting is restricted by special door-locking arrangements that prevent residents from free egress, sprinkler systems meeting the requirements of NFPA 13D, as set forth in the IFC edition adopted in subrule 201.8(1).

201.13(7) *Fire extinguishers.* Approved fire extinguishers provided on each floor, located so that a person will not have to travel more than 75 feet from any point to reach the nearest extinguisher and an additional extinguisher provided in, or adjacent to, each kitchen or basement storage room. The type and number of portable fire extinguishers will be determined by the department.

201.13(8) *Mechanical, electrical, and building service equipment.*

a. Air conditioning, ventilating, heating, cooking, and other service equipment will be installed in accordance with the manufacturer's specifications and any pertinent state regulations, including national standards adopted therein, governing the same. All hazardous areas normally found in one- and two-family dwellings, such as laundry, kitchen, heating units and closets, need not be separated with walls if all equipment is installed in accordance with the manufacturer's specifications.

b. Portable comfort heating devices are not permitted.

201.13(9) *Attendants; evacuation plan.*

a. Every facility in which residents are present shall have at least one staff person who is at least 18 years of age and capable of performing the required duties of evacuation on the premises at all times.

b. Every facility will formulate a plan for the protection of all persons in the event of fire and for their evacuation to areas of refuge and from the building when necessary. All employees will be instructed and kept informed with respect to their duties under the plan. The plan will be posted where all employees may readily study it. Fire drills will be held at least once a month, with records retained for inspection.

201.13(10) *Smoking.*

a. There will be no smoking in resident sleeping areas, and smoking policies will be strictly enforced.

b. Any ashtrays will be constructed of noncombustible material with self-closing tops and provided in areas where smoking is permitted.

201.13(11) *Exit illumination.* Approved rechargeable battery-powered emergency lighting installed to provide automatic exit illumination in the event of failure of the normal lighting system.

201.13(12) *Accessibility.* Nonambulatory residents shall be housed only on accessible floors that have direct access to grade where the use of stairs or elevators is not required.

201.13(13) *Maintenance.*

a. All fire and life safety equipment or devices are regularly and properly maintained in an operable condition at all times in accordance with nationally recognized standards adopted herein. Such equipment and devices include fire extinguishing equipment, alarm systems, doors and their appurtenances, cords and switches, heating and ventilating equipment, sprinkler systems, and exit facilities.

b. Storerooms are maintained in a neat and proper manner at all times.

c. Excessive storage of combustible materials such as papers, cartons, magazines, paints, sprays, old clothing, furniture, and similar materials is prohibited at all times.

FIRE SAFETY REQUIREMENTS FOR HOSPITALS AND HEALTH CARE FACILITIES

661—201.14(10A) Fire safety requirements for ambulatory surgical centers, hospitals, and health care facilities.

201.14(1) *Definitions.* The following definitions apply to this rule:

"Existing" means that a facility (1) has been in continuous operation under its current classification of occupancy since before July 5, 2016, and has not undergone renovation or remodeling, including an

addition, on or after July 5, 2016, or (2) received plan approval for initial construction or for its most recent renovation or remodeling project, including an addition, if any, from the building code bureau of the fire marshal division prior to July 5, 2016.

"New" means that a facility (1) commenced continuous operation under its current classification of occupancy on or after July 5, 2016, (2) has undergone renovation or remodeling, including an addition, on or after July 5, 2016, or (3) received plan approval from the building code bureau of the fire marshal division for the initial construction of the facility or the most recent renovation of or addition to the facility on or after July 5, 2016.

201.14(2) *New hospitals.* NFPA 101, Life Safety Code, 2012 edition, Chapter 18, is adopted by reference as the fire safety rules for new hospitals.

201.14(3) *Existing hospitals.* NFPA 101, Life Safety Code, 2012 edition, Chapter 19, is adopted by reference as the fire safety rules for existing hospitals.

201.14(4) *New nursing facilities and hospices.* NFPA 101, Life Safety Code, 2012 edition, Chapter 18, is adopted by reference as the fire safety rules for new nursing facilities and hospices that provide inpatient care directly.

201.14(5) *Existing nursing facilities and hospices.* NFPA 101, Life Safety Code, 2012 edition, Chapter 19, is adopted by reference as the fire safety rules for existing nursing facilities and hospices that provide inpatient care directly.

201.14(6) *New intermediate care facilities.* New intermediate care facilities shall comply with the provisions of one of the following:

a. NFPA 101, Life Safety Code, 2012 edition, Chapter 18.

b. NFPA 101, Life Safety Code, 2012 edition, Chapter 32.

201.14(7) *Existing intermediate care facilities.* Existing intermediate care facilities shall comply with the provisions of one of the following:

a. NFPA 101, Life Safety Code, 2012 edition, Chapter 19.

b. NFPA 101, Life Safety Code, 2012 edition, Chapter 33.

201.14(8) *New ambulatory surgical centers.* NFPA 101, Life Safety Code, 2012 edition, Chapter 20, is adopted by reference as the fire safety rules for new ambulatory surgical centers.

201.14(9) *Existing ambulatory surgical centers.* NFPA 101, Life Safety Code, 2012 edition, Chapter 21, is adopted by reference as the fire safety rules for existing ambulatory surgical centers.

201.14(10) *New religious nonmedical health care institutions.* NFPA 101, Life Safety Code, 2012 edition, Chapter 18, is adopted by reference as the fire safety rules for new religious nonmedical health care institutions as defined by 42 CFR Part 403 (effective as of September 1, 2024).

201.14(11) *Existing religious nonmedical health care institutions.* NFPA 101, Life Safety Code, 2012 edition, Chapter 19, is adopted by reference as the fire safety rules for existing religious nonmedical health care institutions as defined by 42 CFR Part 403 (effective as of September 1, 2024).

201.14(12) *Evacuation capability.* Any requirement contained in NFPA 101, Life Safety Code, 2012 edition, Chapters 32 or 33, that is determined on a rating of evacuation capability shall be "impractical."

SMOKE ALARMS/DETECTORS

661—201.15(10A) Scope, definitions, and requirements for smoke alarms and smoke detectors.

201.15(1) This rule applies to single-family and two-family residences, townhouses, and all other residential occupancies in commercial buildings unless otherwise provided herein or by another provision of law. This rule does not apply to nonresidential occupancies.

201.15(2) For purposes of this rule, the following definition applies:

"Approved" means that the equipment has been approved by the department or listed for a specific use by an independent testing laboratory or organization of national reputation.

201.15(3) Residential smoke alarms are required to be listed under UL 217 edition 8 or 9. Approved single-station smoke alarms are acceptable in all areas covered by this chapter unless other fire warning equipment or materials are required by any provision of rules 661—201.8(10A) through

661—201.10(10A), rules 661—201.12(10A) and 661—201.13(10A,135C), or rule 661—201.14(10A) or if a fire alarm system with smoke detection listed under UL 268 edition 8-2023 has been installed. Any single-station smoke alarm or multiple-station smoke alarm installed on or after April 1, 2010, in compliance with this subrule, including a replacement of an existing smoke alarm, shall be listed under UL 217 edition 8 or 9.

201.15(4) All devices, combinations of devices, and equipment to be installed in conformity with this chapter shall be approved and used for the purposes for which they are intended and installed in accordance with the manufacturer's recommendations. Any devices, combinations of devices, and equipment installed on or after April 1, 2010, in compliance with this chapter, including a replacement of an existing smoke alarm, will be listed in accordance with UL 217 edition 8 or 9. Existing dual sensor smoke alarms may be maintained until replacement is recommended by the manufacturer or upon failure.

201.15(5) A combination system, such as a household fire warning system whose components may be used in whole or in part, in common with a non-fire emergency signaling system, such as a burglar alarm system or an intercom system, is not permitted or approved, except for one- or two-family dwellings.

201.15(6) Single-station battery-operated or battery backup smoke alarms shall be replaced in accordance with the manufacturer's instructions.

201.15(7) Power supplies shall be sufficient to operate the smoke detector alarm for at least four continuous minutes. Additionally:

a. In new buildings and additions constructed after July 1, 1991, required smoke alarms will receive their primary power from the building wiring when such wiring is served from a commercial source. Wiring will be permanent and without a disconnecting switch other than that required for overcurrent protection. Smoke alarms may be solely battery-powered when installed in existing buildings; in buildings without commercial power; or in buildings presently undergoing alterations, repairs, or additions subject to 481—Chapter 404.

b. New and replacement smoke alarms installed after May 1, 1993, that receive their primary power from the building wiring will be equipped with a battery backup.

c. New and replacement smoke alarms installed after July 1, 2016, that receive their primary power from the building wiring where more than one smoke alarm is required to be installed will be interconnected in such a manner that the activation of one alarm will activate all of the alarms.

d. After June 30, 2021, a battery-powered smoke alarm listed in accordance with UL 217 edition 8 that is newly installed or replaces an existing battery-powered smoke alarm must be powered by a nonremovable, nonreplaceable battery that powers the alarm for at least ten years. The battery requirements of this subrule do not apply to a fire alarm, smoke detector, smoke alarm, or ancillary component that is electronically connected as a part of a centrally monitored or supervised alarm system or that uses a low-power, radio frequency wireless communication signal.

201.15(8) The failure of any nonreliable or short-life component that renders the alarm inoperative shall be readily apparent to the occupant of the sleeping unit without the need for a test. Each smoke alarm shall detect abnormal quantities of smoke and properly operate under normal environmental conditions.

201.15(9) Installed fire warning equipment shall be mounted so as to be supported independently of its attachment to wires.

201.15(10) All apparatus shall be restored to normal immediately after each alarm or test.

201.15(11) Smoke alarms shall be located on the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms; in each room used for sleeping purposes; and in each story within a dwelling unit, including basements but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level suffices for the adjacent lower level, provided that the lower level is less than one full story below the upper level.

201.15(12) A person who files for a homestead tax credit pursuant to Iowa Code chapter 425 shall certify that the single-family dwelling unit for which the credit is filed has a smoke alarm(s) installed in

accordance with subrules 201.15(6) and 201.15(11) or that such smoke alarm(s) will be installed within 30 days of the date of filing for credit.

201.15(13) All multiple-unit residential buildings and single-family dwellings that are constructed after July 1, 1991, shall include the installation of smoke alarms meeting the requirements of this rule. All existing single-family units and multiple-unit residential buildings shall be equipped with smoke alarms or detectors as required in subrule 201.15(11).

CARBON MONOXIDE ALARMS

661—201.16(10A) Scope and definitions. The provisions of this part (rules 661—201.16(10A) and 661—201.17(10A)) apply to new and existing single-family residences, single-family rental units, and multiple-unit residential buildings. The provisions of this part do not apply to nonresidential occupancies, including but not limited to Group I and Group E occupancies. The following definitions apply to this part:

"Building" means a combination of materials, whether portable or fixed, to form a structure affording facilities or shelter for persons, animals, or property. "Building" includes any part of a building or an addition to a building.

"Carbon monoxide alarm" means one or more devices, including but not limited to combination carbon monoxide alarm/smoke alarms, that detect carbon monoxide gas for the purpose of alerting occupants by a distinct audible signal; that incorporate a sensor, control components, and an alarm notification appliance in a single unit operated from a power source either in the unit or obtained at the point of installation; and that meet the standards established by the UL.

"Carbon monoxide detection system" means a system or portion of a combination system that consists of a control unit, components, and circuits arranged to monitor and annunciate the status of carbon monoxide alarm initiating devices and to initiate the appropriate response to those signals and that meets the standards established by the UL.

"Communicating opening" means a door, window, or any other opening that allows air to be exchanged between a fuel-burning appliance or garage and a sleeping unit or dwelling unit.

"Dwelling unit" means a room or suite of rooms used for human habitation that provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

"Existing" means buildings, facilities, or conditions that are already in existence, constructed or officially authorized prior to July 1, 2018.

"Fuel" means coal, kerosene, oil, fuel gases, or other petroleum products or hydrocarbon products such as wood that emit carbon monoxide as a byproduct of combustion.

"Fuel-burning" or *"fuel-fired"* means an appliance, heater, furnace, or fireplace that uses and combusts fuel as part of its designed use.

"Garage" or *"attached garage"* means a building or portion of a building in which motor vehicles are stored or kept.

"Listed" means equipment, materials, products, or services included in a list published by an organization acceptable to the department or local fire code official and concerned with evaluation of products or services that maintains periodic inspection of production of listed equipment or materials or periodic evaluation of services and whose listing states either that the equipment, material, product or service meets identified standards or has been tested and found suitable for a specified purpose.

"Multiple-unit residential building" means a building that contains more than two dwelling units or sleeping units. "Multiple-unit residential building" includes but is not limited to condominiums, townhouses, co-ops, apartment houses or portions of a building or an apartment house, hotels, motels, dormitories, or rooming houses.

"Open-ended corridor" means an interior corridor that is open on each end and connects to an exterior stairway or ramp at each end with no intervening doors or separation from the corridor.

"Single-family rental unit" means a building that contains not more than two dwelling units or sleeping units that are rented or leased for living purposes.

"Single-family residence" or *"single-family dwelling"* means a building that contains not more than two dwelling units that are used, or intended or designed to be used, for living purposes.

"Sleeping unit" means a room or space in a building in which people sleep, which can also include permanent provisions for living, eating, and either sanitation or kitchen facilities but not both. Such rooms and spaces that are also part of a dwelling unit are not sleeping units.

661—201.17(10A) Requirements for carbon monoxide alarms and detection systems.

201.17(1) *Standards for carbon monoxide alarms and carbon monoxide detection systems.* All carbon monoxide alarms installed prior to July 1, 2025, shall meet the requirements of the NFPA Standard 720, 2012 edition, and be UL listed in accordance with UL 2034 edition 5 as revised August 7, 2024. All carbon monoxide alarms installed after July 1, 2025, shall meet the requirements of the NFPA Standard 72, 2022 edition. All carbon monoxide detection systems installed prior to July 1, 2025, shall meet the requirements for the NFPA Standard 720, 2012 edition; display a label or other identification issued by an approved testing agency; and be UL listed in accordance with UL 2075 edition 2 as revised August 4, 2023. All carbon monoxide detection systems installed after July 1, 2025, shall meet the requirements of the NFPA Standard 72, 2022 edition. All carbon monoxide alarms, combination carbon monoxide alarm/smoke alarms, and carbon monoxide detection systems installed under these rules must be listed with the UL.

201.17(2) *Carbon monoxide alarms required.* Carbon monoxide alarms are required in the following buildings if the building is served by a fuel-burning heater, fuel-burning furnace, fuel-burning appliance, or fuel-burning fireplace or has an attached garage.

a. Multiple-unit residential buildings and single-family residences for which construction began on or after July 1, 2018.

b. Existing single-family rental units, single-family residences, and multiple-unit residential buildings.

201.17(3) *Location.* A carbon monoxide alarm shall be installed in the following building locations:

a. In the immediate vicinity of every room used for sleeping purposes in each dwelling unit.

b. In each bedroom where a fuel-burning heater or furnace, fuel-burning appliance, or fireplace is located within the bedroom or its attached bathroom.

c. In each sleeping unit, if the sleeping unit or its attached bathroom contains a fuel-burning appliance, fuel-burning heater or furnace, or fireplace.

d. In the immediate vicinity of each sleeping unit where the sleeping unit or its attached bathroom does not contain a fuel-burning appliance, fuel-burning heater, or fireplace and is not served by a forced-air furnace.

201.17(4) *Location exceptions.* A carbon monoxide alarm is not required in the locations specified by subrule 201.17(3) when:

a. There are no communicating openings between the fuel-burning heater or furnace, fuel-burning appliance, fireplace, or attached garage and a dwelling unit or sleeping unit.

b. There are no communicating openings between the fuel-burning heater or furnace, fuel-burning appliance or fireplace and a dwelling unit or sleeping unit and when a dwelling unit or sleeping unit is located more than one story above or below an attached garage.

c. There are no communicating openings between the fuel-burning heater or furnace, fuel-burning appliance, or fireplace and a sleeping unit or dwelling unit and the attached garage connects to the building through an open-ended corridor.

d. A carbon monoxide alarm is located on the ceiling of the room containing the fuel-burning heater, fuel-burning appliance or fireplace, or in the first room or area between the fuel-burning heater, fuel-burning appliance or fireplace and the dwelling unit or sleeping unit.

201.17(5) *Forced-air furnace—exception.* A carbon monoxide alarm is not required in a dwelling unit or sleeping unit that is served by a fuel-burning forced-air furnace when a carbon monoxide alarm is located on the ceiling of the room containing the forced-air furnace or in the first room or area served by

each main duct leaving the forced-air furnace and the carbon monoxide alarm signals are automatically transmitted to the occupants of each dwelling unit or sleeping unit served by the forced-air furnace.

201.17(6) *Carbon monoxide detection systems.* Commercially installed carbon monoxide detection systems that have the capability of notifying all occupants of dwelling units or sleeping units within a building are an acceptable alternative to the installation of carbon monoxide alarms and are deemed compliant with this chapter.

201.17(7) *Combination alarms.* The carbon monoxide alarm may be combined with smoke detecting devices provided that the combined unit complies with pertinent provisions of this chapter regarding smoke detectors in addition to carbon monoxide alarm standards. A combined carbon monoxide alarm/smoke alarm shall emit different alarm signals for carbon monoxide and for smoke. Combination carbon monoxide alarm/smoke alarms are an acceptable alternative to carbon monoxide alarms.

201.17(8) *New construction—power source.* In buildings for which construction is begun on or after July 1, 2018, carbon monoxide alarms will receive their primary power from the building wiring when such wiring is served from a commercial source. Wiring will be permanent and without a disconnecting switch other than that required for overcurrent protection and will be equipped with a battery backup.

201.17(9) *Existing buildings—power source.* New and replacement carbon monoxide alarms installed in existing buildings may be solely battery operated or may plug into an electrical socket and have a battery backup.

201.17(10) *Responsibility for installation and maintenance of carbon monoxide alarms.* It is the responsibility of the owner, owner's agent, or manager of a multiple-unit residential building, single-family residence, or single-family rental unit to install carbon monoxide alarms in accordance with this chapter. However, if a dwelling unit in a multiple-unit residential building qualifies for a homestead credit pursuant to Iowa Code chapter 425, only the owner-occupant of the dwelling unit has the responsibility to install and maintain carbon monoxide alarms in accordance with this chapter.

201.17(11) *Maintenance of carbon monoxide alarms.*

a. It is the responsibility of the owner of a multiple-unit residential building, single-family rental unit, or dwelling unit to supply and install all required carbon monoxide alarms and to ensure that the batteries are in operating condition at the time the lessee, tenant, guest, or roomer takes possession of the dwelling unit or sleeping unit. The owner is responsible for providing written information regarding carbon monoxide alarm testing and maintenance to one lessee, tenant, guest, or roomer per dwelling unit or sleeping unit.

b. An owner or manager may require a lessee, tenant, guest, or roomer who has a residency longer than 30 days to be responsible for general maintenance, including but not limited to replacement of any required batteries of the carbon monoxide alarms and testing the carbon monoxide alarms in the lessee's, tenant's, guest's, or roomer's dwelling unit or sleeping unit. The lessee, tenant, guest, or roomer is responsible for notifying the owner or manager in writing of any deficiencies that the lessee, tenant, guest, or roomer cannot correct and providing the owner or manager access to the dwelling unit or sleeping unit so that deficiencies can be corrected.

201.17(12) *Deaf or hard-of-hearing tenant.* Upon request of a tenant who is deaf or hard of hearing, an owner of a multiple-unit residential building or a single-family rental unit that has a fuel-fired heater or appliance, a fireplace, or an attached garage, or the owner's agent, shall install light-emitting carbon monoxide alarms.

201.17(13) *Certification of installation required.* A person who files for a homestead credit pursuant to Iowa Code chapter 425 will certify that the dwelling unit that has a fuel-fired heater or furnace, a fuel-fired appliance, a fireplace, or an attached garage has carbon monoxide alarms installed in compliance with this chapter or that such alarms will be installed within 30 days of the date the filing for the credit is made.

201.17(14) *Inspections authorized.* Inspections may be conducted by the director; the director's subordinates; chiefs of local fire departments; state or local building inspectors; or other fire, building, or

safety officials authorized by the director. Any inspections authorized under this rule are limited to the placement, repair, and operability of carbon monoxide alarms and carbon monoxide detection systems.

