IOWA ADMINISTRATIVE BULLETIN

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PREFACE

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

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

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

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

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CITATION of Administrative Rules

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

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

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

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

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

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

The Administrative Rules Review Committee will hold its regular, statutory meeting on Monday, October 13, 2025, at 10 a.m. in Room 116, State Capitol, Des Moines, Iowa. For more information, contact Jack Ewing at jack.ewing@legis.iowa.gov. The following rules will be reviewed:

COLLEGE STUDENT AID COMMISSION[283]

EDUCATION DEPARTMENT[281]"umbrella"

Uniform policies, ch 10 Notice **ARC 9589C** 10/1/25
Health care professional recruitment program, rescind ch 14 Notice **ARC 9590C** 10/1/25
Future ready Iowa skilled workforce last-dollar scholarship program, ch 15 Filed **ARC 9583C** 10/1/25
Iowa work-study program, ch 18 Filed **ARC 9584C** 10/1/25
Iowa national guard benefits programs, adopt ch 20; rescind ch 29 Filed **ARC 9585C** 10/1/25
Health care award program, rescind ch 26 Notice **ARC 9591C** 10/1/25
Teach Iowa scholar program, ch 28 Filed **ARC 9586C** 10/1/25
Iowa national guard student loan repayment program, rescind ch 30 Filed **ARC 9587C** 10/1/25
Debt collection, ch 37 Filed **ARC 9588C** 10/1/25

ECONOMIC DEVELOPMENT AUTHORITY[261]

Organization, ch 1, Notice **ARC 9540C** 9/17/25
Iowa community development block grant program, ch 23 Notice **ARC 9541C** 9/17/25
Broadband forward and telecommuter forward certifications, ch 24 Notice **ARC 9543C** 9/17/25
Notice, Employee stock ownership plan (ESOP) formation assistance, ch 56 Notice **ARC 9544C** 9/17/25

EDUCATION DEPARTMENT[281]

Sexual orientation and gender identity—school accreditation, practitioner preparation approval, 12.3, 79.2, 80.1 Notice **ARC 9601C** 10/1/25
Accreditation standards; school health services; extracurricular interscholastic competition, 12.5, 12.8(1), 14.2(4), 36.2 Notice **ARC 9600C** 10/1/25
Civics examination, 12.5(5), 32.1 Notice **ARC 9599C** 10/1/25
Vaccination—notification of religious exemptions, 14.2(4), 21.62(9)"f" Notice **ARC 9602C** 10/1/25
Extracurricular athletic activity conference for member schools, ch 37 Notice **ARC 9603C** 10/1/25
Foster parents as special education decision-makers, 41.30(1)"b," 120.27(1)"b" Notice **ARC 9596C** 10/1/25
Out-of-state placements—children with disabilities, 41.116(8) Notice **ARC 9598C** 10/1/25
Abuse of students by school employees—investigation, charges, amendments to ch 102 Notice **ARC 9597C** 10/1/25

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Fees, 30.3, 30.4, 30.6(2) Notice **ARC 9539C** 9/17/25

HUMAN SERVICES DEPARTMENT[441]

Sexual orientation and gender identity—psychiatric bed tracking system, physicians' services, prosthetic devices, Conditions of eligibility, ch 75 Notice **ARC 9581C** 10/1/25
Enrollment and reenrollment, ch 76 Notice **ARC 9551C** 9/17/25
Child support guidelines, amendments to chs 98, 99, 101, 102 Notice **ARC 9582C** 10/1/25

INSPECTIONS AND APPEALS DEPARTMENT[481]

Respiratory care practitioners and polysomnographic technologists—continuing education, 721.2(4) Filed **ARC 9556C** 10/1/25

PUBLIC HEALTH DEPARTMENT[641]

Iowa care for yourself (IA CFY) program, rescind ch 8 Filed **ARC 9557C** 9/17/25
Outpatient diabetes education programs, rescind ch 9 Filed **ARC 9558C** 9/17/25
Iowa get screened: colorectal cancer program, rescind ch 10 Filed **ARC 9559C** 9/17/25
Central registry for brain and spinal cord injuries, rescind ch 21 Filed **ARC 9560C** 9/17/25
Local boards of health, ch 77 Filed **ARC 9561C** 9/17/25
Local public health services, ch 80 Filed **ARC 9562C** 9/17/25
Child protection center grant program, ch 94 Filed **ARC 9563C** 9/17/25
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 Notice **ARC 9550C** 9/17/25
Prescription drug donation repository program, ch 109 Notice **ARC 9580C** 10/1/25