201.17(15) *Inoperable carbon monoxide alarms and corrective action.* Upon receiving written notification by a lessee, tenant, guest, or roomer or by the director; director's subordinates; state fire marshal; fire marshal's subordinates; a chief of a local fire department; a building inspector; or other fire, building or safety official that a carbon monoxide alarm is inoperable, the owner or manager of the multiple-unit residential building or single-family rental unit shall repair or replace the carbon monoxide alarm within 30 days. If the owner or manager fails to correct the situation within the 30 days after receipt of written notice, the tenant, guest, or roomer may cause the carbon monoxide alarm to be repaired or may purchase and install a carbon monoxide alarm required under this chapter and may deduct the repair cost or purchase price from the next rental payment or payments made by the tenant, guest, or roomer in accordance with Iowa Code section 10A.518(7).

These rules are intended to implement Iowa Code sections 10A.511 through 10A.525 and chapters 135B, 135C, 135J, 231C, and 237.

ITEM 3. Rescind and reserve **661—Chapter 202**.

ITEM 4. Rescind and reserve **661—Chapter 205**.

ITEM 5. Rescind and reserve **661—Chapter 210**.

ITEM 6. Rescind and reserve **661—Chapter 211**.

[Filed 7/10/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9473C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to state building code administration

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 300, "State Building Code—Administration," Iowa Administrative Code, and adopts a new Chapter 300 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 103A.7 and 103A.23.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 103A.

Purpose and Summary

This rulemaking repromulgates Chapter 300 and implements Iowa Code chapter 103A, in accordance with the goals and directives of Executive Order 10.

Iowa Code section 103A.7 provides that the State Building Code Commissioner is empowered and directed to formulate, adopt, and periodically amend or revise and to promulgate, in conformity with and subject to the conditions set forth in Iowa Code chapter 103A, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public.

Pursuant to Iowa Code section 103A.23, the Commissioner shall establish by rule a schedule of fees based upon the costs of administration and for the purpose of obtaining revenue to defray the costs of administering the provisions of Iowa Code chapter 103A. Fees shall be collected from persons whose manufacture, installation, or construction is subject to the provisions of the state building code. For the performance of building plan reviews by the Department, the Commissioner shall establish by rule a fee, chargeable to the owner of the building, and the fee shall be equal to a percentage of the estimated total valuation of the building and shall be in an amount reasonably related to the cost of conducting the review.

The policy of Iowa is to insure the health, safety, and welfare of its citizens through the promulgation and enforcement of a state building code (Iowa Code section 103A.2), and these rules aid in that policy by providing for the administration of the state building code. These rules provide for the administration of the state building code through the state building code bureau, including plan review and inspections, as well as fees for the same (as provided by Iowa Code section 103A.23(1)). The bureau has worked under this chapter for close to 20 years, conducting plan review of over $1 billion worth of construction per year. The rules also provide guidelines for local jurisdictions to enforce the building code. All of the rules in this chapter support the State's policy of insuring the health, safety, and welfare of Iowa citizens.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9051C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

The Department did not receive any comments related to this rulemaking. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on July 10, 2025. Pursuant to Iowa Code sections 103A.7(1) and 103A.14, the State Building Code Advisory Council approved adoption of this rulemaking at its July 9, 2025, public meeting.

Fiscal Impact

This rulemaking has no fiscal impact in an amount requiring a fiscal impact statement pursuant to Iowa Code section 17A.4(4).

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 661—Chapter 300 and adopt the following **new** chapter in lieu thereof:

CHAPTER 300
STATE BUILDING CODE—ADMINISTRATION

661—300.1(103A) State building code promulgated; definitions. The definitions set forth in Iowa Code section 103A.3 are incorporated herein by reference. Iowa Code section 103A.7 empowers and directs the commissioner to adopt and promulgate the state building code, with the approval of the council, except that adoption of the state historic building code requires the approval of the state historical society board, rather than the council, pursuant to Iowa Code section 103A.41. The state building code includes 661—Chapters 16, 300, 301, 322 and 323.

661—300.2(103A) Building code commissioner. The commissioner appointed pursuant to Iowa Code section 103A.4 will adopt, and amend as needed, the state building code with the approval of the council and the state historic building code with the approval of the state historical society board; appoint the board of review from among the council membership; consider any request for the use of alternate materials or methods of construction submitted to the building code bureau pursuant to Iowa Code section 103A.13; and either disapprove each such request or recommend approval of the request to the council.

661—300.3(103A) Building code advisory council. The council appointed pursuant to Iowa Code section 103A.14 will consider amendments to the state building code proposed by the commissioner, other than amendments to the state historic building code; approve or disapprove any changes to the state building code proposed by the commissioner; and consider and approve or disapprove any requests for use of alternate materials or methods of construction, the approval of which has been recommended to the council by the commissioner.

661—300.4(103A) Plan reviews.

300.4(1) *Plans and specifications review—approvals.*

a. Submissions to the commissioner of architectural technical documents, engineering documents, and plans and specifications are the responsibility of the owner of a building or facility. The submission may be completed by an authorized agent of the owner or the responsible design professional.

b. "Responsible design professional" means a registered architect or licensed professional engineer who signs the documents submitted.

c. Plans, specifications, and other supporting information have to be sufficiently clear and complete to show in detail that the proposed work will comply with the requirements of the applicable provisions of the state building code.

d. In Sections 107.1 and 107.2.6 of the International Building Code, 2024 edition, the word "permit" is replaced by the words "plan review."

e. Submittals to the commissioner have to be certified or stamped and signed according to Iowa Code chapters 542B and 544A unless the applicant has certified on the submittal a specific exception under Iowa Code section 544A.18 and the submittal does not constitute the practice of professional engineering as defined by Iowa Code section 542B.2.

f. Plans and specifications for projects subject to plan review by the commissioner have to be submitted in a format specified on the plan review submittal form.

g. Architectural technical submissions; engineering documents; and plans and specifications for construction, renovation, or remodeling of all state-owned buildings or facilities, including additions to existing buildings, have to be submitted to the commissioner for review and comment. A written response by the design professional indicating corrective measures taken to address the commissioner's plan review comments has to be submitted to and approved by the commissioner prior to the issuance of

construction documents for bidding. Bidding may commence on a project after the preliminary meeting provided for in subrule 300.4(3) if all items on the preliminary meeting checklist have been resolved to the satisfaction of the commissioner.

h. Architectural technical submissions; engineering documents; and plans and specifications for the initial construction of any building or facility that will not be wholly owned by the state or an agency of the state have to be submitted to the commissioner for review and comment, if the construction is financed in whole or in part with funds appropriated by the state and there is no local building code in effect in the local jurisdiction in which the construction is planned or, if there is such a local building code in effect, it is not enforced through a system that includes both plan reviews and inspections. A written response by the design professional indicating corrective measures taken to address the commissioner's plan review comments has to be submitted to and approved by the commissioner prior to the issuance of construction documents for bidding. Bidding may commence on a project after the preliminary meeting provided for in subrule 300.4(3) if all items on the preliminary meeting checklist have been resolved to the satisfaction of the commissioner.

i. Architectural technical submissions; engineering documents; and plans and specifications for construction, renovation, or remodeling of all buildings or facilities, including additions to existing buildings, to which the state building code applies, other than those subject to paragraph 300.4(1)*"g"* or *"h,"* have to be submitted to the commissioner for review and comment unless applicability of the state building code is based upon a local ordinance enacted pursuant to Iowa Code section 103A.12. A written response by the design professional indicating corrective measures taken to address the commissioner's plan review comments has to be submitted to and approved by the commissioner prior to the issuance of construction documents for bidding. Bidding may commence on a project after the preliminary meeting provided for in subrule 300.4(3) if all items on the preliminary meeting checklist have been resolved to the satisfaction of the commissioner.

j. If the state building code applies to a construction project based upon a local ordinance adopting the state building code, the submission has to be made to the local jurisdiction, provided that the local jurisdiction has established a building department, unless the local jurisdiction requires submission to the commissioner. Review and approval of such documents by the commissioner are at the discretion of the commissioner based upon available resources.

k. A life cycle cost analysis will be needed for new public projects and additions over 20,000 square feet or a renovation that exceeds 50 percent of the value of the building pursuant to Iowa Code chapter 470 and will be submitted to the commissioner before construction commences. The department has developed life cycle cost analysis guidelines to assist architects and engineers in completing this analysis, and these guidelines are available on the department's website or upon request.

l. Any necessary energy code review pursuant to 661—Chapter 301, Part 3, will be completed prior to approval.

300.4(2) *Copies and fees.* 661—Chapters 16 and 322 describe fees pertaining to factory-built structures.

a. Codes and standards adopted by reference in the state building code that are published by other organizations, including but not limited to the American National Standards Institute, the International Code Council, the International Association of Plumbing and Mechanical Officials, and the National Fire Protection Association, may be purchased from the publishing organization. A copy of each code or standard adopted by reference in the state building code has been deposited in the Iowa state law library.

b. The fees for plan reviews completed by the building code bureau are calculated as follows:

Estimated Construction Costs	**Calculation of Plan Review Fee**
Up to and including $1 million	$.58 per thousand dollars or fraction thereof (minimum fee $200)
More than $1 million	$580 for the first $1 million plus $.32 for each additional thousand dollars or fraction thereof

The plan review fees for fire suppression systems and fire alarm systems are separate fees and are calculated as follows:	
Fire Protection System Costs	**Plan Review Fee**
Fire suppression systems whose construction cost for materials and installation is calculated to be up to and including $5,000	$100
Fire suppression systems whose construction cost for materials and installation is calculated to be more than $5,000 and up to and including $20,000	$200
Fire suppression systems whose construction cost for materials and installation is estimated to be more than $20,000	$400
Fire alarm systems whose construction cost for materials and installation is calculated to be up to and including $5,000	$100
Fire alarm systems whose construction cost for materials and installation is calculated to be more than $5,000 and up to and including $20,000	$200
Fire alarm systems whose construction cost for materials and installation is estimated to be more than $20,000	$400

Payment of the assigned fee has to accompany each plan when submitted for review. Payment may be made by money order, check, or draft made payable to the Treasurer, State of Iowa.

NOTE: Plan review fees for assisted living projects are contained in Iowa Code section 231C.18(2) *"c."* Elder group home plan review fees are contained in Iowa Code section 231B.17. Adult day services plan review fees are contained in Iowa Code section 231D.4.

c. A person who has submitted a plan for review for which a fee has been assessed pursuant to paragraph 300.4(2)*"b"* is eligible to receive a refund of the fee if the plan has not been approved or rejected within 60 calendar days of its receipt by the building code bureau. A person who believes that a refund is due may notify the commissioner, who will provide a form to request a refund. If the request for refund is approved, the commissioner will cause a check for the amount of the refund to be issued to the individual or organization that originally paid the fee. If the original submission of the plan is incomplete, the fee will be refunded only if the plan has not been approved or rejected within 60 days of a full and complete submission of the plan. "Approved or rejected within 60 days" means that a letter approving or rejecting the plan has been presented or mailed to the submitter within 60 days of the date of receipt by the building code bureau, within the meaning of "time" as defined in Iowa Code section 4.1.

300.4(3) *Preliminary meeting.* The responsible design professional for a project shall contact the building code bureau to schedule a preliminary meeting to discuss code compliance issues early in the design development phase. There is no separate fee for a preliminary meeting. If the responsible design professional plans to request approval to bid the project as part of the preliminary meeting, that person has to request a copy of the document "Preliminary Meeting Checklist" at the time the meeting is scheduled and be prepared to address all applicable issues identified on the checklist at the preliminary meeting. Approval to bid the project will not be given unless all applicable issues identified on the checklist have been addressed to the satisfaction of the commissioner.

300.4(4) *Requests for staged approvals.*

a. Requests for approval to begin foundation work shall be submitted to the building code bureau in writing and may be transmitted by mail, email, or fax or in person. Foundation approval may be granted by the bureau in writing, following a preliminary meeting, if the construction plans and specifications are in compliance with the requisite code provisions.

b. Requests for approval to continue construction beyond the foundation, up to and including the shell of the building, shall be submitted to the bureau in writing and may be transmitted by mail, email, or fax or in person. These requests will be evaluated on a case-by-case basis, and approval or denial of the requests will be transmitted to the submitter in a written form.

300.4(5) *Fast-track projects.* While fast-track projects are not encouraged and will only be approved on the basis of good cause shown, fast-track projects may be considered by the commissioner on a case-by-case basis. If a fast-track project is initially approved, a written plan of submittal, review and approval will be developed for each project. A full set of construction documents are needed for a full review and approval in a timely manner.

661—300.5(103A) Inspections.

300.5(1) Any building or facility for which construction is subject to a plan review by the commissioner, except construction involving any building or facility owned by the board of regents or by any institution subject to the authority of the board of regents, is subject to inspection by the commissioner or staff of the bureau or division at the direction of the commissioner or by a third party with whom the commissioner contracts to conduct inspections of buildings and facilities subject to the state building code.

EXCEPTION: Construction that is limited to building renovations or repairs is not subject to inspection by the commissioner.

300.5(2) Any construction involving any building or facility owned by the board of regents or by an institution subject to the authority of the board of regents is subject to inspection by the commissioner or staff of the bureau or division at the direction of the commissioner.

EXCEPTION: Construction that is limited to building renovations or repairs is not subject to inspection by the commissioner.

300.5(3) Buildings subject to inspection by the commissioner, except construction involving any building or facility owned by the board of regents or by any institution subject to the authority of the board of regents, shall pay an inspection fee based upon the construction cost of the project. The inspection fee is calculated as follows:

Construction Cost	Base Inspection Fee
Up to $100,000	$598
$100,001 to $1,000,000	$645
$1,000,001 to $10,000,000	$722
$10,000,001 and above	$783
Follow-up inspection	$214

The base inspection fee covers three inspections—a foundation, rough-in, and final. The base inspection fee is due and payable at the time completed construction documents are submitted for review. The plan review will not be conducted until the proper base inspection fee is paid. Checks should be made payable to the Treasurer, State of Iowa, and delivered to the bureau office. This fee is separate and distinct from the plan review fee established in subrule 300.4(2).

Additional inspections may occur for any of the following reasons:

a. During one of the three base inspections, code violations are identified that require that a follow-up inspection be conducted to verify that the violations have been corrected.

b. The inspector finds that the project is not ready for the type of inspection requested.

c. By special request of the project designer, contractor, or owner.

d. Upon order of the building code commissioner (no additional charge).

The fee for each additional inspection is calculated as follows:

One hour on site = $206

One to two hours on site = $240

Two to three hours on site = $273

Three to four hours on site = $307

Four to five hours on site = $341

Five to six hours on site = $374

Additional inspection fees will be billed to the responsible architect or building contractor on a monthly basis. The building may receive only temporary approval for occupancy if unpaid inspection fees remain at the time of final inspection.

Inspection fees and standard operating procedures for construction involving any building or facility owned by the board of regents or by any institution subject to the authority of the board of regents will be established through a written agreement between the commissioner and the board of regents.

300.5(4) Any person who performs a building code inspection on behalf of the building code commissioner will have and maintain one of the following: (1) current certification as a commercial building inspector by the International Code Council, or (2) other equivalent certification approved by the building code commissioner. An employee of the department who performs an inspection on behalf of the building code commissioner will, in addition, meet any requirements for the job class in which the employee is classified as established by the department of administrative services, pursuant to Iowa Code chapter 8A, subchapter IV, part 2.

EXCEPTION: An employee of the department who performs inspections on behalf of the building code commissioner may perform such inspections for no more than six months prior to obtaining certification.

661—300.6(103A) Local code enforcement. Provisions of the state building code applicable statewide or applicable in a local jurisdiction that has adopted the state building code by local ordinance may be enforced by the local jurisdiction.

Any local jurisdiction that adopts the state building code by local ordinance may further adopt provisions for the administration and enforcement of the building code by the local jurisdiction. These provisions may include administrative provisions contained in the codes adopted by reference as part of the state building code and may include other provisions at the discretion of the local jurisdiction.

300.6(1) *Creation of department.* There may be established within the governmental subdivision a "building department" that is under the jurisdiction of the building official designated by the appointing authority. Within the state building code, including publications adopted by reference within the state building code, the terms "administrative authority," "authority having jurisdiction," and "authorized representative" mean the building official. The local governmental subdivision must inform the state building code bureau, in writing transmitted by mail, email, or fax, when it establishes or dissolves a building department.

300.6(2) *Powers and duties of building official.* The building official in those governmental subdivisions establishing a building department will enforce all the provisions of any applicable building code as prescribed by local law or ordinance and as outlined by Iowa Code section 103A.19.

300.6(3) *Permits only.* Any governmental subdivision that has not established a building department but requires a permit to construct or an occupancy permit or both is known as the "issuing authority."

300.6(4) *Statement of compliance with energy conservation requirements.* Any application for a building permit, except for applications to renovate or remodel residential buildings of one or two units, shall include a statement that the construction will comply with all applicable energy conservation requirements.

These rules are intended to implement Iowa Code chapter 103A.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9474C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to state building code

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 301, "State Building Code—General Provisions"; adopts a new Chapter 301, "State Building Code"; and rescinds Chapter 302, "State Building Code—Accessibility of Buildings and Facilities Available to the Public," Chapter 303, "State Building Code—Requirements for Energy Conservation in Construction," Chapter 310, "Sustainable Design Standards," Chapter 315, "Weather Safe Rooms," and Chapter 350, "State Historic Building Code," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 103A.7 through 103A.8C, 103A.41, 104A.2 and 470.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 103A, 104A and 470.

Purpose and Summary

This rulemaking repromulgates Chapters 301 through 303, 310, 315, and 350 into one combined chapter and implements Iowa Code chapters 103A, 104A, and 470 in accordance with the goals and directives of Executive Order 10.

Iowa Code section 103A.7(1) provides that the State Building Code Commissioner is empowered and directed to formulate, adopt, and periodically amend or revise and to promulgate, in conformity with and subject to the conditions set forth in Iowa Code chapter 103A, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public.

Pursuant to Iowa Code section 103A.7(2), the rules shall include reasonable provisions for the following: (1) the installation of equipment; (2) the standards or requirements for materials to be used in construction; (3) the manufacture and installation of factory-built structures; (4) protection of the health, safety, and welfare of occupants and users; (5) the accessibility and use by persons with disabilities and elderly persons of buildings, structures, and facilities that are constructed and intended for use by the general public (consistent with federal standards for building accessibility and applying only to those buildings, structures, and facilities subject to Iowa Code chapter 104A); (6) the conservation of energy through thermal efficiency standards for buildings intended for human occupancy that are heated or cooled and lighting efficiency standards for buildings intended for human occupancy that are lighted; (7) standards for sustainable design, also known and referred to as green building standards; and (8) standards for safe rooms and storm shelters.

Pursuant to Iowa Code section 103A.8A, the Commissioner shall adopt as a part of the State Building Code a requirement that new single-family or two-family residential construction shall comply with energy conservation requirements.

Pursuant to Iowa Code section 103A.8B, the Commissioner shall adopt rules specifying standards and requirements for sustainable design and construction based upon or incorporating nationally recognized ratings, certifications, or classification systems and procedures relating to documentation of compliance. The standards and requirements shall be incorporated into the State Building Code but, in lieu of general applicability, shall apply to construction projects only if such applicability is expressly authorized by statute or as established by another State agency by rule.

Pursuant to Iowa Code section 103A.8C, the Commissioner shall adopt rules specifying standards and requirements for design and construction of safe rooms and storm shelters. The standards and requirements shall be incorporated into the State Building Code but shall not be interpreted to require the inclusion of a safe room or storm shelter in a building construction project unless such inclusion is expressly required by another statute or by a federal statute or regulation.

Additionally, Iowa Code section 103A.41 provides that the Commissioner shall adopt alternative building standards and building regulations for the rehabilitation; preservation; restoration, including

related reconstruction; and relocation of buildings or structures designated by State agencies or governmental subdivisions as qualified historic buildings that are included in, or appear to meet criteria for inclusion in, the National Register of Historic Places. The purpose of the State Historic Building Code is to facilitate the restoration or change of occupancy of qualified historic buildings or structures to preserve their original or restored architectural elements and features and, concurrently, to provide reasonable safety from fire and other hazards for the occupants and users through a cost-effective approach to preservation.

Iowa Code section 104A.2 provides that the standards and specifications adopted by the Commissioner and as set forth in Iowa Code chapter 104A (accessibility for persons with disabilities) shall apply to all public and private buildings and facilities, temporary and permanent, used by the general public. The specific occupancies and minimum extent of accessibility shall be in accordance with the conforming standards set forth in Iowa Code section 104A.6. In every covered multiple-dwelling-unit building containing four or more individual dwelling units, the requirements of Iowa Code chapter 104A and those adopted by the Commissioner shall be met. However, Iowa Code chapter 104A shall not apply to a building, or to structures or facilities within the building, if the primary use of the building is to serve as a place of worship.

Finally, Iowa Code section 470.2 states that on or after May 26, 2016, a public agency responsible for the construction or renovation of a facility (which Iowa Code section 470.1(7) defines as a building having 20,000 square feet or more of usable floor space that is heated or cooled by a mechanical or electrical system) or the construction of an addition shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility.

Currently, rules implementing the above statutes are spread across six chapters (301 (general provisions), 302 (accessibility), 303 (energy conservation), 310 (sustainable design), 315 (weather safe rooms), and 350 (historic building code)). This rulemaking consolidates those six chapters into one chapter. Additionally, many currently adopted standards in those chapters are outdated editions, and this rulemaking updates many of them to 2024 editions in conformity with the statutory directives above, including to establish minimum safeguards in the erection and construction of buildings and structures; to protect the human beings who live and work in them from fire and other hazards; and to establish regulations to further protect the health, safety, and welfare of the public.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9052C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

The Department received a number of written comments and oral comments at the public hearings, including from local building code officials and offices, the Iowa Chapter of the American Institute of Architects, the American Chemistry Council, and more.

Multiple commenters encouraged the Department to also update the adopted International Energy Conservation Code—Residential Provisions from the 2012 edition to the 2024 edition. However, the Department determined that this may constitute an increase in regulatory burden that would violate Executive Order 10. Additionally, it was the Department's opinion, based on prior attempts to update the adopted energy code standard, that attempting to do so with this rulemaking would likely result in significant resistance and failure to gain necessary approval for adoption.

Multiple commenters also encouraged the Department to consider mandating or incentivizing sustainable design criteria and/or weather safe rooms or storm shelters. However, Iowa Code section 103A.8B provides that sustainable design standards cannot be generally applicable and may only apply to construction projects if such applicability is expressly authorized by statute or as established by another State agency by rule. Similarly, Iowa Code section 103A.8C states that the safe room and storm shelter rules cannot be interpreted to require inclusion of a safe room or storm shelter unless such inclusion is expressly required by another statute or by a federal statute or regulation. Therefore, a

legislative change is necessary for the Department to require or incentivize sustainable design criteria and/or weather safe rooms or storm shelters.

A number of other comments were received, and the Department fully considered them all. The Department determined that many of these comments would make the rules more restrictive (in violation of Executive Order 10), were contrary to statutory provisions and requirements, or did not otherwise warrant a change to the State Building Code.

Additionally, the Department sought comment regarding sustainable design standards from the Department of Natural Resources pursuant to Iowa Code section 103A.8B, and regarding safe rooms and storm shelters from the Department of Natural Resources and the Department of Public Defense pursuant to Iowa Code section 103A.8C. Both departments advised that they did not have any comments regarding the relevant rules.

Changes from the Notice have been made to correct a reference in rule 661—301.9(103A) to rule 481—425.3(105). Additionally, the reference to the National Fuel Gas Code in rule 661—301.9(103A) has been removed since this is redundant and introduces potential conflict and confusion if the edition referenced in rule 661—301.9(103A) does not match with the edition incorporated in 661—Chapter 226. Finally, references to the International Plumbing Code in subrules 301.6(2) and 301.8(10) have been changed from the 2015 edition to the 2024 edition since this adopted standard was intended to be updated along with the other adopted standards that are also being updated to 2024 editions in this rulemaking. Other minor changes have been made to update erroneous citations.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on July 10, 2025. Pursuant to Iowa Code section 103A.41, the State Historical Society Board approved the adoption of the State Historic Building Code provisions of this rulemaking at its June 26, 2025, public meeting. Pursuant to Iowa Code sections 103A.7(1) and 103A.14, the State Building Code Advisory Council approved adoption of this rulemaking at its July 9, 2025, public meeting.

Fiscal Impact

This rulemaking has no fiscal impact in an amount requiring a fiscal impact statement pursuant to Iowa Code section 17A.4(4).

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 661—Chapter 301 and adopt the following **new** chapter in lieu thereof:

CHAPTER 301
STATE BUILDING CODE

PART 1
GENERAL PROVISIONS

661—301.1(103A) Scope and applicability. The provisions of this chapter apply to buildings and facilities subject to the state building code pursuant to Iowa Code chapter 103A, including sections 103A.10 and 103A.12, and provisions of state or federal law other than Iowa Code chapter 103A.

661—301.2(103A) Definitions. The definitions set forth in Iowa Code section 103A.3 are incorporated herein by reference. Additionally:

"Appropriated by the state of Iowa" means funds that are included in a bill enacted by the Iowa general assembly and signed by the governor or that are appropriated in a provision of the Iowa Code.

"Board of appeals" means the local board of appeals as created by local ordinance.

"Building component" means any part, subsystem, subassembly, or other system designed for use in, or as a part of, a structure, including but not limited to the following: structural, electrical, mechanical, fire protection, or plumbing systems, and including such variations thereof as are specifically permitted by regulation, and which variations are submitted as part of the building system or amendment thereof.

"Building department" means an agency of any governmental subdivision charged with the administration, supervision, or enforcement of building regulations, prescribed or required by state or local building regulations.

"Building system" means plans, specifications and documentation for a system of manufactured factory-built structures or buildings or for a type or a system of building components, including but not limited to the following: structural, electrical, mechanical, fire protection, or plumbing systems, and including such variations thereof as are specifically permitted by regulation, and which variations are submitted as part of the building system or amendment thereof.

"Bureau" means the building code bureau of the department of inspections, appeals, and licensing.

"Construction cost" means the total cost of the work to the owner of all elements of the project designed or specified by the design professional including the cost at current market rates of labor and materials furnished by the owner and equipment designed, specified or specifically provided by the design professional. Construction costs include the costs of management or supervision of construction or installation provided by a separate construction manager or contractor, plus a reasonable allowance for each construction manager's or contractor's overhead and profit.

"Enforcement authority" means any state agency or political subdivision of the state that has the authority to enforce the state building code.

"Label" means an approved device affixed to a factory-built structure or building, or building component, by an approved agency, evidencing code compliance.

"Listing agency" means an agency approved by the commissioner that is in the business of listing or labeling, that maintains a periodic inspection program on current production of listed models, and that makes available timely reports of such listing including specific information verifying that the product has been tested to approved standards and found acceptable for use in a specified manner.

"Responsible design professional" means a registered architect or licensed professional engineer who stamps and signs the documents submitted, pursuant to Iowa Code chapters 542B and 544A.

"State fire code" means administrative rules adopted by the director of the department of inspections, appeals, and licensing in consultation with the state fire marshal, pursuant to Iowa Code section 10A.511.

"State mechanical code" means the state mechanical code adopted by the state plumbing and mechanical systems board, pursuant to Iowa Code chapter 105.

"State plumbing code" means the state plumbing code adopted by the state plumbing and mechanical systems board, pursuant to Iowa Code chapter 105.

661—301.3(103A) General provisions. The provisions of the International Building Code, 2024 edition, published by the International Code Council, www.iccsafe.org, are hereby adopted by reference as the general requirements for building construction, with the following amendments:

301.3(1) Delete section 101.1.

301.3(2) Delete section 101.2 and insert in lieu thereof the following new section:

101.2 Scope. The provisions of this code apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

Exception: Detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories above grade plane in height with a separate means of egress and their accessory structures shall comply with the International Residential Code, as amended by rule 661—301.8(103A).

301.3(3) Delete sections 101.4.1 through 101.4.6.

301.3(4) Delete section 102.6 and insert in lieu thereof the following new section:

102.6 Existing Structures. The legal occupancy of any structure existing on the date of adoption of this code is permitted to continue without change, except as specifically covered in this code or the state fire code, or as deemed necessary by the building code commissioner for the general safety and welfare of the occupants and the public.

301.3(5) Delete sections 103, 104, 105 and sections therein.

301.3(6) Delete section 106.2.

301.3(7) Delete section 107.1 and insert in lieu thereof the following new section:

107.1 General. Submittal documents consisting of construction documents, statement of special inspections, a geotechnical report and other data shall be submitted in one or more sets with each plan review application. The construction documents shall be prepared by a responsible design professional where required by the statutes of the jurisdiction in which the project is to be constructed. Where special conditions exist, the commissioner is authorized to require additional construction documents to be prepared by a responsible design professional.

Exception: The commissioner may waive the submission of construction documents and other data if it is found that the nature of the work applied for is such that review of construction documents is not necessary to obtain compliance with this code.

301.3(8) Delete sections 107.3, 107.4, and 107.5 and sections therein.

301.3(9) Delete sections 109, 110, 111, 112, 113, 114, 115, and 116 and sections therein.

301.3(10) Add the following to section 202, Definitions:

"Cabin Building." A residential building or structure the use of which is transient in nature and which is used for sleeping purposes when not classified as an Institutional Group I or when not regulated by the International Residential Code.

301.3(11) Add the following to section 310.2:

Cabin buildings.

301.3(12) Add the following new section 408.9.1:

408.9.1 Windowed Buildings. Plans and specifications for windowed buildings or portions of windowed buildings shall include a rational analysis demonstrating a tenable environment for exiting from the smoke compartment in the area of fire origin.

301.3(13) Delete section 423 in its entirety and insert in lieu thereof the following new section:

423 Storm Shelters.

423.1 General. Any storm shelter or weather safe room as defined by rule 661—301.38(103A) shall comply with ICC 500-2014.

423.1.1 Scope. In accordance with 661—Chapter 315, this section applies to storm shelters and weather safe rooms constructed on or after January 1, 2011. This section does not require the construction of a weather safe room or rooms for any construction project but does establish standards for design and construction of storm shelters and weather safe rooms when their construction is required by another statute, federal statute or regulation, or is incorporated voluntarily in a construction project.

301.3(14) Delete section 903.2.8, except for subsections 903.2.8.1 through 903.2.8.3, and insert in lieu thereof the following new section:

903.2.8 Group R. An automatic sprinkler system installed in accordance with section 903.3 shall be provided throughout all buildings with a Group R fire area.

Exception: Cabin buildings that are located in remote areas without a sufficient municipal water supply for design of a fire sprinkler system and that meet all of the following:

1. Not more than one story.
2. Not more than 750 square feet in floor area.
3. Fuel-fired heating equipment and other fuel-fired appliances are separated from sleeping areas by a one-hour fire-rated assembly.
4. Provided with fire alarm and smoke alarm systems in accord with 907 for R-1 occupancies.
5. No basements.
6. Maintain a fire separation of 20 feet from any other building or structure.
7. Comply with all applicable requirements of the state building code.

301.3(15) Delete section 907.2.3 and insert in lieu thereof the following new section:

907.2.3 Group E. In the absence of a complete automatic sprinkler system, a complete automatic detection system utilizing an emergency voice/alarm communication system shall be installed throughout the entire Group E occupancy. A Group E occupancy with a complete automatic sprinkler system shall be provided with a fire alarm system utilizing an emergency voice/alarm communication system in compliance with section 907.5.2.2 and installed in accordance with section 907.6. Smoke detection shall be provided in corridors at a maximum spacing of 30 feet on center, and heat or smoke detection provided in any hazardous or nonoccupied areas.

Exceptions:

1. Group E occupancies with an occupant load of less than 50.

2. Manual fire alarm boxes are not necessary in Group E occupancies where all of the following apply:

2.1. Interior corridors are protected by smoke detectors with alarm verification.

2.2. Auditoriums, cafeterias, gymnasiums and the like are protected by heat detectors or other approved detection devices.

2.3. Shops and laboratories involving dusts or vapors are protected by heat detectors or other approved detection devices.

2.4. Off-premises monitoring is provided.

2.5. The capability to activate the evacuation signal from a central point is provided.

2.6. In buildings where normally occupied spaces are provided with a two-way communication system between such spaces and a constantly attended receiving station from which a general evacuation alarm can be sounded, except in locations specifically designated by the fire code official.

3. Manual fire alarm boxes are not necessary in Group E occupancies where the building is equipped throughout with an approved automatic sprinkler system, the notification appliances will activate on sprinkler water flow, and manual activation is provided from a normally occupied location.

4. Emergency voice/alarm communication systems meeting the requirements of section 907.5.2.2 and installed in accordance with section 907.6 are not necessary in Group E occupancies with occupant loads of 100 or less, provided that activation of the fire alarm system initiates an approved occupant notification signal in accordance with section 907.5.

301.3(16) Add the following new section 1003.8:

1003.8 Frost Protection. Exterior landings at doors shall be provided with frost protection.

301.3(17) Add the following new section 1027.5.1:

1027.5.1 Exit Discharge Pathways. Exit discharge pathways shall be paved from all exits of the building to the public way.

301.3(18) Delete section 1030.1.1 and insert in lieu thereof the following new section:

1030.1.1 Bleachers, grandstands, and folding and telescopic seating that are not building elements shall comply with ICC-300, Standard for Bleachers, Folding and Telescopic Seating, and Grandstands, 2012 edition, with the following amendments to ICC-300:

a. Delete section 105.2 and insert in lieu thereof the following new section:

105.2 Yearly inspection. All bleachers and folding and telescopic seating installed on or after December 1, 2011, shall be inspected at least once a year in order to verify that the structure is maintained in compliance with the provisions of this standard. All folding and telescopic seating shall also be inspected to evaluate compliance with the manufacturer's installation and operational instructions during the opening and closing of such seating. Any inspection conducted in compliance with this section may be conducted by any knowledgeable person including, but not limited to, a person who has been instructed by the manufacturer or installer as to procedures and standards for inspections of the structure being inspected and including, but not limited to, the owner of the structure or an employee of the owner of the structure. There are no further restrictions on the identity or employment of the person conducting the inspection unless otherwise provided by law. The owner shall maintain documentation of the required annual inspections, showing the date and name of the person conducting the inspection and initialed by the person conducting the inspection.

b. Delete section 501.2 and insert in lieu thereof the following new section:

501.2 Inspections. All tiered seating that was installed prior to December 1, 2011, shall be inspected at least once a year. The inspection may be conducted by any knowledgeable person including, but not limited to, a person who has been instructed by the manufacturer or installer as to procedures and standards for inspections of the structure being inspected and including, but not limited to, the owner of the structure or an employee of the owner of the structure. There are no further restrictions on the person conducting the inspection unless otherwise provided by law. All folding and telescopic seating shall be inspected to evaluate compliance with the manufacturer's installation and operational instructions and be inspected during the opening and closing of such seating. The owner shall maintain documentation of the inspections, which show the date and name of the person conducting the inspection and are initialed by the person conducting the inspection.

301.3(19) Add the following new section 1100:

1100. Any building or facility in compliance with the applicable requirements of 661—Chapter 301, Part 2, is in compliance with any applicable requirements contained in the International Building Code concerning accessibility for persons with disabilities.

301.3(20) Delete chapter 29.

301.3(21) Amend section 3001.3 by adding the following new unnumbered paragraph after the introductory paragraph:

Notwithstanding the references in Chapter 35 to editions of national standards adopted in this section, any editions of these standards adopted by the elevator safety board in 481—Chapter 372 are hereby adopted by reference. If a standard is adopted by reference in this section and there is no adoption by reference of the same standard in 481—Chapter 372, the adoption by reference in this section is of the edition identified in Chapter 35.

301.3(22) Delete appendices A, B, D, E, F, G, H, I, J, K, L, M, N, O, and P.

301.3(23) Retain Appendix C, Group U Agricultural Buildings.

301.3(24) Delete all references to the "International Plumbing Code" and insert in lieu thereof "state plumbing code".

301.3(25) Delete all references to the "International Fuel Gas Code" and insert in lieu thereof "rule 661—301.9(103A)".

301.3(26) Delete all references to the "International Mechanical Code" and insert in lieu thereof "state mechanical code".

301.3(27) Delete all references to the "International Residential Code" and insert in lieu thereof "rule 661—301.8(103A)".

301.3(28) Delete all references to the "International Energy Conservation Code" and insert in lieu thereof "661—Chapter 301, Part 3".

301.3(29) *Hospitals and health care facilities.*

a. A hospital, as defined in rule 661—201.2(10A), that is required to meet the provisions of the state building code is in compliance with the fire safety requirements of the state building code if the hospital is in compliance with the provisions of rule 661—201.14(10A). In any other case in which an

applicable requirement of the Life Safety Code, adopted in 661—subrule 201.14(2), is inconsistent with an applicable requirement of the state building code, the hospital is in compliance with the state building code requirement if the Life Safety Code requirement is met.

b. A nursing facility or hospice, as defined in rule 661—201.2(10A), that is required to meet the provisions of the state building code is in compliance with the fire safety requirements of the state building code if the nursing facility or hospice is in compliance with the provisions of rule 661—201.14(10A). In any other case in which an applicable requirement of the Life Safety Code, adopted in 661—subrule 201.14(2), is inconsistent with an applicable requirement of the state building code, the nursing facility or hospice is in compliance with the state building code requirement if the Life Safety Code requirement is met.

c. An intermediate care facility, as defined in rule 661—201.2(10A), that is required to meet the provisions of the state building code is in compliance with the fire safety requirements of the state building code if the intermediate care facility is in compliance with the provisions of rule 661—201.14(10A). In any other case in which an applicable requirement of the Life Safety Code, as adopted in 661—subrule 201.14(2), is inconsistent with an applicable requirement of the state building code, the intermediate care facility is in compliance with the state building code requirement if the Life Safety Code requirement is met.

d. An ambulatory surgical center, as defined in rule 661—201.2(10A), that is required to meet the provisions of the state building code is in compliance with the fire safety requirements of the state building code if the ambulatory surgical center is in compliance with the provisions of rule 661—201.14(10A). In any other case in which an applicable requirement of the Life Safety Code, as adopted in 661—subrule 201.14(2), is inconsistent with an applicable requirement of the state building code, the ambulatory surgical center is in compliance with the state building code requirement if the Life Safety Code requirement is met.

e. A religious nonmedical health care institution that is required to meet the provisions of the state building code is in compliance with the provisions of the state building code if the institution is in compliance with the provisions of rule 661—201.14(10A). In any other case in which an applicable requirement of the Life Safety Code, as adopted in 661—subrule 201.14(2), is inconsistent with an applicable requirement of the state building code, the religious nonmedical health care institution is in compliance with the state building code requirement if the Life Safety Code requirement is met.

661—301.4(103A) Mechanical requirements. The provisions of the state mechanical code, 481—Chapter 426, as adopted and amended by the state plumbing and mechanical systems board pursuant to Iowa Code chapter 105 are hereby adopted by reference as the requirements for mechanical installations.

661—301.5(103A) Electrical requirements. The provisions of the state electrical code, as adopted and amended in 481—Chapter 404, are hereby adopted by reference as the requirements for electrical installations.

661—301.6(103A) Plumbing requirements.

301.6(1) Provisions of the state plumbing code, 481—Chapter 425, adopted by the state plumbing and mechanical systems board pursuant to Iowa Code chapter 105, apply to plumbing installations in this state.

301.6(2) Factory-built structures, as referenced by Iowa Code section 103A.10(3), that contain plumbing installations are allowed to comply with either the state plumbing code or with the International Plumbing Code, 2024 edition, published by the International Code Council, located at www.iccsafe.org. The manufacturer's data plate must indicate which plumbing code was utilized for compliance with this rule, as set forth in 661—paragraph 16.610(15)*"e."*

301.6(3) Private sewage disposal systems shall comply with 567—Chapter 69.

661—301.7(103A) Existing buildings. The provisions of the International Existing Building Code, 2024 edition, published by the International Code Council, located at www.iccsafe.org, are hereby

adopted by reference as the requirements for repair, alteration, change of occupancy, addition, and relocation of existing buildings, with the following amendments:

301.7(1) Delete section 101.1.