PUBLIC SAFETY DEPARTMENT[661]
Regulations applicable to carriers, ch 22 Filed **ARC 9571C** 9/17/25
Safety requirements for movement of implements of husbandry on roadways, ch 24 Filed **ARC 9572C** 9/17/25

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Professional Licensing and Regulation Bureau[193]
Seller property condition disclosure, 14.1(7) Notice **ARC 9592C** 10/1/25

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Dishonored payment for alcoholic liquor; disputed beer barrel and wine gallonage taxes, 1000.28, 1000.32 Notice **ARC 9555C** 9/17/25

SECRETARY OF STATE[781]
Mechanics' notice and lien registry—posting of notices regarding commencement of work, 45.4, 45.5 Notice **ARC 9574C** 9/17/25

TRANSPORTATION DEPARTMENT[761]
Warning lights on vehicles or equipment in road work zones, ch 135 Filed **ARC 9575C** 10/1/25
Interstate motor vehicle fuel licenses and permits, ch 505 Filed **ARC 9576C** 10/1/25
Classes of driver's licenses, ch 602 Filed **ARC 9577C** 10/1/25
License examination, ch 604 Filed **ARC 9578C** 10/1/25
Commercial driver licensing, ch 607 Filed **ARC 9579C** 10/1/25

TREASURER OF STATE[781]
Iowa educational savings plan trust—withdrawals, rollovers, 16.11(3), 16.13(2) Notice **ARC 9574C** 10/1/25

WORKFORCE DEVELOPMENT DEPARTMENT[871]
Placement, rescind ch 54 Notice **ARC 9545C** 9/17/25
Youth affairs, rescind ch 56 Notice **ARC 9546C** 9/17/25
Work force investment program, rescind ch 57 Notice **ARC 9547C** 9/17/25
Iowa job training partnership program, rescind ch 58 Notice **ARC 9548C** 9/17/25
Mentor advisory board, rescind ch 59 Notice **ARC 9549C** 9/17/25
Strategic workforce development fund, rescind ch 61 Notice **ARC 9552C** 9/17/25
Iowa industrial new jobs training program, ch 62 Filed **ARC 9565C** 9/17/25
Iowa jobs training program, ch 63 Filed **ARC 9566C** 9/17/25
Workforce development fund, ch 64 Notice **ARC 9542C** 9/17/25
Accelerated career education (ACE) program, ch 68 Filed **AR 9567C** 9/17/25
Innovative businesses internship program, ch 69 Filed **ARC 9568C** 9/17/25
STEM internship program, ch 75 Filed **ARC 9569C** 9/17/25
Employment agency licensing, ch 78 Notice **ARC 9553C** 9/17/25

ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS

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

Senator Mike Klimesh
Vice Chair
Senate District 32

Senator Mike Bousselot
Senate District 21

Senator Dan Dawson
Senate District 10

Senator Sarah Trone Garriot
Senate District 14

Senator Cindy Winckler
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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.

The Administrative Code Editor currently plans to **discontinue** publication of this list beginning with the October 15, 2025, Iowa Administrative Bulletin. Any users of this list are urged to email their feedback on its value by **October 8, 2025**, to: jack.ewing@legis.iowa.gov.

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

State licensed warehouses and warehouse operators, ch 90; licensed grain dealers, ch 91; grain indemnity fund—board organization, operations and claims, ch 92 IAB 10/1/25 **Regulatory Analyses**	Heritage West Conference Room (H560) Hoover Office Building Des Moines, Iowa	October 23, 2025 9 a.m.

COLLEGE STUDENT AID COMMISSION[283]