301.7(2) Delete section 101.4.2 and insert in lieu thereof the following new section:

101.4.2 Buildings Previously Occupied. The legal occupancy of any structure existing on the date of adoption of this code shall be permitted to continue without change, except as specifically covered in this code or the state fire code, or as deemed necessary by the commissioner for the general safety and welfare of the occupants and the public.

301.7(3) Delete sections 101.5 and 101.6.

301.7(4) Delete sections 103, 104, and 105.

301.7(5) Delete sections 106.1, 106.3, 106.4, 106.5, and 106.6.

301.7(6) Delete sections 108, 109, 110, 112, 113, 114, 115, 116 and 117.

301.7(7) Delete section 306.

301.7(8) Delete all references to the "International Plumbing Code" and insert in lieu thereof "state plumbing code".

301.7(9) Delete all references to the "International Fuel Gas Code" and insert in lieu thereof "rule 661—301.9(103A)".

301.7(10) Delete all references to the "International Mechanical Code" and insert in lieu thereof "state mechanical code".

301.7(11) Delete all references to the "International Building Code" and insert in lieu thereof "rule 661—301.3(103A)".

301.7(12) Delete all references to the "International Residential Code" and insert in lieu thereof "rule 661—301.8(103A)".

301.7(13) Delete all references to the "International Fire Code" and insert in lieu thereof "state fire code".

661—301.8(103A) Residential construction requirements. The provisions of the International Residential Code, 2024 edition, published by the International Code Council, located at www.iccsafe.org, are hereby adopted by reference as the requirements for construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal, and demolition of detached one- and two-family dwellings and multiple single-family dwellings (townhouses) not more than three stories in height with a separate means of egress and their accessory structures, with the following amendments:

301.8(1) Delete section R101.1.

301.8(2) Delete sections R103 through R114 and sections therein.

301.8(3) NOTE: The values for Table R301.2 are determined by the location of the project and referenced footnotes from Table R301.2.

301.8(4) Amend section R306.1.7 by striking the words "Chapter 3 of the International Private Sewage Disposal Code" and inserting in lieu thereof "567—Chapter 69".

301.8(5) Delete section R309.1.

NOTE: Deletion of section R309.1, which would have required the installation of sprinklers in newly constructed townhouses, is consistent with 2010 Iowa Acts, Senate Joint Resolution 2009.

301.8(6) Delete section R309.2.

NOTE: Deletion of section R309.2, which would have required the installation of sprinklers in newly constructed one- and two-family residences, is consistent with 2010 Iowa Acts, Senate Joint Resolution 2009.

301.8(7) Delete section R319.1 and insert in lieu thereof the following new section:

R319.1 Emergency escape and rescue required as follows: Basements, habitable attics and every sleeping room have at least one operable emergency and rescue opening that opens directly into a public street, public alley, yard or court. Where basements contain one or more sleeping rooms, emergency egress and rescue openings are in each sleeping room, but are not necessary in adjoining areas of the basement. Where emergency escape and rescue openings are provided, they have a sill height of not

more than 44 inches (1118 mm) above an adjacent permanent interior standing surface that is no less than 36 inches wide and 18 inches deep and no more than 24 inches high. Where a door opening having a threshold below the adjacent ground elevation serves as an emergency escape and rescue opening and is provided with a bulkhead enclosure, the bulkhead enclosure complies with section R319.3. The net clear opening dimensions are obtained by the normal operation of the emergency escape and rescue opening from the inside. Emergency escape and rescue openings with a finished sill height below the adjacent ground elevation are provided with a window well in accordance with section R319.2. Emergency escape and rescue openings open directly into a public way, or to a yard or court that opens to a public way.

Exceptions:

- Basements used only to house mechanical equipment and not exceeding total floor area of 200 square feet (18.58 m^2).
- Storm shelters constructed in accordance with 661—Chapter 301, Part 2.
- Where the dwelling unit or townhouse unit is equipped with an automatic sprinkler system installed in accordance with section P2904, sleeping rooms in basements are not required to have emergency escape and rescue openings provided that the basement has either (1) one means of egress complying with section R318 and one emergency escape and rescue opening or (2) two means of egress complying with section R318.
- A yard is not required to open directly into a public way where the yard opens to an unobstructed path from the yard to the public way if the path has a width of not less than 36 inches (914 mm).

301.8(8) Delete chapter 11 and insert in lieu thereof rule 661—301.24(103A).

301.8(9) Delete chapter 24 and sections therein and insert in lieu thereof the following new section:

All fuel gas piping installations shall comply with rule 661—301.9(103A).

301.8(10) Delete chapters 25 through 33 and sections therein, except for section P2904, and insert in lieu thereof the following new section:

All plumbing installations shall comply with the state plumbing code as adopted by the state plumbing and mechanical systems board pursuant to Iowa Code chapter 105.

Exception: Factory-built structures, as referenced by Iowa Code section 103A.10(3), that contain plumbing installations are allowed to comply with either the state plumbing code or with the International Plumbing Code, 2024 edition, published by the International Code Council, located at www.iccsafe.org. The manufacturer's data plate must indicate which plumbing code was utilized for compliance with this rule, as set forth in 661—paragraph 16.610(15)*"e."*

301.8(11) Delete chapters 34 to 43 and sections therein and insert in lieu thereof the following new section:

The provisions of the state electrical code, as adopted and amended in 481—Chapter 404, are hereby adopted by reference as the requirements for electrical installations.

301.8(12) Delete appendices AA through CH.

301.8(13) Delete all references to the "International Plumbing Code" and insert in lieu thereof "state plumbing code".

301.8(14) Delete all references to the "International Mechanical Code" and insert in lieu thereof "state mechanical code".

301.8(15) Delete all references to the "International Fuel Gas Code" and insert in lieu thereof "rule 661—301.9(103A)".

301.8(16) Delete all references to the "International Building Code" and insert in lieu thereof "rule 661—301.3(103A)".

301.8(17) Delete all references to the "International Fire Code" and insert in lieu thereof "state fire code".

661—301.9(103A) Fuel gas piping requirements. Fuel gas piping shall comply with the requirements of rule 481—425.3(105). Liquefied petroleum gas facilities and appliances shall comply with rule 661—226.1(101).

661—301.10(103A) Transition period. A construction project subject to the provisions of any rule in Part 1 or Part 3 and commenced within 12 months after the effective date of revised standards may comply with either the newly adopted standards or the previous standards. "Commenced" means that the submitter has obtained preliminary approval from the commissioner or a local building department pursuant to rule 661—300.6(103A).

661—301.11 to **301.15** Reserved.

PART 2
ACCESSIBILITY OF BUILDINGS AND FACILITIES AVAILABLE TO THE PUBLIC

661—301.16(103A,104A) Purpose and scope. Part 2 is intended to ensure that buildings and facilities used by the public, other than places of worship, are accessible to, and functional for, persons with disabilities. Rule 661—301.18(103A,104A) applies statewide to new construction of buildings and facilities available to the public and to renovation and rehabilitation projects on existing buildings and facilities when local or state building codes require compliance with standards for new construction. Rule 661—301.19(103A,104A) applies statewide to construction of multiunit residential buildings.

301.16(1) NOTE A. Although rule 661—301.18(103A,104A) is based upon the federal 2010 ADA Standards for Accessible Design and adopts the language of the 2010 ADA Standards for Accessible Design by reference, and rule 661—301.19(103A,104A) is based upon the requirements of the federal Fair Housing Act, determinations of state and local building officials charged with enforcement of these rules are not binding on other state or federal jurisdictions and do not prevent the federal government or another state from making a different determination under applicable law.

301.16(2) NOTE B. Other federal and state laws address requirements for accessibility for persons with disabilities and may be applicable to buildings and facilities subject to Part 2. Nothing in these rules should be interpreted as limiting the applicability of other provisions of state or federal law. These provisions include but are not limited to the following:

a. Iowa Code chapter 216, the Iowa civil rights Act of 1965.

b. Iowa Code chapter 216C, which enumerates the rights of persons who are blind or partially blind and persons with physical disabilities.

c. Iowa Code chapter 321L and 661—Chapter 18, which relate to requirements for parking for persons with disabilities.

d. The federal Architectural Barriers Act of 1968 (Public Law 90-480).

e. The federal Rehabilitation Act of 1973 (Public Law 93-112).

f. The federal Fair Housing Act of 1968 (Public Law 90-284); the federal Fair Housing Amendments Act of 1988 (Public Law 100-430); and related regulations, including 24 CFR 100, Subpart D.

661—301.17(103A,104A) Definitions. The following definitions apply to Part 2:

"ADA" means the federal Americans with Disabilities Act (Public Law 101-336).

"ADAAG" means Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, 28 CFR Part 36, Appendix A, as revised through July 1, 1994.

"ADASAD 2010" means 2010 ADA Standards for Accessible Design, published by the U.S. Department of Justice, September 15, 2010. Included in the publication are accessibility standards for state and local government facilities and accessibility standards for public accommodations and commercial facilities.

NOTE: Copies of ADASAD 2010 and additional explanatory material may be downloaded from www.ada.gov/law-and-regs.

"IBC" means the International Building Code, adopted in rule 661—301.3(103A).

661—301.18(103A,104A) Accessibility of buildings and facilities available to the public. Buildings and facilities that are available to the public, other than places of worship, shall comply with one of the following:

301.18(1) Applicable provisions of ADASAD 2010.

301.18(2) IBC, Chapter 11 and applicable accessibility provisions contained in IBC.

NOTE: Approval of construction plans based upon compliance with the applicable provisions of the IBC, as provided, does not relieve the designer, builder, building owner, or building operator from responsibility under federal law to comply with all applicable provisions of the 2010 ADA Standards for Accessible Design.

661—301.19(103A,104A) Making apartments accessible and functional for persons with disabilities.

301.19(1) Multiple dwelling unit buildings. This rule applies to all multiple dwelling unit buildings that consist of four or more dwelling units if such buildings have one or more elevators. In such buildings without an elevator, all ground floor units must be accessible. The requirements of this rule apply to the individual dwelling units and the common use spaces that are accessible to persons with disabilities in multiple dwelling unit buildings.

EXCEPTION 1: A multiple dwelling unit building is deemed to be in compliance with this rule if it is located in a local jurisdiction that has enacted accessibility rules that have been recognized by the U.S. Department of Housing and Urban Development as providing a safe harbor for compliance with the accessibility requirements established in the federal Fair Housing Act and if the building has been found to be in compliance with those requirements unless the building is required to comply with the requirements of the Uniform Federal Accessibility Standards or other applicable standards that may be more restrictive than the provisions of this rule.

EXCEPTION 2: Certain multiple dwelling unit buildings are required to comply with the Uniform Federal Accessibility Standards, published by the U.S. Access Board, 1988. Compliance with the provisions of this rule does not substitute for compliance with any applicable provision of the Uniform Federal Accessibility Standards or any other applicable standards that may be more restrictive than the provisions of this rule.

NOTE: Compliance with the Uniform Federal Accessibility Standards is generally necessary for buildings and facilities constructed with federal financial assistance.

"Dwelling unit" means a single unit of residence for a household of one or more persons. Examples of a dwelling unit covered by these rules include a condominium, an apartment unit within an apartment building, and another type of dwelling in which sleeping accommodations are provided but toilet or cooking facilities are shared by occupants of more than one room or portion of the dwelling. Examples of the latter include dormitory rooms and sleeping accommodations in shelters intended for occupancy as a residence for homeless persons.

"Ground floor" means a floor of a building with a building entrance on an accessible route. A building may have one or more ground floors.

a. The individual dwelling units shall contain an accessible route into and through the unit, as well as meet the following:

(1) All doors intended for use as passage through the dwelling unit have a clear opening of at least 32″ nominal width with the door open 90 degrees, measured between the face of the door and the stop. Openings more than 24″ in depth are not considered doorways.

NOTE: A 34″ door, hung in the standard manner, provides an acceptable 32″ opening.

(2) Except at doorways, the minimum clear width of the accessible route is at least 36″ wide.

(3) In single-story units, special features such as lofts or sunken or raised areas may be on an accessible route provided the areas do not interrupt the accessible route through the remainder of the dwelling unit.

(4) In multistory dwelling units in buildings with elevators, the story of the unit that is served by the building elevator is the primary entry to the unit and such entry/accessible floor complies with the

requirements of subparagraphs (1), (2) and (3) above. The entry/accessible floor contains a bathroom or powder room that complies with paragraph *"c"* below.

(5) Exterior deck, patio, or balcony surfaces are no more than ½″ below the floor level of the interior of the dwelling unit unless they are constructed of impervious material such as concrete, brick or flagstone. In such case, the surface is no more than 4″ below the floor level of the interior or lower if required by local building code.

(6) Thresholds at exterior doors, including sliding tracks, are no higher than ¾″. Thresholds and changes in elevations as in subparagraph (5) above are beveled with a slope no greater than 1:2.

b. Kitchens shall meet or be adaptable to meet the following:

(1) A clear floor space at least 30″ × 48″ that allows a parallel approach by a person in a wheelchair is provided at the range or cooktop and the sink. Either a parallel or forward approach is provided at the oven, dishwasher, refrigerator/freezer or trash compactor.

(2) Clearance between counters and all opposing base cabinets, countertops, appliances or walls are at least 40″. In U-shaped kitchens with a sink or cooktop at the base of the "U," the base cabinets are removable at that location or a 60″ turning radius is provided.

c. All bathrooms of covered multifamily dwelling units shall comply with provisions of subparagraph (1) of this paragraph or at least one bathroom in the dwelling unit shall comply with provisions of subparagraph (2) of this paragraph and all other bathrooms and powder rooms within the dwelling unit must be on an accessible route with usable entry doors in accordance with paragraph "a" above. "Powder room" means a room with a toilet and sink.

In multistory dwelling units, only those bathrooms on the accessible level are subject to these requirements. Where the powder room is the only facility provided on the accessible level of a multistory dwelling unit, the powder room must comply with the provisions of subparagraph (1) or (2) of this paragraph.

(1) Sufficient maneuvering space is provided within the bathroom for a person using a wheelchair or other mobility aid to enter and close the door, use the fixtures, reopen the door and exit. Doors may swing into the clear floor space provided at any fixture if the maneuvering space is provided. Maneuvering space may include any knee space or toe space available below the bathroom fixtures.

Clear floor space at fixtures may overlap.

If the shower stall is the only bathing facility provided in the covered dwelling unit, the shower stall measures at least 36″ × 36″.

NOTE: Cabinets under lavatories are acceptable provided the bathroom has space to allow a parallel approach by a person in a wheelchair; if parallel approach is not possible within the space, any cabinets provided would have to be removable to afford the necessary knee clearance for forward approach.

(2) Where the door swings into the bathroom, there is a clear space (2′6″ × 4′0″) within the room to position a wheelchair or other mobility aid clear of the path of the door as it is closed and to permit the use of the fixtures. This clear space can include any knee space and toe space available below the bathroom fixtures.

Where the door swings out, a clear space is provided within the bathroom for a person using a wheelchair or other mobility aid to position the wheelchair such that the person is allowed use of the fixtures. There is a clear space to allow persons using wheelchairs to reopen the door to exit.

When both tub and shower fixtures are provided in the bathroom, at least one fixture is made accessible. When two or more lavatories are provided in a bathroom, at least one is made accessible.

Toilets are located within bathrooms in a manner that permits a grab bar to be installed on one side of the fixture. In locations where toilets are adjacent to walls or bathtubs, the centerline of the fixture is a minimum of 1′6″ from the obstacle. The nongrab bar side of the toilet fixture is a minimum of 1′3″ from the finished surface of the adjoining walls, vanities, or the edge of a lavatory.

Vanities and lavatories are installed with the center line of the fixture a minimum of 1′3″ horizontally from an adjoining wall or fixture. The top of the fixture rim is a maximum height of 2′10″ above the finished floor. If knee space is provided below the vanity, the bottom of the apron is at least 2′3″ above the floor. If provided, full knee space (for front approach) is at least 1′5″ deep.

Bathtubs and tub/showers located in the bathroom provide a clear access aisle adjacent to the lavatory that is at least 2′6″ wide and extends for a length of 4′0″ measured from the head of the bathtub.

Stall showers in the bathroom may be of any size or configuration. A minimum clear floor space 2′6″ wide × 4′0″ deep should be available outside the stall. If the shower stall is the only bathing facility provided in the covered dwelling unit, or on the accessible level of a covered multistory unit, and measures a nominal 36″ × 36″, the shower stall has reinforcing to allow for installation of an optional wall-hung bench seat.

d. Walls in bathrooms that are to be adaptable will be reinforced to allow later installation of grab bars around toilet, tub, shower stall and shower seat where provided.

Where the toilet is not placed adjacent to a side wall, provision shall be made for floor-mounted foldaway or similar alternative grab bars. Where the powder room is the only toilet facility located on an accessible level of a multistory dwelling unit, it must comply with this requirement for reinforced walls for grab bars.

NOTE: A tub may have shelves or benches at either end, or a tub may be installed without surrounding walls, if there is provision for alternative mounting of grab bars. For example, a sunken tub placed away from walls could have reinforced areas for installation of floor-mounted grab bars. The same principle applies to shower stalls, e.g., glass-walled stalls could be planned to allow floor-mounted grab bars to be installed later.

Reinforcement for grab bars may be provided in a variety of ways (for example, by plywood or wood blocking) so long as the necessary reinforcement is placed so as to permit later installation of appropriate grab bars.

e. Public and common use areas shall be readily accessible to and usable by persons with disabilities.

f. Light switches, electrical outlets, thermostats and other environmental controls shall be located no higher than 48″, and no lower than 15″, above the floor. If the reach is over an obstruction between 20″ and 25″ in depth, the maximum height is reduced to 44″ for forward approach; or 46″ for side approach, provided the obstruction is no more than 24″ in depth. Obstructions should not extend more than 25″ from the wall beneath a control. (See ADAAG Figure 5.)

NOTE: Controls or outlets that do not satisfy these specifications are acceptable provided that comparable controls or outlets (i.e., that perform the same functions) are provided within the same area and are accessible.

301.19(2) Elevators. An elevator meeting the requirements established for accessible elevators in Section 4.10 of the ADAAG is required in any apartment building of four or more stories.

NOTE: Elevators are not necessary in apartment buildings of three or fewer stories; however, the Uniform Federal Accessibility Standards, or any other applicable standard, may require the installation of an elevator. If an elevator is not required to be installed by this rule, then the elevator is not subject to the requirements of Section 4.10 of the ADAAG.

301.19(3) Any covered units within a multiple unit dwelling which comply with a code or standard which has been certified as a safe harbor for compliance with the accessibility requirements of the federal Fair Housing Act by the U.S. Department of Housing and Urban Development are in compliance with these rules unless the covered units are required to comply with the Uniform Federal Accessibility Standards or any other applicable requirements which may be more restrictive than the provisions of this rule.

661—301.20 to **301.22** Reserved.

PART 3
REQUIREMENTS FOR ENERGY CONSERVATION IN CONSTRUCTION

661—301.23(103A) Scope and applicability of energy conservation requirements.

301.23(1) *Scope.* Part 3 establishes thermal energy efficiency standards for the design of new buildings and structures or portions thereof, additions to existing buildings, and renovation and

remodeling of existing buildings, except for residential buildings of one or two dwelling units, that are intended for human occupancy and that are heated or cooled by regulating their exterior envelopes and selection of their heating, ventilation, and air-conditioning systems, service water heating systems and equipment for the efficient use of energy, and lighting efficiency standards for buildings intended for human occupancy that are lighted.

301.23(2) *Applicability.* Part 3 applies to design and construction of buildings that are intended for human occupancy throughout the state of Iowa. Any construction of buildings or facilities that are intended for human occupancy and that are heated or cooled is covered, with the exception of renovation and remodeling of residential buildings of one or two dwelling units, which are not covered. Rule 661—301.24(103A) establishes standards for design and construction of residential buildings of three or fewer stories. Rule 661—301.25(103A) establishes standards for design and construction of commercial buildings and residential buildings of four or more stories. The occupancy of any building covered by this chapter shall be determined based upon the occupancy definitions in chapter 3 of the International Building Code, as adopted in rule 661—301.3(103A).

301.23(3) *Review by architect or engineer.* Plan review shall meet the following criteria:

a. The plans and specifications for all buildings to be constructed that exceed a total volume of 100,000 cubic feet of enclosed space that is heated or cooled are reviewed by a registered architect or licensed professional engineer for compliance with applicable energy efficiency standards. Buildings with less than 100,000 cubic feet can be reviewed by the owner or designated representative.

b. A statement that a review has been accomplished and that the design complies with the energy efficiency standards is signed and sealed by the responsible registered architect or licensed professional engineer. This statement is filed with the commissioner or a local building official on a form approved by the commissioner prior to construction or before obtaining any local permits. The statement is filed with the commissioner for any project that is subject to plan review by the building code bureau.

c. If the plans and specifications relating to energy efficiency for a specific structure have been approved, additional buildings may be constructed from those same plans and specifications without need of further approval if construction begins within five years of the date of approval. Alterations of a structure that has been previously approved do not require a review because of these changes, provided the basic structure remains unchanged and no additional energy is necessary for heating, cooling or lighting.

d. Prior to the completion of construction, no changes are made to any approved plan or specifications that increase the amount of energy used for heating, cooling, or lighting unless the changes are approved by the responsible registered architect or licensed professional engineer in writing and notice has been filed with the commissioner or a local building official. The commissioner or a local building official is notified of any change that is anticipated to decrease the amount of energy used. The commissioner is notified pursuant to this paragraph for any project that is subject to plan review by the bureau.

661—301.24(103A) Residential energy code. The International Energy Conservation Code – Residential Provisions, 2012 edition, published by the International Code Council, located at www.iccsafe.org, is adopted by reference as the residential energy code of the state of Iowa building code, applicable to residential construction limited to three or fewer stories throughout the state of Iowa, with the following amendments:

301.24(1) Delete section R101.1.

301.24(2) Delete section R101.2 and insert in lieu thereof the following new section:

R101.2 Scope. This code applies to residential buildings and the building sites and associated systems and equipment as defined pursuant to 661—subrule 301.23(2). The remodeling or renovation of one- and two-family dwelling units is not within the scope of this code.

301.24(3) Delete section R103.3.1.

301.24(4) Delete section R103.3.2.

301.24(5) Delete section R103.3.3.

301.24(6) Delete section R104.1 and insert in lieu thereof the following new section:

R104.1 General. Construction or other work that is required to be inspected by state law or local ordinance shall be in accordance with sections R104.2 through R104.8. The commissioner has authority to perform audits to ensure compliance with this code. When local governments conduct compliance audits, the information may be provided to the Department of Energy or to the commissioner in a timely way. Local governments may contract with the commissioner to conduct audits.

301.24(7) Delete sections R108 and R109 and all sections contained therein.

301.24(8) Delete section R402.1.1 and insert in lieu thereof the following new section:

R402.1.1 Insulation and fenestration criteria. The building thermal envelope shall meet the requirements of Table R402.1.1 based on the climate zone specified in chapter 3.

Table R402.1.1

Table R402.1.1 Insulation and Fenestration Requirements by Component[a]

Climate Zone	Fenestration U-Factor[b]	Skylight U-Factor[b]	Glazed Fenestration SHGC[b,e]	Ceiling R-Value	Wood Frame Wall R-Value	Mass Wall R-Value[i]	Floor R-Value	Basement Wall R-Value[c]	Slab R-Value & Depth[d]	Crawl Space[c] Wall R-Value
1	NR	.75	.25	30	13	3/4	13	0	0	0
2	.40	.65	.25	38	13	4/6	13	0	0	0
3	.35	.55	.25	38	20 or 13+5[h]	8/13	19	5/13[f]	0	5/13
4	.35	.55	.40	49	20 or 13+5[h]	8/13	19	10/13	10, 2ft	10/13
5	.32	.55	NR	49	20 or 13+5[h]	13/17	30[g]	15/19	10, 2ft	15/19
6	.32	.55	NR	49	20 or 13+5[h]	15/20	30[g]	15/19	10, 4ft	15/19
7 & 8	.32	.55	NR	49	20+5 or 13+10[h]	19/21	38[g]	15/19	10, 4ft	15/19

[a] R-values are minimums. U-factors and SHGC are maximums. When insulation is installed in a cavity that is less than the label or design thickness of the insulation, the installed R-value of the insulation shall not be less than the R-value specified in the table.

[b] The fenestration U-factor column excludes skylights. The SHGC column applies to all glazed fenestration. Exception: Skylights may be excluded from glazed fenestration SHGC requirements in Climate Zones 1 through 3 where the SHGC for such skylights does not exceed .30.

[c] "15/19" means R-15 continuous insulation on the interior or exterior of the home or R-19 cavity insulation at the interior of the basement wall. "15/19" shall be permitted to be met with R-13 cavity insulation on the interior of the basement wall plus R-5 continuous insulation on the interior or exterior of the home. "10/13" means R-10 continuous insulation on the interior or exterior of the home or R-13 cavity insulation at the interior of the basement wall.

[d] R-5 shall be added to the slab edge R-values for heated slabs. Insulation depth shall be the depth of the footing or 2 feet, whichever is less in Climate Zones 1 through 3 for heated slabs.

[e] There are no SHGC requirements in the Marine Zone.

[f] Basement wall insulation is not necessary in warm-humid locations as defined by Figure R301.1 and Table R301.1.

[g] Or insulation sufficient to fill the framing cavity, R-19 minimum.

[h] First value is cavity insulation; second value is continuous insulation or insulated siding. Therefore, "13+5" means R-13 cavity insulation plus R-5 continuous insulation or insulated siding. If structural sheathing covers 40 percent or less of the exterior, continuous insulation R-value shall be permitted to be reduced by no more than R-3 in the locations where structural sheathing is used – to maintain a consistent total sheathing thickness.

[i] The second R-value applies when more than half the insulation is on the interior of the mass wall.

301.24(9) Delete section R402.4.1.2 and insert in lieu thereof the following new section:

R402.4.1.2 Testing shall meet the following requirements: The building or dwelling unit is tested and verified as having an air leakage rate not exceeding 5 air changes per hour in Climate Zones 1 and 2, and 4 air changes per hour in Climate Zones 3 through 8. Testing is conducted with a blower door at a pressure of 0.2 inches w.g. (50 pascals). Where required by the code official, testing is conducted by an approved third party and a written report of the results is signed by the party conducting the test and provided to the code official. Testing is performed at any time after creation of all penetrations of the building thermal envelope.

During testing:

1. Exterior windows and doors, fireplace and stove doors are closed, but not sealed beyond the intended weatherstripping or other infiltration control measures;
2. Dampers including exhaust, intake, makeup air, backdraft and flue dampers are closed, but not sealed beyond intended infiltration control measures;
3. Interior doors, if installed at the time of the test, are open;
4. Exterior doors for continuous ventilation systems and heat recovery ventilators are closed and sealed;
5. Heating and cooling systems, if installed at the time of the test, are turned off; and
6. Supply and return registers, if installed at the time of the test, are fully open.

301.24(10) Delete section R403.2.2 and insert in lieu thereof the following new section:

R403.2.2 Sealing is mandatory and shall meet the following requirements: Ducts, air handlers, and filter boxes are sealed. Joints and seams comply with either the International Mechanical Code or International Residential Code, as applicable.

Exceptions:

1. Air-impermeable spray foam products may be applied without additional joint seals.
2. Where a duct connection is made that is partially inaccessible, three screws or rivets are equally spaced on the exposed portion of the joint so as to prevent a hinge effect.
3. Continuously welded and locking-type longitudinal joints and seams in ducts operating at static pressures less than 2 inches of water column (500 Pa) pressure classification do not require additional closure systems.

Duct tightness is verified by either of the following:

1. Postconstruction test: Leakage to outdoors is less than or equal to 4 cfm (113.3 L/min) per 100 square feet (9.29 m^2) of conditioned floor area or total leakage is less than or equal to 6 cfm (170 L/min) per 100 square feet (9.29 m^2) of conditioned floor area when tested at a pressure differential of 0.1 inches w.g. (25 Pa) across the entire system, including the manufacturer's air handler enclosure. All register boots are taped or otherwise sealed during the test.
2. Rough-in test: Total leakage is less than or equal to 6 cfm (170 L/min) per 100 square feet (9.29 m^2) of conditioned floor area when tested at a pressure differential of 0.1 inches w.g. (25 Pa) across the system, including the manufacturer's air handler enclosure. All registers are taped or otherwise sealed during the test. If the air handler is not installed at the time of the test, total leakage is less than or equal to 3 cfm (85 L/min) per 100 square feet (9.29 m^2) of conditioned floor area.

Testing is conducted by an approved third party and a written report of the results is signed by the party conducting the test and provided to the code official.

Exception: The duct leakage test is not needed for ducts and air handlers located entirely within the building thermal envelope unless cavities are used for returns.

301.24(11) Delete section R403.2.3 and insert in lieu thereof the following new section:

R403.2.3 Building cavities (mandatory). Building framing cavities cannot be used as supply ducts. Building framing cavities may be used as return ducts if both of the following conditions exist:

1. Ducts must be tested for duct leakage in accordance with section R403.2.2.
2. Exterior wall cavities cannot be used for return ducts.

661—301.25(103A) Adoption of nonresidential energy code. The International Energy Conservation Code – Commercial Provisions, 2012 edition, published by the International Code Council, located at www.iccsafe.org, is hereby adopted by reference as the nonresidential energy code of the state building

code, applicable to commercial construction or residential construction of four or more stories within the state of Iowa, with the following amendments:

301.25(1) Delete section C101.1.

301.25(2) Delete section C101.2 and insert in lieu thereof the following new section:

C101.2 Scope. This code applies to commercial buildings and the buildings' sites and associated systems and equipment as defined pursuant to 661—subrule 301.23(2).

301.25(3) Delete section C103.3.1.

301.25(4) Delete section C104.1 and insert in lieu thereof the following new section:

C104.1 General. Construction or other work that is to be inspected by state law or local ordinance shall be in accordance with sections C104.2 through C104.8.

301.25(5) Delete sections C108 and C109 and all sections contained therein.

661—301.26 and **301.27** Reserved.

PART 4
LIFE CYCLE COST ANALYSIS OF PUBLIC FACILITIES

661—301.28(470) Life cycle cost analysis.

301.28(1) *Submission.* Any public agency as defined by Iowa Code section 470.1 will prepare a life cycle cost analysis in compliance with Iowa Code chapter 470 and submit the analysis to the commissioner before construction commences.

301.28(2) *Notification by state agency.* Any public agency that is a state agency as defined in Iowa Code section 7D.34 will, within 60 days of final selection of a design architect or engineer, notify the commissioner and the Iowa energy office in the economic development authority of the methodology to be used to perform the life cycle cost analysis. Notice will be given on the forms provided by the Iowa office of energy for this purpose. A life cycle cost analysis prepared by a state agency will be submitted in sufficient time ahead of the release of plans for bids to allow for revisions or additions that may be made to the plans. Public funds will not be used for the construction or renovation of a facility unless the design for the work is prepared in accordance with Iowa Code chapter 470 and the actual construction or renovation is consistent with the design.

301.28(3) *Exemptions from implementation.*

a. A public agency responsible for construction or renovation of a public facility may apply to the commissioner for exemption from any recommendation of the life cycle cost analysis.

b. The public agency will implement all recommendations of the life cycle cost analysis except those that have been approved for exemption by the commissioner and the director of the office of energy independence.

EXCEPTION: The public agency is not required to implement any recommendation that would result in a violation of any other provision of law. If the public agency determines that compliance with any recommendation of the life cycle cost analysis would result in a violation of law, the public agency will so notify the commissioner.

c. The commissioner and the director of the economic development authority will evaluate each request for an exemption on a case-by-case basis, considering the following factors:

(1) The purpose of the facility or renovation;

(2) Preservation of historic architectural features;

(3) Site considerations;

(4) Health and safety concerns;

(5) Compliance with any other provisions of law; and

(6) The technical feasibility of implementing the recommendation. "Technical feasibility" means that a recommendation may be implemented without altering major structural features of an existing facility.

661—301.29 Reserved.

PART 5
SUSTAINABLE DESIGN STANDARDS

661—301.30(103A) Scope and purpose.

301.30(1) *Scope.* The standards established in Part 5 apply to building construction projects in Iowa and are based upon state or federal statutory requirements; administrative rules adopted by state agencies that own, manage, regulate, or finance building construction projects; or federal regulations.

301.30(2) *Purpose.* The purpose of the standards in Part 5 is to promote sustainable design in building construction, which is defined as construction that meets current needs while not compromising the needs of future generations. Sustainable design standards are intended to minimize the adverse environmental impacts of construction and the built environment.

661—301.31(103A) Definitions. The following definitions apply to Part 5:

"Commercial" means a building construction project that is not residential.

"Residential" means a building construction project that involves a building or buildings, each of which is a detached one- or two-family dwelling or which consists of townhouses not more than three stories above grade in height with a separate means of egress to the exterior of the building for each dwelling unit and consisting entirely of dwelling units and their accessory structures.

661—301.32(103A) Submission of projects.

301.32(1) *Approval of building code commissioner.* Approval of a construction project as sustainably designed pursuant to these rules may be granted only by the commissioner. All requests for approval of a project as sustainably designed must be submitted to the bureau at 6200 Park Avenue, Suite 100, Des Moines, Iowa 50321.

301.32(2) *Building code approval.* No building construction project will be approved as a sustainably designed project pursuant to these rules unless construction plans for the project have been approved by the commissioner as meeting the state building code or by a local building department as meeting the applicable local building code.

301.32(3) *Projects subject to state building code.* If approval as a sustainably designed project is requested for a project that is otherwise subject to the state building code, approval may be requested by including a statement in the materials submitted pursuant to 661—Chapter 300 that approval for the project as sustainably designed is being requested.

301.32(4) *Projects subject to local building codes.* If approval from the commissioner is sought for a project that is subject to a local building code and code enforcement, approval may be sought by submitting construction plans to the bureau as provided in 661—Chapter 300, with a cover letter stating that approval of the project as a sustainably designed project is being requested and that the project has been submitted for review to the local building department. The commissioner will not issue approval of the project as a sustainably designed project until evidence of approval of the construction plans by the local building department are submitted to the bureau.

301.32(5) *Projects not otherwise subject to state or local building codes.* If approval as a sustainably designed project is sought for a building construction project that is otherwise not subject to the state building code or a local building code, approval may be sought by submitting construction plans for the project to the bureau as provided in 661—Chapter 300, with a cover letter stating that approval as a sustainably designed project is being requested and that the project is not subject to a local building code enforced by a local jurisdiction. The project will be subject to the state building code and to procedures and fees for review of construction plans and inspections as provided in 661—Chapter 300.

301.32(6) *Application form.* A completed application form prescribed by the commissioner shall be included with the submission of the construction plans for review of any project for which approval as a sustainably designed project is requested.

661—301.33(103A) Sustainable design criteria for residential projects. A residential building construction project will be approved as sustainably designed if it meets any of the following requirements:

301.33(1) Satisfaction of all of the mandatory criteria of the economic development authority's Iowa green streets criteria; or

301.33(2) Compliance with ICC 700 National Green Building Standard®, (ICC 700-2008 NGBS) published by the International Code Council, at the bronze level; or

301.33(3) Certification from the United States Green Building Council at the certified level or better in the Leadership in Energy and Environmental Design (LEED) green building rating system for residential projects; or

301.33(4) Satisfaction of any alternative set of criteria submitted in advance to and approved by the commissioner as equivalent to the requirements of 661—subrules 300.33(1) through 300.33(3).

661—301.34(103A) Sustainable design criteria for commercial projects. A commercial building construction project will be approved as sustainably designed if it meets the following applicable requirements:

301.34(1) If approval as a sustainably designed project is being sought in order to qualify for a tax credit or tax refund, the project will be approved as sustainably designed if the building receives certification from the United States Green Building Council at the Certified level or better in the Leadership in Energy and Environmental Design (LEED) green building rating system and if the building complies with the requirements of ASHRAE 90.1 2007, Energy Standard for Buildings Except Low-Rise Residential Buildings, published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE).

301.34(2) If the project includes only the following commercial structures, satisfaction of all of the mandatory criteria of the Iowa green streets criteria:

a. Day care centers.

b. Vocational rehabilitation centers.

c. Community centers.

d. Senior centers.

EXCEPTION: Application may be made to the commissioner to accept satisfaction of all of the mandatory criteria of the Iowa green streets criteria as the basis for approval of other commercial projects as sustainably designed. Such submission should be limited to smaller commercial projects, and approval as a sustainably designed project is at the discretion of the commissioner, who will award such approval only if the commissioner is convinced that the Iowa green streets criteria are applicable to the project. Written approval for use of the Iowa green streets criteria pursuant to this exception shall be sought and obtained prior to submission of an application for approval as a sustainably designed project.

301.34(3) If a project involves the construction of a building or a portion of a building intended to host a data center or operations of a web portal business, it will be approved as sustainably designed if the project receives certification at the certified level from the United States Green Building Council in the LEED green building rating system and complies with the requirements of ASHRAE 90.1 2007, Energy Standard for Buildings Except Low-Rise Residential Buildings, published by the ASHRAE.

301.34(4) Satisfaction of any alternative set of criteria submitted in advance to and approved by the commissioner as equivalent to the requirements set forth in subrule 301.34(1).

661—301.35(103A) Fees.

301.35(1) *Projects subject to the state building code.* For any project for which approval as a sustainably designed project is requested from the commissioner and which is otherwise subject to the state building code, the additional fee for review for compliance with sustainable design standards is $100, due prior to review of the application.

301.35(2) *Projects subject to local building codes and code enforcement.* For any project approved by a local building department as compliant with the local building code and for which approval as a

sustainably designed project is requested, a fee of $250 is due prior to the commissioner's review of the application for approval as a sustainably designed project.

301.35(3) *Projects not otherwise subject to a building code.* For any project for which approval as a sustainably designed project is requested and which is not otherwise subject to a building code, the plan review fee is the same as the plan review fee for the project established in 661—subrule 300.4(2). An additional fee of $100 for review for compliance with the requirements set forth in Part 5 applies and is due prior to review of the plan.

661—301.36 Reserved.

PART 6
WEATHER SAFE ROOMS

661—301.37(103A) Scope. The standards adopted in Part 6 apply to the design and construction of weather safe rooms. This chapter does not require the construction of a weather safe room or rooms for any construction project but does establish standards for design and construction of weather safe rooms when their construction is necessary under another provision of law or is incorporated voluntarily in a construction project.

661—301.38(103A) Definition. The following definition applies to Part 6:

"Weather safe room" means a building, structure, or portion of a building or structure designated for use during a severe windstorm event.

661—301.39(103A) Standards. Any weather safe room shall be designed and constructed in compliance with the provisions of ICC 500-2014, ICC/NSSA Standard for the Design and Construction of Storm Shelters, published by the International Code Council, located at www.iccsafe.org. Any provision that would apply to a hurricane safe structure but not to a tornado safe structure does not apply. For any provision for which a distinction is made between a tornado safe structure and a hurricane safe structure, the requirement for a tornado safe structure applies.

661—301.40 Reserved.

PART 7
STATE HISTORIC BUILDING CODE

661—301.41(103A) Scope and definition. Part 7 applies to historic buildings and is an alternative to the state building code or local building codes for the buildings to which it applies.

"Historic building" means any building or structure that is listed in the state or National Register of Historic Places, that is designated as a historic property under local or state designation law or survey, that is certified as a contributing resource within a National Register-listed or locally designated historic district, or that has an opinion or certification that the property is eligible to be listed on the state or National Register of Historic Places either individually or as a contributing building to a historic district by the state historic preservation officer pursuant to Iowa Code section 103A.42 or the Keeper of the National Register of Historic Places.

661—301.42(103A) Adoption. The provisions of the International Existing Building Code, 2024 edition, published by the International Code Council, located at www.iccsafe.org, are adopted as the alternative requirements for rehabilitation, preservation, restoration, repair, alteration, change of occupancy and relocation of and addition to historic buildings, with the following amendments:

301.42(1) Delete the definition of "historic building".

301.42(2) Delete section 101.1.