Postsecondary institutions—federally recognized accreditation, 12.2, 12.5(3); court reporter equipment grant program, ch 19; approval of postsecondary schools, ch 21; rural Iowa primary care loan repayment program, rescind ch 24; mental health professional loan repayment program, rescind ch 31 IAB 9/17/25 **Regulatory Analyses**	Room B50 Grimes State Office Building Des Moines, Iowa	October 7, 2025 4 p.m.
Health care professional incentive program, ch 17; Iowa national guard benefits program, amend ch 20 IAB 10/1/25 **Regulatory Analyses**	Room B50 Grimes State Office Building Des Moines, Iowa	October 21, 2025 4 p.m.
Uniform policies, ch 10; health care professional recruitment program, rescind ch 14; health care award program, rescind ch 26 IAB 10/1/25 **ARC 9589C**, **ARC 9590C**, **ARC 9591C**	Room B50 Grimes State Office Building Des Moines, Iowa	October 21, 2025 4 to 4:30 p.m. October 22, 2025 9 to 9:30 a.m.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Organization, ch 1; Iowa community development block grant program, ch 23; broadband forward and telecommuter forward certifications, ch 24; employee stock ownership plan formation assistance, ch 56 IAB 9/17/25 **ARC 9540C**, **ARC 9541C**, **ARC 9543C**, **ARC 9544C**	1963 Bell Avenue Des Moines, Iowa	October 7, 2025 9 to 9:15 a.m. October 9, 2025 2 to 2:15 p.m.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

Downtown loan guarantee program, ch 36; main street Iowa program, ch 39; community catalyst building remediation program, ch 45 IAB 10/1/25 **Regulatory Analyses**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 9:30 to 9:45 a.m.
Workforce housing tax incentive program, ch 48; redevelopment tax credits program, ch 65 IAB 10/1/25 **Regulatory Analyses**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 10 to 10:15 a.m.
Employer child care tax credit; assistive device tax credit; aggregate tax credit limit for certain economic development programs, rescind chs 57, 66, 76 IAB 10/1/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 9:45 to 10 a.m.
Reinvestment districts program, ch 200; community attraction and tourism (CAT) program, ch 211; sports tourism program: marketing fund, rescind ch 215; sports tourism infrastructure program, ch 216 IAB 10/1/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 10:15 to 10:30 a.m.
Iowa film production incentive program and fund, ch 300 IAB 9/17/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 10 to 10:15 a.m.
Iowa energy center, ch 403; alternate energy revolving loan program, ch 405; energy infrastructure revolving loan program, ch 406 IAB 10/1/25 **Regulatory Analyses**	1963 Bell Avenue Des Moines, Iowa	October 21, 2025 9:15 to 9:30 a.m.

EDUCATION DEPARTMENT[281]

Terminology, 12.3, 79.2, 80.1; accreditation standards; school health services; extracurricular interscholastic competition, 12.5, 12.8, 14.2, 36.2; civics exam, 12.5, 32.1; vaccination—notification of religious exemptions, 14.2, 21.62; extracurricular athletic activity conference, ch 37; out-of-state placements—children with disabilities, 41.116; abuse of students by employees, amend ch 102 IAB 10/1/25 **ARC 9597C** to **ARC 9603C**	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Or dial: 1.385.645.7961 PIN: 403 190 939#	October 21, 2025 8 to 9:30 a.m.

EDUCATION DEPARTMENT[281](cont'd)

Foster parents as special education decision-makers, 41.30(1), 120.27(1) IAB 10/1/25 **ARC 9596C**	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Or dial: 1.385.645.7961 PIN: 403 190 939#	October 21, 2025 9:30 a.m.

ENVIRONMENTAL PROTECTION COMMISSION[567]

Fees, 30.3, 30.4, 30.6(2) IAB 9/17/25 **ARC 9539C**	Via videoconference call Contact: wendy.walker@dnr.iowa.gov	October 20, 2025 10 a.m.
Scope of title—definitions—rules of practice, ch 100 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: EO10_solidwaste@dnr.iowa.gov	October 7, 2025 1 p.m.
Sanitary disposal projects, adopt ch 101; rescind chs 106, 113 to 115 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: EO10_solidwaste@dnr.iowa.gov	October 7, 2025 2 p.m.
Solid waste management, adopt ch 102; rescind chs 108, 116 to 118, 120 to 122 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: EO10_solidwaste@dnr.iowa.gov	October 7, 2025 3 p.m.
Regional collection centers, satellite facilities; solid waste planning and environmental management system; landfill alternatives financial assistance; used oil and filters; household batteries; packaging—heavy metal, adopt chs 103, 104, 109; rescind chs 111, 119, 123, 145, 209, 211, 213 IAB 9/17/25 **Regulatory Analyses**	Via videoconference call Contact: EO10_solidwaste@dnr.iowa.gov	October 8, 2025 9:30 a.m.
Hazardous conditions, adopt ch 105; rescind chs 131, 133, 137 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: shelly.nellesen@dnr.iowa.gov	October 7, 2025 9 a.m.
Beverage container deposits, ch 107 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: mary.klemesrud@dnr.iowa.gov	October 7, 2025 10 a.m.
Fees—transportation, treatment and disposal of hazardous waste, rescind ch 149 IAB 9/17/25 **Regulatory Analysis**	Via videoconference call Contact: matthew.graesch@dnr.iowa.gov	October 7, 2025 9 a.m.