301.42(3) Delete section 101.4.2 and insert in lieu thereof the following new section: 101.4.2 Buildings previously occupied. The legal occupancy of any structure existing on the date of adoption of this code is permitted to continue without change, except as specifically covered in this code or the state fire code, or as deemed necessary by the commissioner for the general safety and welfare of the occupants and the public.

301.42(4) Delete sections 101.5 and 101.6.

301.42(5) Delete sections 103, 104, and 105.

301.42(6) Delete sections 106.1, 106.3, 106.4, 106.5, and 106.6.

301.42(7) Delete sections 108, 109, 110, 112, 113, 114, 115, 116 and 117.

301.42(8) Delete section 306.

301.42(9) Delete appendix B and insert in lieu thereof:

"Any building or facility subject to Part 7 shall comply with the provisions of 661—Chapter 301, Part 2."

301.42(10) Delete all references to the "International Fuel Gas Code" and insert in lieu thereof "rule 661—301.9(103A)".

301.42(11) Delete all references to the "International Plumbing Code" and insert in lieu thereof "state plumbing code".

301.42(12) Delete all references to the "International Mechanical Code" and insert in lieu thereof "state mechanical code".

301.42(13) Delete all references to the "International Building Code" and insert in lieu thereof "rule 661—301.3(103A)".

301.42(14) Delete all references to the "International Residential Code" and insert in lieu thereof "rule 661—301.8(103A)".

301.42(15) Delete all references to the "International Fire Code" and insert in lieu thereof "state fire code".

NOTE 1: International Existing Building Code, as adopted by rule 661—301.7(103A), Resource A, provides guidelines for evaluating fire ratings of archaic materials and assemblies that may be used by designers and code officials when evaluating compliance with provisions of this chapter.

NOTE 2: Except for elevators excluded from the jurisdiction of the department by the provisions of Iowa Code section 89A.2, each elevator is to comply with any applicable requirements established by the department and is subject to enforcement of any applicable regulation.

NOTE 3: Except for boilers and pressure vessels excluded from the jurisdiction of the department by the provisions of Iowa Code section 89.4, each boiler or pressure vessel is to comply with any applicable requirements established by the department and is subject to enforcement of any applicable regulations.

Any boiler that is subject to requirements established by the department of natural resources is to comply with any such requirements and is subject to enforcement of any applicable regulations by the department of natural resources.

These rules are intended to implement Iowa Code chapters 103A, 104A, and 470.

ITEM 2. Rescind and reserve **661—Chapter 302**.

ITEM 3. Rescind and reserve **661—Chapter 303**.

ITEM 4. Rescind and reserve **661—Chapter 310**.

ITEM 5. Rescind and reserve **661—Chapter 315**.

ITEM 6. Rescind and reserve **661—Chapter 350**.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9475C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to manufactured housing support and anchorage systems

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 322, "State Building Code—Manufactured Housing Support and Anchorage Systems," Iowa Administrative Code, and adopts a new Chapter 322 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 103A.7 and 103A.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 103A.

Purpose and Summary

This rulemaking repromulgates Chapter 322 and implements Iowa Code section 103A.7 in accordance with the goals and directives of Executive Order 10. Iowa Code section 103A.7(1) empowers and directs the State Building Code Commissioner to formulate, adopt, and periodically amend or revise and to promulgate, in conformity with and subject to the conditions set forth in Iowa Code chapter 103A, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public. Pursuant to Iowa Code section 103A.7(2)"c," the rules shall include reasonable provisions for the manufacture and installation of factory-built structures. Iowa Code section 103A.9 states that the State Building Code shall contain provisions relating to the manufacture and installation of factory-built structures.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9049C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

The Department did not receive any comments related to this rulemaking. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on July 10, 2025. Pursuant to Iowa Code sections 103A.7(1) and 103A.14, the State Building Code Advisory Council approved adoption of this rulemaking at its July 9, 2025, public meeting.

Fiscal Impact

This rulemaking has no fiscal impact in an amount requiring a fiscal impact statement pursuant to Iowa Code section 17A.4(4).

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 661—Chapter 322 and adopt the following **new** chapter in lieu thereof:

CHAPTER 322
STATE BUILDING CODE—MANUFACTURED
HOUSING SUPPORT AND ANCHORAGE SYSTEMS

661—322.1 Reserved.

661—322.2(103A) Definitions. The definitions in 661—subrule 16.620(4) apply to this chapter.

661—322.3 to **322.10** Reserved.

661—322.11(103A) Support and anchorage of manufactured homes.

322.11(1) *First time installation.* Manufactured homes shall be installed according to one of the following:

a. Homes manufactured prior to October 20, 2008, which are being installed for the first time will be installed with support and anchorage as recommended by the manufacturer and in accordance with federal manufactured home construction and safety standards, 24 CFR Section 3280.306(b), as published April 1, 2004; or

b. Homes manufactured on or after October 20, 2008, which are being installed for the first time shall be installed with support and anchorage as recommended by the manufacturer and in accordance with 24 CFR Part 3285, Model Manufactured Home Installation Standards, as published April 1, 2008; or

c. With a support and anchorage system that is designed by an Iowa-licensed professional engineer and that meets or exceeds the requirements of 24 CFR Part 3285 as published April 1, 2008; or

d. Homes installed in areas subject to a disaster emergency proclamation issued by the governor pursuant to Iowa Code section 29C.6 may be installed in compliance with subrule 322.11(5).

322.11(2) *Reinstallation of homes.*

a. The provisions of this subrule apply only to homes that have been previously installed in the United States and are being reinstalled at either the same location or a different location.

b. The following definitions apply to this subrule.

"Frost-protected footing" or *"frost-free footing."* Foundation material installed to depth of 42 inches below finished grade.

"Ground anchor." A specific anchoring assembly device designed to transfer home anchoring loads to the ground.

"Pier." That portion of the support system between the footing and the manufactured home, exclusive of shims. Types of piers include but are not limited to manufactured steel stands, pressure-treated wood, manufactured concrete stands, concrete blocks, and portions of foundation walls.

"Pier footing." That portion of a support system that supports the piers or blocking, is sized to adequately support the weight of the home at that load point, and is capable of transferring all design loads to the ground.

"Support system." Pilings, columns, footings, piers, foundation walls, shims, and any combination thereof that, when properly installed, support the manufactured home.

c. Homes reinstalled pursuant to subrule 322.11(2) must meet the following mandatory minimum requirements:

(1) Above ground support systems must meet the manufacturer's specifications or the requirements of subrule 322.11(3).

(2) Ground anchors must meet the manufacturer's specifications or subrule 322.11(4). Engineered ground anchoring systems that do not extend to the frost line may be used only if they are approved by the commissioner.

NOTE 1: Pier footings may be placed below the frost line for reinstallation of homes.

NOTE 2: If the home is still under a manufacturer's warranty, the manufacturer's installation instructions should be followed or the warranty may be void.

d. Pursuant to 661—subrule 16.623(2), prior to the reinstallation of a manufactured home, the installer reinstalling the home or the installer hired to inspect the home that is being reinstalled by the owner shall complete the portion of the installation certificate relating to the installation of frost-protected footings. This portion of the certificate must state that the home is not being installed with frost-protected footings and be signed and witnessed by the installer and the owner. Upon completion of the reinstallation, the installer shall complete and submit the certificate to the commissioner as prescribed by 661—subrule 16.623(2).

NOTE: Iowa Code sections 335.30 and 414.28 have requirements that may affect the reinstallation of homes.

322.11(3) *Requirements for support system installations.*

a. Piers placed on foundations shall be installed and centered directly under the main frame longitudinal beams. The piers should not be farther apart than 10 feet on centers for manufactured homes 12 feet wide or less and not more than 8 feet on centers for manufactured homes over 12 feet wide to less than 16 feet wide and no more than 6 feet on centers for manufactured homes 16 feet wide or more. The main frame, front or back, should not extend farther than two feet beyond the centerline of the end piers.

NOTE: When making excavations for footings and piers on private property, installers shall take precautions to ensure that no telephone, electrical, plumbing or water lines are contacted. Utility line locations shall be verified with the property owner or property owner's representative.

b. Pier foundations shall be placed on level, undisturbed soil or on controlled fill that is free of grass and organic materials. A small amount of sand may be of use to provide a level surface. All pier foundations shall be set level and piers installed plumb. The pier foundation shall be at least a 16″ × 16″ × 4″ solid concrete pad, precast or poured in place, or other approved material. Two nominal 4″ × 8″ × 16″ solid concrete blocks may be used provided that the joint between the blocks is parallel to the main frame longitudinal beam. Concrete used in foundations shall have a 28-day compressive strength of not less than 3,000 pounds per square inch (3,000 psi).

c. Unless otherwise directed by the owner of the site, the soil-bearing capacity of the site may be assumed to be 2,000 pounds per square foot. The acceptable construction under this subrule is based upon a soil-bearing capacity of 2,000 pounds per square foot. Sites with less soil-bearing capacity will require increased-size footings.

Explanation: The permissible footing sizes and pier spacing are based upon a combined live and dead load of 65 pounds per square foot of unit. This assumes that the full snow and internal live load will not be present at the same time.

d. Piers may be constructed of concrete or undamaged nominal 8″ × 8″ × 16″ concrete blocks, open-celled or solid, placed on the pier foundation. All open-celled concrete block shall be installed with

the cells of the block in a vertical position. Nominal 2″ × 8″ × 16″ or nominal 4″ × 8″ × 16″ solid concrete blocks may be utilized as needed to achieve the necessary heights of the piers for a particular installation. A nominal 2″ × 8″ × 16″ wood plate, or equivalent, shall be placed on top of each pier, unless there is at least 4 inches of solid block, with shims fitted and driven between the wood plate or solid block and the main frame longitudinal beam. The wood blocking shall not occupy more than a nominal two inches of vertical space, and shims shall not occupy more than one inch of vertical space. Shims that have a thickness of more than 3/8″ shall be hardwood.

(1) Piers up to 40 inches in height, except corner piers over three blocks high (a nominal 24″), may be of single-block construction and shall be installed transverse (right angle) to the main frame longitudinal beam.

(2) Piers over 40 inches in height but not exceeding 80 inches in height and corner piers over three blocks high shall be of double-block construction with every other course either parallel or transverse (right angle) to the main frame longitudinal beam and be capped with a nominal 16″ × 16″ × 4″ solid concrete block or equivalent. Wood blocking and hardwood shims shall be installed accordingly.

(3) Piers over 80 inches in height shall be of reinforced concrete or of double-block construction and installed exactly according to the procedure given in subparagraph (2) above. Only celled concrete blocks shall be used (with open cells vertical) with 3/8″ diameter or larger steel reinforcing rods placed in the pier corners and all cells filled with 3,000 psi concrete. Wood blocking and shims shall be installed accordingly.

322.11(4) *Requirements for anchorage systems.* When instructions are not provided by the manufacturer, ties shall be attached vertically and diagonally to a system of ground anchors in a manner as illustrated in Figures 4 and 5. The minimum number of ties are listed in Table 6–A. There shall be a diagonal tie between the ground anchors and the unit at each vertical tie. Additional diagonal ties may be required between vertical ties. The ties shall be as evenly spaced as practicable along the length of the unit with not over eight feet open on each end.

a. Ties may be either steel cable, steel strapping, or other materials that meet the requirements of paragraph 322.11(4)*"f."* Ties are to be fastened to ground anchors and drawn tight with galvanized turnbuckles or yoke-type fasteners and tensioning devices. Turnbuckles shall be ended with jaws of forged or welded eyes (hook ends are not approved).

b. When continuous straps (over-the-top tie-downs) are provided as vertical ties, they should be positioned at rafters and studs to prevent structural damage. Where a vertical tie and diagonal tie are located at the same place, both ties may be connected to a single double-head ground anchor provided that the anchor used is capable of carrying the combined loads and is included on a list of approved products maintained by the commissioner.

c. Cable used for ties shall be either galvanized steel or stainless steel and have a breaking strength of at least 4,725 pounds. Cable should be either 7/32″ diameter or greater (7 × 7) steel cable or ¼″ diameter or greater (7 × 19) aircraft cable. All cable ends should be secured with at least two I-bolt-type cable clamps or other nationally approved fastening devices.

d. When flat steel straps are used as ties, they shall conform with 24 CFR Section 3285.402(c)(2). Steel strap ties shall terminate with D-rings, bolts, or other nationally approved fastening devices that will not cause distortion or reduce the breaking strength of the ties.

e. The direction of pull of the diagonal ties should be at a right angle to the main frame longitudinal beam. Connection of the diagonal tie to the main frame longitudinal beam should be in accordance with anchor system instructions for those fastening devices. When steel strap ties are used, care should be exercised that the minimum bending radius is adhered to so the breaking strength is not reduced.

f. Anchors and anchorage materials shall meet the following requirements:

(1) The anchorage materials shall be capable of resisting an allowable minimum working load of 3,150 pounds (pullout in a vertical direction) with no more than 2 percent elongation and withstanding a 50 percent overload. All anchorage materials shall be resistant to weathering deterioration at least equivalent to that provided by a coating of zinc on steel strapping of not less than 0.30 ounces per square

foot surface coated. Anchors to reinforced concrete slab or to rock shall be of comparable strength as provided within this paragraph.

(2) Each ground anchor, when installed, shall be capable of resisting an allowable working load at least equal to 3,150 pounds in the direction of the ties plus a 50 percent overload (4,750 pounds total) without failure. Failure is considered to have occurred when the point of connection between the tie and anchor moves more than two inches at 4,750 pounds in the direction of the vertical tie when anchoring equipment is installed in accordance with the anchorage manufacturer's instructions. Those ground anchors that are designed to be installed so that the loads on the anchor are other than direct withdrawal shall be designed and installed to resist an applied design load of 3,150 pounds at 45° from horizontal without displacing the anchor more than four inches horizontally at the point where the tie attaches to the anchor.

(3) Anchors designed for connection of multiple ties shall be capable of resisting the combined working load and overload consistent with the intent expressed in this paragraph.

(4) Ground anchors shall be installed so that the load-carrying portion of the anchor in its final working position is below the frost depth (42 inches), and the anchor head shall be at ground level. Total anchor length shall be more than 42 inches as necessary.

NOTE: When installing ground anchors on private property, installers shall take precautions to ensure that no telephone, electrical, plumbing or water lines are contacted. Utility line locations shall be verified with the property owner or property owner's representative.

TABLE 6–A
MINIMUM NUMBER OF TIEDOWNS
REQUIRED FOR SINGLEWIDE MOBILE HOMES

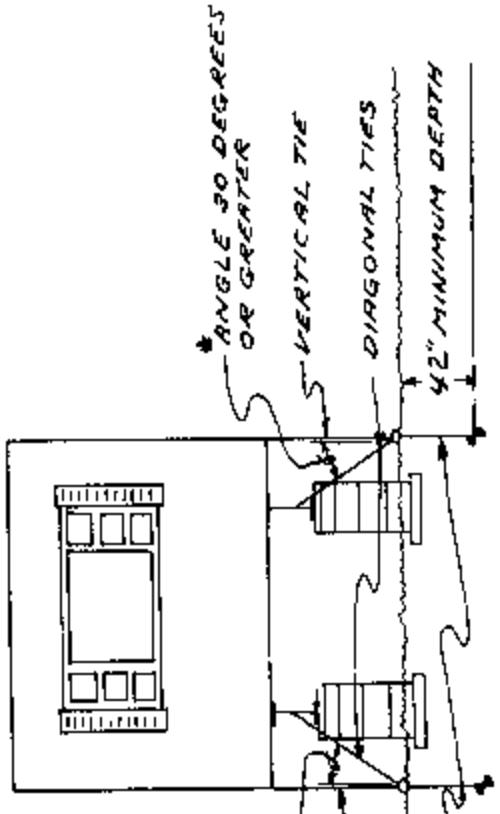
MOBILE HOME BOX LENGTH NOT EXCEEDING	MINIMUM NUMBER OF TIEDOWNS PER SIDE	
	DIAGONAL TIES	VERTICAL TIES*
40′–0″	3	2
54′–0″	3	2
73′–0″	4	2
84′–0″	5	2

*If more than the minimum number of vertical or diagonal ties have been supplied, they shall all be used.

1. Doublewide mobile homes shall comply with Table 6–A except that no vertical ties are required.
2. Wherever a vertical tie and a diagonal tie lie in a plane that is vertical and transverse to the main longitudinal beam, both ties may be connected to the same ground anchor, providing that the particular anchor withstands both loadings.
3. This table shall be used only if there are no manufacturer's approved installation requirements.

FIGURE 4

MOBILE HOME TIEDOWN

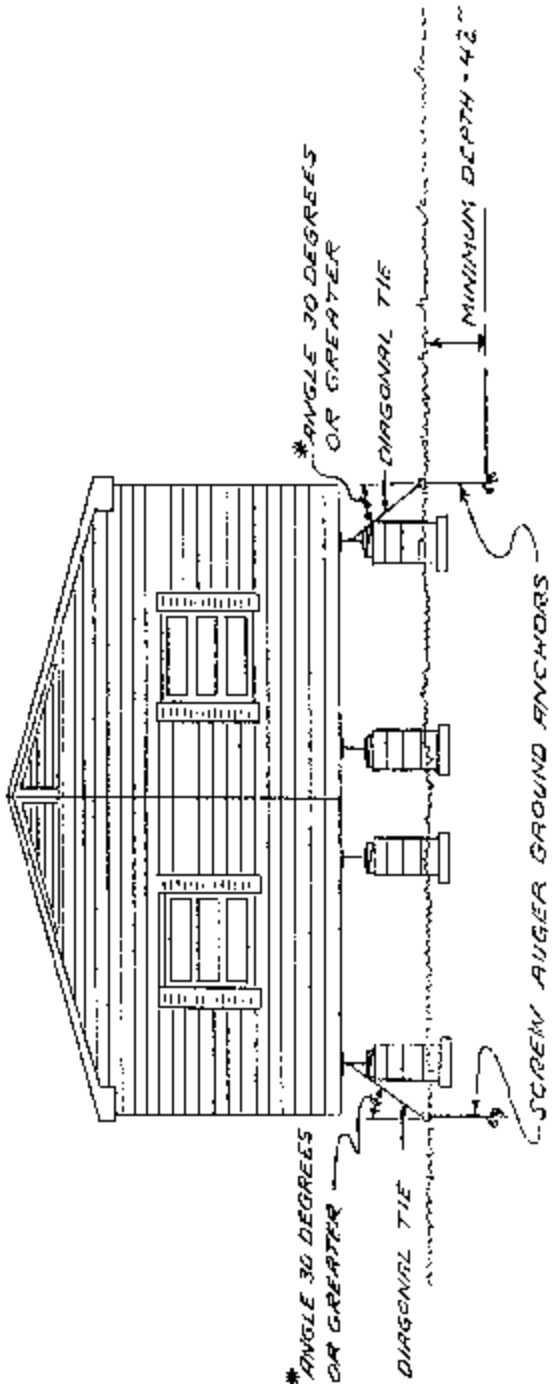


*DIAGONAL TIE SHALL DEVIATE FROM A VERTICAL DIRECTION 30 DEGREES OR MORE.

FIGURE 5

DOUBLE WIDE MOBILE HOME TIEDOWN

*DIAGONAL TIE SHALL DEVIATE FROM A VERTICAL DIRECTION 30 DEGREES OR MORE.



322.11(5) *Installations in disaster emergency areas.* In an area subject to a disaster emergency proclamation issued by the governor pursuant to Iowa Code section 29C.6, a manufactured home may be installed without a permanent support system provided that all of the following apply:

a. The installation complies with anchorage and aboveground support requirements specified by the manufacturer or subrule 322.11(4) as applicable;

b. A government agency or a third-party contractor is contractually obligated to regularly inspect the home while it is occupied and to loosen the ties or straps used in the anchoring system as needed between November 15 of each year and April 15 of the following year, in order to prevent frost heave from affecting the home, and to retighten the ties or straps on or after April 15 and prior to May 15 of the following year; and

c. The home shall be vacated within 18 months after installation without a support system that is fully compliant with subrules 322.11(1), 322.11(2), 322.11(3) and 322.11(4). A home installed in compliance with this subrule may continue to be occupied if it has been reinstalled in compliance with the provisions of this rule that would apply in the absence of a proclaimed disaster emergency.

661—322.12(103A) Suspension of installation requirements in proclaimed disaster emergencies. The commissioner may suspend any requirement established in this chapter or 661—Chapter 16 for the installation of manufactured homes, provided that all of the following apply:

322.12(1) The installation is within an area that is currently subject to a disaster emergency proclamation issued by the governor.

322.12(2) The commissioner finds that suspension of the requirement or requirements presents no imminent threat to the health or safety of any individual and specifically of any person who may occupy a manufactured home installed while the suspension is in effect.

322.12(3) Any manufactured home whose installation is subject to a suspension of any requirement shall be occupied only for the duration of the disaster emergency proclamation and for no more than 180 days after the expiration of the proclamation, or for a shorter time specified by the commissioner, unless the home has been installed or reinstalled in compliance with all requirements of this chapter and 661—Chapter 16 prior to the expiration of the period specified for suspension of the requirements.

661—322.13 to **322.19** Reserved.

661—322.20(103A) Fees.

322.20(1) All remittances of fees shall be made by check or money order payable to Iowa Department of Inspections, Appeals, and Licensing—Building Code Bureau and remitted to the Building Code Bureau, Iowa Department of Inspections, Appeals, and Licensing, 6200 Park Avenue, Des Moines, Iowa 50321.

322.20(2) The following table sets out the fee schedule for the manufactured home program.

Installation Seal	$25
Installation Seal Replacement	$10
Verification Inspections Requested by Installer or Owner	No Charge
Ground Support and Anchoring System Approval	$100

These rules are intended to implement Iowa Code sections 103A.7 and 103A.9.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9476C

PUBLIC SAFETY DEPARTMENT[661]

Adopted and Filed

Rulemaking related to temporary use of factory-built structures

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 323, "Temporary Emergency Use of Factory-Built Structures—Commercial Use," Iowa Administrative Code, and adopts a new Chapter 323 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 103A.7 and 103A.9.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 103A.

Purpose and Summary

This rulemaking repromulgates Chapter 323 and implements Iowa Code chapter 103A in accordance with the goals and directives of Executive Order 10. Iowa Code section 103A.7(1) empowers and directs the State Building Code Commissioner, with the approval of the State Building Code Advisory Council, to formulate, adopt, and periodically amend or revise and to promulgate, in conformity with and subject to the conditions set forth in Iowa Code chapter 103A, reasonable rules designed to establish minimum safeguards in the erection and construction of buildings and structures, to protect the human beings who live and work in them from fire and other hazards, and to establish regulations to further protect the health, safety, and welfare of the public. Pursuant to Iowa Code section 103A.7(2)"c," the rules shall include reasonable provisions for the manufacture and installation of factory-built structures. Iowa Code section 103A.9 states that the state building code shall contain provisions relating to the manufacture and installation of factory-built structures and provide requirements for factory-built structures.

Specifically, this rulemaking allows and provides criteria for use of factory-built structures as temporary locations for businesses or commercial operations in areas subject to a disaster emergency proclamation issued by the Governor.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 2, 2025, as **ARC 9053C**. A public hearing was held on the following date(s):

- April 22, 2025
- April 23, 2025

The Department did not receive any comments related to this rulemaking. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commissioner on July 10, 2025. Pursuant to Iowa Code sections 103A.7(1) and 103A.14, the State Building Code Advisory Council approved adoption of this rulemaking at its July 9, 2025, public meeting.

Fiscal Impact

This rulemaking has no fiscal impact in an amount requiring a fiscal impact statement pursuant to Iowa Code section 17A.4(4).

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.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 661—Chapter 323 and adopt the following **new** chapter in lieu thereof:

CHAPTER 323
TEMPORARY EMERGENCY USE OF FACTORY-BUILT STRUCTURES—COMMERCIAL USE

661—323.1(103A) Temporary factory-built structures for commercial use. A factory-built structure, as defined in Iowa Code section 103A.3, may be installed and used as a temporary location for a business or commercial operation, provided that all of the following apply:

323.1(1) The installation is in an area currently subject to a disaster emergency proclamation issued by the governor pursuant to Iowa Code section 29C.6.

EXCEPTION: If outside any area covered by a current disaster emergency proclamation, the installation is approved in writing by the building code commissioner provided that all of the other requirements of this rule are met.

323.1(2) The structure was manufactured to be installed without a permanent foundation.

323.1(3) The installation fully complies with all applicable installation requirements established by the manufacturer.

EXCEPTION: If specifications provided by the manufacturer provide for the use of both a support system and an anchoring system, a structure may be installed without a permanent support system, provided that an anchoring system is installed in compliance with specifications provided by the manufacturer and the owner or occupant ensures that straps or ties are loosened to prevent the structure from suffering damage from frost heave as needed between November 15 of any year during which it is in use and April 15 of the following year and retightened on or after April 15 and no later than May 15 of the following year.

323.1(4) The owner ensures full compliance with all maintenance requirements established by the manufacturer.

323.1(5) The structure complies with other applicable codes for the use of the structure, except that a structure installed in compliance with this rule is not required to display an Iowa seal as otherwise required by 661—subrules 16.610(21), 16.610(22), and 16.610(24).

323.1(6) The structure is not used as a private residence. More information on manufactured homes is available in 661—subrule 322.11(5).

323.1(7) The structure is vacated within 18 months of installation.

323.1(8) No portion of the structure is used as an educational occupancy unless written permission for such use has been issued by the fire control bureau and the building code commissioner.

323.1(9) No portion of the structure is used as a health care facility unless written permission for such use has been issued by the fire control bureau and the building code commissioner.

This rule is intended to implement Iowa Code sections 103A.7 and 103A.9.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9481C

REAL ESTATE COMMISSION[193E]

Adopted and Filed

Rulemaking related to definitions

The Real Estate Commission hereby amends Chapter 2, "Definitions," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A and section 543B.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 543B.

Purpose and Summary

This rulemaking adopts amendments to update definitions related to the practice of real estate and align administrative rules with recent statutory changes to Iowa Code section 543B.54A.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8850C**. A public hearing was held on the following date(s):

- March 11, 2025

The Commission received public comments regarding numbered paragraph "8" under the definition of "ministerial acts," the amendment of which removes a provision allowing a licensee to complete business or factual information for a consumer on an offer or contract to purchase on behalf of a client. Removing this ministerial act aligns with the 2024 legislation. The Commission received public comments expressing opposition to the proposed amendment citing concerns that such changes would negatively impact sellers, limit buyers' access to information, and constrain real estate professionals' ability to conduct business effectively. Opponents further argued that the removal of the provision would diminish consumer choice and transparency by effectively requiring buyers to retain either a licensed real estate agent or an attorney to receive assistance.

Conversely, comments in support of the proposed amendment emphasized that a licensee in an agency relationship with the seller cannot ethically or sufficiently assist the buyer. Supporters noted that even well-intentioned efforts by the seller's agent could inadvertently result in an unrepresented buyer making uninformed decisions. Additionally, they highlighted that such interactions could lead to agents providing services without compensation.

Minor changes from the Notice have been made to certain definitions and ministerial acts following public comment.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on July 10, 2025.

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, pursuant to 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend rule **193E—2.1(543B)**, definitions of "Customer" and "Ministerial acts," as follows:

"Customer" ~~means a consumer of real estate services in connection with a real estate transaction who is not being represented by the licensee, but for whom the licensee may perform ministerial acts. A customer may be a client of another broker, may have yet to decide whether or not to be represented by any broker, or may have chosen not to be represented by any broker.~~ means the same as defined in Iowa Code section 543B.5(11).

"Ministerial acts" means those acts that a licensee may perform for a consumer that are informative in nature and do not rise to the level of specific assistance on behalf of a consumer. For purposes of these rules, ministerial acts include~~,~~ but are not limited to~~,~~ the following:

1. ~~Responding to general telephone inquiries by consumers as to the availability and pricing of brokerage services;~~ Providing responses to general consumer inquiries—whether made via telephone, in person, or through digital communication—regarding the availability and pricing of brokerage services, as well as the price, location, condition as reflected on the seller's disclosure, and distinguishing features of specific properties;

2. Attending an open house and responding to general questions from a consumer about the facts and features of the property;

3. Setting an appointment to view property;

4. Accompanying an appraiser, inspector, contractor, or similar third party on a visit to a property;

5. Referring a person to another broker or service provider; or

6. A listing broker showing a property to a customer to which the listing broker has a brokerage agreement with a seller to the property.

~~7. Responding to general telephone inquiries from a consumer concerning the price, facts and features, or location of property;~~

~~8. Attending an open house and responding to general questions from a consumer about the facts and features of the property;~~

~~9. Setting an appointment to view property;~~

~~10. Responding to general questions of consumers walking into a licensee's office concerning brokerage services offered or the facts and features of particular properties;~~

~~11. Accompanying an appraiser, inspector, contractor, or similar third party on a visit to a property;~~

~~12. Describing the facts and features of a property or the property's condition in response to a consumer's inquiry;~~

~~13. Completing business or factual information for a consumer on an offer or contract to purchase on behalf of a client;~~

~~14. Showing a client through a property being sold by an owner; or~~
~~15. Referring a person to another broker or service provider.~~

ITEM 2. Adopt the following **new** definitions of "Agency disclosure," "Commercial," "Compensation," "Real estate team," "Representative," "Residential" and "Showing," in rule **193E—2.1(543B)**:

"Agency disclosure" means the same as defined in Iowa Code section 543B.5(2).

"Commercial" means property that is used exclusively for business purposes or to generate income and not intended for human inhabitants or property of more than four dwelling units.

"Compensation" means payment to a broker or licensee for real estate services performed.

"Real estate team" means two or more licensees assigned to the same broker, working together to provide real estate brokerage services and representing themselves to the public as a team.

"Representative" means a person or entity representing the interests of the client, on the client's behalf, but that is not the agent or broker of the client.

"Residential" means properties that are used primarily for living purposes rather than for business or industrial use.

"Showing" means the act of a licensee providing a client physical or virtual access to a property that is being sold by a seller.

ITEM 3. Rescind the definition of "Subagent" in rule **193E—2.1(543B)**.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9477C

REAL ESTATE COMMISSION[193E]

Adopted and Filed

Rulemaking related to brokerage agreements and listings

The Real Estate Commission hereby amends Chapter 11, "Brokerage Agreements and Listings," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A and section 543B.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2024 Iowa Acts, Senate File 2291.

Purpose and Summary

This rulemaking is intended to implement the 2024 statutory changes to Iowa Code section 543B.56A and sets forth supporting guidance to licensees regarding brokerage agreements.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8856C**. A public hearing was held on the following date(s):

- March 11, 2025

Comments submitted on March 11, 2025, expressed opposition to exclusive buyer agency agreements, citing concerns that buyers should be free to use any real estate agent of their choice after

viewing properties and that the Iowa buyer's agreement does not indicate procuring cause. The Commission also received comments from the public regarding excluding commercial property from completing buyer agency agreements.

Minor changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on July 10, 2025.

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, pursuant to 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend rule 193E—11.1(543B) as follows:

193E—11.1(543B) ~~Listing brokerage~~ Brokerage agreements. All ~~listing~~ brokerage agreements ~~are~~ will be in writing, ~~properly identifying the property and containing all of the terms and conditions under which the property is to be sold,~~ including the ~~price, the commission~~ amount of compensation to be paid with disclosure that states compensation is negotiable and not set by law, the signatures of all parties concerned and a definite expiration date not to exceed one calendar year in length from the effective date, for residential properties. ~~The agreement contains no provision requiring a party signing the listing to notify the broker of the listing party's intention to cancel the listing after such definite expiration date.~~ An exclusive ~~agency~~ brokerage agreement or exclusive right to sell ~~listing~~ agreement clearly indicates that it is such an agreement. A legible copy of every written ~~listing~~ brokerage agreement or other written authorization is given to the ~~owner of the property~~ client by a licensee as soon as the signature of the ~~owner~~ client is obtained.

1. A listing agreement should properly identify the property and contain the terms and conditions under which the property is to be sold, including but not limited to the list price and any compensation to be earned from the sale of the property.

2. A buyer representation agreement is required for all residential properties. Open houses, auctions, and commercial properties are exempt from usage of a buyer representation agreement.

11.1(1) A licensee cannot solicit or enter into a ~~listing or~~ brokerage agreement with ~~an owner~~ a buyer or seller if the licensee knows or has reason to know that the ~~owner~~ buyer or seller has a written unexpired exclusive ~~agency~~ brokerage agreement or exclusive right to sell listing agreement to the

property with another broker~~,~~ unless the ~~owner~~ buyer or seller initiates the discussion and the licensee has not directly or indirectly solicited the ~~listing or~~ brokerage agreement.

a. However, if the ~~owner~~ buyer or seller initiates the discussion, the licensee may negotiate and enter into a ~~listing or~~ brokerage agreement that will take effect after the expiration of the current ~~listing~~ brokerage agreement.

b. If the ~~owner~~ buyer or seller initiates the discussion, the licensee may inform the ~~owner~~ buyer or seller that the ~~owner~~ buyer or seller needs to allow the current ~~listing~~ brokerage agreement to expire or obtain a mutually acceptable cancellation from the ~~listing~~ broker before any further discussion can take place.

11.1(2) A real estate licensee cannot negotiate a sale, exchange, or lease of real property directly with ~~an owner~~ a seller if it is known that the ~~owner~~ seller has a written unexpired contract in connection with the property ~~which~~ that grants an exclusive right to sell to another broker~~, or which grants an exclusive agency to another broker~~.

11.1(3) A real estate licensee cannot negotiate a sale, purchase, exchange, or lease of real property directly with a buyer or seller if it is known that the buyer or seller has a written unexpired exclusive brokerage agreement with another broker.

~~11.1(3)~~ 11.1(4) ~~A listing agreement cannot be assigned, sold, or otherwise transferred to another broker without the express written consent of all parties to the original agreement.~~ All brokerage agreements are written and cannot be assigned, sold, or otherwise transferred to another broker without the express written consent of all parties to the original agreement, unless the terms of the agreement state otherwise. Upon termination of association or employment with the principal broker, the affiliated broker associate or salesperson cannot solicit, take, or use any written brokerage agreements secured during the association or employment. Said brokerage agreements remain the property of the principal broker and may be canceled only by the broker and the client.

~~11.1(4)~~ 11.1(5) Net listing barred. No licensee makes or enters into a net listing agreement for the sale of real property or any interest in real property. A net listing agreement is an agreement that specifies a net sale price to be received by the owner with the excess over that price to be received by the broker as ~~commission~~ compensation. The taking of a net listing is unprofessional conduct and constitutes a violation of Iowa Code sections 543B.29(3) and 543B.34(8).

ITEM 2. Rescind rule **193E—11.2(543B)**.

ITEM 3. Renumber rules **193E—11.3(543B)** to **193E—11.5(543B)** as **193E—11.2(543B)** to **193E—11.4(543B)**.

ITEM 4. Amend renumbered rule 193E—11.2(543B) as follows:

193E—11.2(543B) ~~Brokerage agreements~~ Cooperation, compensation, and compliance. ~~All brokerage agreements are written and cannot be assigned, sold, or otherwise transferred to another broker without the express written consent of all parties to the original agreement, unless the terms of the agreement state otherwise. Upon termination of association or employment with the principal broker, the affiliated broker associate or salesperson cannot take or use any written brokerage agreements secured during the association or employment. Said brokerage agreements remain the property of the principal broker and may be canceled only by the broker and the client.~~

11.2(1) Every written brokerage agreement includes, at a minimum, the criteria set forth in Iowa Code section ~~543B.57~~ 543B.56A and the following provisions:

a. ~~All brokerage~~ Brokerage agreements will contain a statement disclosing the brokerage policy on cooperating with and compensating other brokerages or the other parties' agent in the sale, lease, rental, or purchase of real estate, including whether the brokerage intends to ~~share~~ split the compensation with other brokerages and any other method for negotiating compensation for another party's broker. Such disclosure serves to inform the client of any policy that would limit the participation of any other brokerage; and

b. All ~~listing contracts and all~~ brokerage ~~agency contracts~~ agreements comply with Iowa real estate law and commission rules, including, but not limited to, rules 193E—11.1(543B) and 193E—11.4(543B) and 193E—Chapter 15.

~~**11.2(2)** No licensee makes or enters into a brokerage agreement that specifies a net sale, lease, rental, or exchange price to be received by an owner and the excess to be received by the licensee as a commission.~~

~~**11.2(3)** The taking of a net brokerage agreement is unprofessional conduct and a practice that is harmful or detrimental to the public and constitutes a violation of Iowa Code sections 543B.29(3) and 543B.34(8).~~

~~**11.2(4)**~~ **11.2(2)** Duration of relationship. The relationships commence at the time of the brokerage agreement and continue until closing of the transaction or performance or completion of the agreement by which the broker was engaged within the term of the agreement and not exceeding 12 months. If the transaction does not close, or the agreement for which the broker was engaged is not performed or completed for any reason, the relationship ends at the earlier of the following:

a. ~~Any~~ The date of expiration agreed upon by the parties; or

b. Any termination by written agreement of the parties.

~~**11.2(5)**~~ **11.2(3)** Obligation terminated. In addition to any continuing duty or obligation provided in the written agreement or pursuant to Iowa law and commission rules, a broker or brokerage engaged as a seller's or landlord's agent, buyer's or tenant's agent, ~~subagent,~~ or dual agent and affiliated licensees have the duty after termination, expiration, completion, or performance of the brokerage agreement to:

a. and *b.* No change.

~~**11.2(6)**~~ **11.2(4)** Compensation. In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, the landlord, the tenant, a third party, ~~or the sharing~~ or splitting of ~~a commission or~~ compensation between brokers.

a. No change.

b. Written permission of the client is needed as follows:

(1) A seller's or landlord's agent may ~~share the commission or other~~ split compensation paid by such seller or landlord with another broker, with the written consent of the seller or landlord.

(2) A buyer's or tenant's agent may ~~share the commission or other~~ split compensation paid by such buyer or tenant with another broker, with the written consent of the buyer or tenant.

(3) Without the written approval of the client, a seller's or landlord's agent cannot propose to the buyer's or tenant's agent that such seller's or landlord's agent may be compensated by ~~sharing~~ splitting compensation paid by such buyer or tenant.

(4) Without the written approval of the client, a buyer's or tenant's agent cannot propose to the seller's or landlord's agent that such buyer's or tenant's agent may be compensated by ~~sharing~~ splitting compensation paid by such seller or landlord.

c. No change.

d. A licensee cannot accept, receive or charge an undisclosed ~~commission~~ compensation for a transaction.

e. A licensee cannot give or pay an undisclosed ~~commission~~ compensation to any other licensee for a transaction, except payment for referrals to other licensees, including franchise affiliates, to provide real estate brokerage services, if there is no direct or beneficial ownership interest of more than 1 percent in the business entity providing the service.

f. No change.

g. A licensee cannot give any undisclosed credit against ~~commission~~ compensation due from a client or licensee to any party to a transaction.

h. A licensee cannot accept, receive or charge any undisclosed payments for any services provided by any third party to any party to a transaction including, but not limited to, payments for procuring insurance or for conducting a property inspection related to the transaction.

i. to *k.* No change.

~~**11.2(7)** Solicitation of brokerage agreements. A licensee cannot advise, counsel, or solicit a brokerage agreement from a seller or buyer, or landlord or tenant, if the licensee knows, or acting in a~~

~~reasonable manner should have known, that the seller or buyer, or landlord or tenant, has contracted with another broker for the same brokerage services on an exclusive basis.~~

~~*a.* This rule does not preclude a broker from entering into a brokerage agreement with a seller or buyer, or landlord or tenant, when the initial contact is initiated by the seller or buyer, or landlord or tenant, and the licensee has not directly or indirectly solicited the discussion, provided the brokerage agreement does not become effective until the expiration or release of the current brokerage agreement.~~

~~*b.* A brokerage agreement cannot be assigned, sold, or otherwise transferred to another broker without the express written consent of all parties to the original agreement.~~

~~11.2(8)~~ 11.2(5) Any ~~commission~~ compensation or fee in any brokerage agreement is fully negotiable among the parties to that brokerage agreement. Once the parties to a brokerage agreement have agreed to a ~~commission~~ compensation or fee, no licensee other than a party to that brokerage agreement attempts to alter, modify, or change or induce another person to alter, modify, or change a ~~commission~~ compensation or fee that has previously been agreed upon without the prior written consent of the parties to that brokerage agreement.

~~11.2(9)~~ 11.2(6) The seller or landlord may, in the brokerage agreement, authorize the seller's or landlord's broker to disburse part of the broker's compensation to other brokers, including a buyer's or tenant's broker solely representing the buyer or tenant.

~~11.2(10)~~ 11.2(7) Nothing contained in this rule shall obligate any buyer or tenant or seller or landlord to pay compensation to a licensee representing the buyer or tenant or seller or landlord in a real estate transaction unless the buyer or tenant or seller or landlord has entered into a written brokerage agreement with the broker specifying the compensation terms and conditions, in accordance with Iowa real estate license law and commission rules.

ITEM 5. Amend renumbered rule 193E—11.3(543B) as follows:

193E—11.3(543B) Terms or conditions. A licensee cannot write, prepare or otherwise use a contract containing terms or conditions that would violate real estate laws in Iowa Code chapter 543B or commission rules. The broker is responsible to ensure that all preprinted documents and forms used follow these rules.

~~The broker is responsible to ensure that all preprinted documents and forms used are in compliance with these rules.~~

ITEM 6. Adopt the following **new** rule 193E—11.5(543B):

193E—11.5(543B) Enforcing a protective clause. To enforce a protective clause beyond the expiration of an exclusive brokerage agreement, there must be a provision for the protective clause in the brokerage agreement that establishes a definite protection period. In writing and prior to the expiration of the brokerage agreement, the broker furnishes to the party the names and available contact information of persons to whom the property was presented or a list of each property that was shown during the active term of the brokerage agreement and for whom protection is sought. Delivery is by personal or electronic service with written acknowledgment of receipt, or by regular mail or certified mail postmarked prior to the expiration of the brokerage agreement, return receipt requested.

ITEM 7. Amend subrules 11.6(1) and 11.6(2) as follows:

11.6(1) A licensee cannot pay ~~a commission~~ compensation, any part of ~~a commission~~ compensation, or valuable consideration to an unlicensed third party for performing brokerage functions or engaging in any activity that needs a real estate license. Referral fees or finder's fees paid to unlicensed third parties for performing brokerage activities, or engaging in any activity that needs a real estate license, are barred.

11.6(2) In a brokerage agreement, the broker is principal party to the contract. The broker may, with proper disclosure, pay a portion of the ~~commission~~ compensation earned to an unlicensed seller, landlord, buyer, or tenant that is a principal party to the brokerage agreement. This will be deemed a reduction in the amount of the earned ~~commission~~ compensation.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9478C

REAL ESTATE COMMISSION[193E]

Adopted and Filed

Rulemaking related to disclosure of relationships

The Real Estate Commission hereby amends Chapter 12, "Disclosure of Relationships," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A and section 543B.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 543B as amended by 2024 Iowa Acts, House Files 2326 and 2394, and Senate File 2291, and Iowa Code chapter 17A.

Purpose and Summary

This rulemaking adopts amendments to update definitions related to the practice of real estate and align administrative rules with recent statutory changes to Iowa Code section 543B.54A.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8857C**. A public hearing was held on the following date(s):

- March 11, 2025

No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on July 10, 2025.

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, pursuant to 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend paragraph **12.2(3)"b"** as follows:

b. The written disclosure is acknowledged by separate signatures ~~of all parties to the transaction~~. A change in the licensee's representation that makes the initial written disclosure incomplete, misleading, or inaccurate obligates that a new verbal disclosure be made ~~which~~ that is followed by a new written disclosure signed by all parties to the transaction as soon as practical.

ITEM 2. Amend subrule 12.2(6) as follows:

12.2(6) Nothing contained in this rule bars a party from entering into a written ~~listing or~~ brokerage agreement with a broker ~~which~~ that contains duties, obligations, and responsibilities that are in addition to those specified in Iowa real estate license law and commission rules.

ITEM 3. Amend subrule 12.2(10) as follows:

12.2(10) If the seller, landlord, buyer, or tenant ~~rejects representation, or~~ refuses to sign the agency disclosure document, or refuses to sign acknowledging receipt of the disclosure, the licensee notes that fact and includes the date, place, time, and the names of others in attendance on a copy of the agency disclosure document and obtains other documentation establishing delivery of the disclosure and maintains the written documentation, including but not limited to copies of facsimile, restricted delivery certified mail, and other communications, in the transaction file.

ITEM 4. Amend subrule 12.2(17) as follows:

12.2(17) The licensee offering brokerage services to a person as a buyer's or tenant's agent, or who is providing brokerage services to a person as a seller's or landlord's agent, discloses in writing to that person the type or types of brokerage relationships the broker and affiliated licensees are offering to that person before entering into a ~~listing or~~ brokerage agreement with that person.

ITEM 5. Amend subparagraph **12.3(1)"c"(7)** as follows:

(7) Providing brokerage services ~~to all parties to the transaction~~ honestly and in good faith;

ITEM 6. Amend subrule 12.3(2) as follows:

12.3(2) *Duty to a buyer or tenant.* A licensee acting as an exclusive seller's or exclusive landlord's agent discloses to any customer all material adverse facts actually known by the licensee pursuant to Iowa Code section 543B.56.

a. and *b.* No change.

~~*c.* A seller or landlord may agree in writing with an exclusive seller's or exclusive landlord's agent that other designated brokers may be retained or compensated as subagents, and any broker acting as a subagent on the seller's or landlord's behalf is an agent with the same obligations and responsibilities to the seller or landlord as the primary broker of the seller or landlord.~~

~~*d.*~~ *c.* A real estate brokerage engaged by a seller or landlord in a real estate transaction may provide assistance to an unrepresented buyer or tenant by ~~performing such acts as preparing offers and conveying those offers to the seller or landlord and~~ providing information and assistance concerning professional services not related to real estate brokerage services.

ITEM 7. Amend subrule 12.3(3) as follows:

12.3(3) *Alternative properties.* The licensee may show alternative properties not owned by the seller or landlord to ~~prospective~~ buyers or tenants and may list competing properties for sale or lease without breaching any duty or obligation to the seller or landlord.

ITEM 8. Amend subparagraph **12.4(1)"c"(7)** as follows:

(7) Providing brokerage services ~~to all parties to the transaction~~ honestly and in good faith;

ITEM 9. Amend subrules 12.4(2) and 12.4(3) as follows:

12.4(2) *Duty to a seller or landlord.* A licensee acting as an exclusive buyer's or an exclusive tenant's agent discloses to any customer all material adverse facts actually known by the licensee, pursuant to Iowa Code section 543B.56.

a. and *b.* No change.

~~*c.* A buyer or tenant may agree in writing with a buyer's or tenant's agent that other designated brokers may be retained or compensated as subagents, and any broker acting as a subagent on the buyer's or tenant's behalf is a single agent with the same obligations and responsibilities to the buyer or tenant as the primary broker of the buyer or tenant.~~

~~*d.*~~ *c.* A real estate brokerage engaged by a buyer or tenant in a real estate transaction may provide assistance to an unrepresented seller or landlord by ~~performing such acts as preparing offers and conveying those offers to the buyer or tenant and~~ providing information and assistance concerning professional services not related to real estate brokerage services.

12.4(3) *Competing buyers or tenants.* The licensee may show properties in which the buyer or tenant is interested to other ~~prospective~~ buyers or tenants, may assist other competing buyers or tenants, and may enter into brokerage ~~service~~ agreements with other competing buyers or tenants without breaching any duty or obligation to the buyer or tenant.

ITEM 10. Amend paragraph **12.5(4)"b"** as follows:

b. The potential dual agency agreement should be provided to the buyer or tenant prior to entering into a buyer or tenant ~~agency~~ agreement ~~or a contract for buyer or tenant brokerage services~~.

ITEM 11. Amend rule 193E—12.6(543B) as follows:

193E—12.6(543B) Appointed agents within a brokerage. Iowa Code section 543B.59 authorizes a designated broker to elect to appoint in writing one or more different licensees affiliated with the broker to act as agent to represent exclusively different clients in the same transaction, to the exclusion of all other affiliated licensees within the real estate brokerage. A licensee cannot disclose, except to the licensee's designated broker, information made confidential by request or instructions of the client the licensee is representing or otherwise confidential by statute or rule, except information allowed by this chapter or mandated to be disclosed by law.

12.6(1) No change.

12.6(2) The designated broker may decide that since both seller and buyer, or landlord and tenant, brokerage relationships are being offered to consumers by the broker's company, only the affiliated licensee who, on behalf of the designated broker, entered into the listing agreement with the seller or leasing agreement with the landlord will represent the seller or landlord as that client's agent. In that scenario, ~~all~~ other licensees affiliated with the designated broker ~~will~~ may represent buyers or tenants as their agents in any transactions dealing with the subject property.

12.6(3) The designated broker may decide that since both seller and buyer, or landlord and tenant, brokerage relationships are being offered to consumers by the broker's company, only the affiliated licensee who, on behalf of the designated broker, entered into the buyer representation agreement with the buyer or leasing agreement with the tenant will represent the buyer or tenant as that client's agent. In that scenario, other licensees affiliated with the designated broker may represent sellers or landlords as their agents in any transactions dealing with the subject property.

~~**12.6(3)**~~ **12.6(4)** If any seller, landlord, buyer, or tenant who is a client of the broker refuses to sign and consent to the appointed agent within the brokerage appointed by that same broker for the other party to the transaction, then the broker and licensees affiliated with the broker cannot act as an appointed agent for that other party.

ITEM 12. Amend subrule 12.7(1) as follows:

12.7(1) Prior to entering into a ~~listing or~~ brokerage agreement, a real estate brokerage notifies a client in writing of the real estate brokerage's appointed agent policy and those affiliated licensees in accordance with Iowa Code section 543B.59(1). The appointed agent disclosure includes, at a minimum, the following provisions:

a. to *e.* No change.

[Filed 7/11/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9480C

REAL ESTATE COMMISSION[193E]

Adopted and Filed

Rulemaking related to prelicense education and continuing education

The Real Estate Commission hereby amends Chapter 16, "Prelicense Education and Continuing Education," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 17A and section 543B.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2024 Iowa Acts, House File 2686.

Purpose and Summary

This rulemaking complies with 2024 Iowa Acts, House File 2686. The amendments set forth supporting guidance to continuing education carry over hours.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 19, 2025, as **ARC 8858C**. A public hearing was held on the following date(s):

- March 11, 2025

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 3, 2025.

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, pursuant to 481—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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 16.4(2) as follows:

16.4(2) As a criteria of license renewal in an active status, each real estate licensee completes a minimum of 36 hours of approved programs, courses or activities. ~~The continuing education is completed during the three calendar years of the license term and cannot be carried over to another license renewal term.~~ Licensees who complete continuing education hours in excess of the requirements for renewal may apply up to 50 percent of the required hours to the following renewal period. Licensees may apply a maximum of 18 hours from the previous renewal period. Licensees cannot carry over any hours toward the mandatory eight-hour law update course nor the four-hour ethics course. Approved courses in the following subjects are completed to renew a license to active status:

Law Update	8 hours
Ethics	4 hours
Electives	24 hours

ITEM 2. Amend subrule 16.5(1) as follows:

16.5(1) The commission will verify by random audit or on a test basis the education claimed by the licensee. It is the responsibility of the licensee to maintain records that support the continuing education claimed and the validity of the credits. Documentation is retained by the licensee for a period of ~~three~~ six years after the effective date of the license renewal.

ITEM 3. Amend rule 193E—16.6(543B) as follows:

193E—16.6(543B) Reactivating an inactive license. A license may be renewed without the necessary continuing education, but it is only renewed to an inactive status. Prior to reactivating a license that has been issued inactive due to failure to submit evidence of continuing education, the licensee submits evidence that all deficient continuing education hours have been completed. ~~The maximum continuing education hours cannot exceed the prescribed number of hours of one license renewal period and are completed during the three calendar years preceding activation of the license.~~ Licensees who complete continuing education hours in excess of the requirements for renewal may apply up to 50 percent of the required hours to the following renewal period. Licensees may apply a maximum of 18 hours from the previous renewal period. Licensees cannot carry over any hours toward the mandatory eight-hour law update course nor the four-hour ethics course.

[Filed 4/15/25, effective 9/10/25]
[Published 8/6/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9482C

SECRETARY OF STATE[721]

Adopted and Filed

Rulemaking related to dates certain

The Secretary of State hereby amends Chapter 29, "Elections Technology Security," and Chapter 43, "Notarial Acts," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 9B.14A(8), 17A.5, and 47.1.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 9B and 47.

Purpose and Summary

This rulemaking amends rules 721—29.4(47) and 721—43.9(9B) to add dates certain for references to National Institute of Standards and Technology (NIST) Special Publications as required by 2024 Iowa Acts, House File 688.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 28, 2025, as **ARC 9288C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Secretary of State on July 2, 2025.

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 Secretary of State for a waiver of the discretionary provisions, if any, pursuant to 721—Chapter 10.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 29.4(11) as follows:

29.4(11) Any county information technology infrastructure that is used to access or conduct any part of elections in the state is subject to the following requirements:

a. Passwords to access the county network must be compliant with the standards enumerated by either the ~~National Institute of Standards and Technology,~~ June 2017 edition, including the March 2, 2020, updates, of NIST Special Publication 800-63B; the OCIO~~.~~; or guidance issued by the state commissioner.

b. Session-lock timeout standards must be compliant with the standards enumerated by either the ~~National Institute of Standards and Technology~~ June 2017 edition, including the March 2, 2020, updates, of NIST Special Publication 800-63B or guidance issued by the state commissioner.

c. and *d.* No change.

ITEM 2. Amend subrule 43.9(2) as follows:

43.9(2) Identity proofing and credential analysis must be performed by a third-party credential service provider whose methods and standards are substantially similar to those defined in the ~~most recent edition of the National Institute of Standards and Technology's Digital Identity Guidelines,~~ June 2017 edition, including the March 2, 2020, updates, of NIST Special Publication 800-63-3 and that has provided evidence to the notary public of the ability to satisfy the following requirements:

a. and *b.* No change.

c. Credential analysis shall, at a minimum, do all of the following:

(1) Use automated software processes to aid the notary public in verifying the identity of a principal or any credible witness.

(2) Ensure that the credential passes an authenticity test, substantially similar to those defined in the ~~most recent edition of the National Institute of Standards and Technology's Digital Identity Guidelines~~ June 2017 edition, including the March 2, 2020, updates, of NIST Special Publication 800-63-3, that:

1. to 4. No change.

(3) No change.

d. No change.

[Filed 7/7/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

ARC 9479C

SECRETARY OF STATE[721]

Adopted and Filed

Rulemaking related to fees

The Secretary of State hereby amends Chapter 40, "Corporations," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 548.117.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 548.

Purpose and Summary

The subrule prescribes the existing trademark registration-related fees as required by Iowa Code section 548.117.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 28, 2025, as **ARC 9289C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Secretary of State on July 2, 2025.

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 Secretary of State for a waiver of the discretionary provisions, if any, pursuant to 721—Chapter 10.

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 September 10, 2025.

The following rulemaking action is adopted:

ITEM 1. Adopt the following **new** subrule 40.5(13):

40.5(13) *Fees.* Fees for mark applications, assignments, and cancellations are established as follows:

Application for registration of mark:	$10
Application for renewal of registered mark:	$10
Assignment of registration of mark:	$5
Cancellation of registration of mark:	$5

[Filed 7/7/25, effective 9/10/25]
[Published 8/6/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/6/25.

State of Iowa

Executive Department

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

EXECUTIVE ORDER NUMBER THIRTEEN

WHEREAS, on October 7, 2023, the terrorist organization Hamas committed evil and inhumane attacks against the people of Israel, taking hostages and killing innocent civilians;

WHEREAS, incidents of antisemitism have increased since the October 7th attacks, including particularly troubling incidents at colleges and universities across the United States;

WHEREAS, while I encouraged the presidents of Iowa's regent universities to remain vigilant in taking steps to combat antisemitism and many of Iowa's colleges and universities quickly condemned antisemitic speech and actions, some radical organizations and individuals around the country continue to engage in antisemitic actions on college and university campuses;

WHEREAS, on March 10, 2025, the United States Department of Education's (USDOE) Office of Civil rights (OCR) announced efforts to ensure colleges and universities across the nation— including Iowa—fulfill obligations owed under Title VI of the Civil Rights Act to protect Jewish students;

WHEREAS, on April 22, 2025, the ADL (Anti-Defamation League) released its annual Audit of Antisemitic Incidents, which recorded 9,354 incidents of antisemitic assault, harassment, and vandalism across the United States in 2024 — the highest number ever recorded by ADL — representing a 5 percent increase from 2023, a 344 percent increase over the past five years, and a 926 percent increase over the past decade; the Audit further revealed that Iowa has experienced a 40 percent increase in incidents from 2023 and a 92 percent increase in antisemitic incidents since 2020;

WHEREAS, Iowa Code Chapter 261H promotes free speech at regent universities and protects speech by the campus community but acts of violence, physical or verbal threats, harassment, or other acts of antisemitic intimidation cannot be confused with freedom of speech and expression; and

WHEREAS, the State of Iowa reiterates its longstanding support for Israel and Iowa's Jewish community, and continues to condemn any form of threat, harassment, intimidation, hate speech, or other action that endangers the Jewish community or violates state or federal law; and

NOW, THEREFORE, I, KIMBERLY K. REYNOLDS, Governor of the State of Iowa, by virtue of the power and authority vested in me by the Constitution and statutes of the State of Iowa do hereby ORDER and DIRECT the following:

I. The Iowa Board of Regents ("Board") shall assist and fully cooperate with the USDOE, as found necessary and appropriate, in the USDOE OCR's

efforts to ensure the regent universities fulfill obligations owed under Title VI of the Civil Rights Act to protect Jewish students.

II. The Board shall review the policies of the regent universities related to antisemitic actions and speech, as well as the response by each institution to any acts of antisemitism that have occurred at the institution since October 7th, 2023. The review shall be completed by November 1, 2025, with a written report provided to the Governor by December 1, 2025.

III. The Board shall conduct a follow-up review in 2026 concerning policy changes made by the regent universities related to antisemitic actions and speech, as well as the response of each institution to any acts of antisemitism that may occur after November 1, 2025, with a written report provided to the Governor by December 1st of each year thereafter.

IV. Any incident or complaint of antisemitism that occurs on any regent university campus shall be immediately reported by such university to the Executive Director of the Board.

V. The Department of Education ("Department") shall make available statewide to all public and nonpublic schools supplemental instructional materials to support meeting Iowa's state content standards on Jewish history, the Holocaust, and Israel.

VI. The Department also shall make available statewide to all public and nonpublic schools professional learning resources to support best practices in instruction on Jewish history, the Holocaust, and Israel.

VII. The Board and the Department shall use the definition of antisemitism in Iowa Code Chapter 216F.

IN TESTIMONY WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND CAUSED THE GREAT SEAL OF THE STATE OF IOWA TO BE AFFIXED AT DES MOINES, IOWA THIS TWENTY-SEVENTH DAY OF JUNE IN THE YEAR OF OUR LORD TWO THOUSAND TWENTY-FIVE.

KIMBERLY K. REYNOLDS
GOVERNOR

ATTEST:

PAUL D. PATE
SECRETARY OF STATE

AGENCY	RULE	DELAY
Inspections and Appeals Department[481]	chs 550, 551 [IAB 6/11/25, **ARC 9337C**]	Effective date of July 16, 2025, delayed 70 days by the Administrative Rules Review Committee (ARRC) at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 552 [IAB 6/11/25, **ARC 9338C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 553 [IAB 6/11/25, **ARC 9339C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 554 [IAB 6/11/25, **ARC 9340C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 555 [IAB 6/11/25, **ARC 9341C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 556 [IAB 6/11/25, **ARC 9342C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Inspections and Appeals Department[481]	ch 557 [IAB 6/11/25, **ARC 9343C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]
Pharmacy Board[657]	rescind chs 1 to 8, 10 to 23, 25 to 37, 39 to 43, 100 [IAB 6/11/25, **ARC 9346C**]	Effective date of July 16, 2025, delayed 70 days by the ARRC at its meeting held July 14, 2025. [Pursuant to §17A.4(8)]