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

Criteria for siting low-level radioactive waste disposal facilities, rescind ch 152 IAB 9/17/25 **Regulatory Analyses**	Via videoconference call Contact: EO10_solidwaste@dnr.iowa.gov	October 7, 2025 4 p.m.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Red Tape Review, chs 1, 2, 4 to 9, 11 to 15 IAB 10/1/25 **Regulatory Analyses**	Via videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#	October 21, 2025 9 to 9:30 a.m.

HUMAN SERVICES DEPARTMENT[441]

Enrollment and reenrollment, ch 76 IAB 9/17/25 **ARC 9551C**	Microsoft Teams Meeting ID: 259 285 819 643 8 Passcode: Do6b3vu7	October 7, 2025 10 to 10:30 a.m.
	Microsoft Teams Meeting ID: 285 028 257 610 6 Passcode: 9tN9Cg9p	October 7, 2025 2 to 2:30 p.m.
SSA allowance, 81.13(2), 81.18, 82.16, 85.20; student abuse reports and investigations, ch 174; subsidized adoption maintenance rate, 201.5(6) IAB 9/17/25 **Regulatory Analyses**	Microsoft Teams Meeting ID: 259 285 819 643 8 Passcode: Do6b3vu7	October 7, 2025 10 a.m.
Grace period for premium payment—Medicaid, hawki, 86.8; payments for foster care, ch 156 IAB 10/1/25 **Regulatory Analyses**	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8	October 21, 2025 10 a.m.
Conditions of eligibility, ch 75; child support guidelines, amendments to chs 98, 99, 101, 102 IAB 10/1/25 **ARC 9581C**, **ARC 9582C**	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8	October 21, 2025 10 to 10:30 a.m.
	Microsoft Teams Meeting ID: 253 278 713 075 4 Passcode: og9qC9mD	October 21, 2025 2 to 2:30 p.m.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Health care facility audits; audits unit; economic fraud bureau; Medicaid fraud control unit; health care facility audits; audits unit; public assistance debt recovery unit (PADRU), rescind chs 22, 72, 73; adopt chs 82 to 84, 90 IAB 10/1/25 **Regulatory Analyses**	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa	October 21, 2025 1:30 p.m.

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

Social and charitable gambling; amusement concessions; amusement devices; registered amusement devices; card game tournaments by veterans organizations, chs 100, 101, 104 to 106 IAB 10/1/25 **Regulatory Analyses**	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa	October 22, 2025 8:30 a.m.
Dental assistants—practical training in lieu of registration, amendments to chs 572, 574, 575, 577, 581 IAB 9/17/25 **Regulatory Analysis**	6200 Park Avenue Des Moines, Iowa	October 7, 2025 9 a.m.

IOWA FINANCE AUTHORITY[265]

Home and community-based services revolving loan program, ch 21; community housing and services for persons with disabilities revolving loan program, ch 43 IAB 10/1/25 **Regulatory Analyses**	1963 Bell Avenue Des Moines, Iowa Info about Microsoft Teams participation: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	October 21, 2025 10:30 to 10:45 a.m.
Military service member home ownership assistance program, ch 27 IAB 10/1/25 **Regulatory Analysis**	1963 Bell Avenue Des Moines, Iowa Info about Microsoft Teams participation: opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review	October 21, 2025 9 to 9:15 a.m.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates—sheriffs, deputy sheriffs, protection occupations, 4.6 IAB 9/17/25 **Regulatory Analysis**	7401 Register Drive Des Moines, Iowa Microsoft Teams link Meeting ID: 292 274 065 437 Passcode: PE2Zf2ey	October 14, 2025 11 to 11:30 a.m.

NATURAL RESOURCE COMMISSION[571]

Lifetime fur harvester permit—disabled veterans, 15.10(1); resident turkey hunting licenses—valid until filled, 98.1(1), 98.2, 98.3(2) IAB 10/1/25 **Regulatory Analyses**	Suite 200 6200 Park Avenue Des Moines, Iowa	October 21, 2025 1 to 2 p.m.
Enclosure of docks or slips, 16.3(7), 16.7 IAB 10/1/25 **Regulatory Analysis**	Virtual Meeting (via Google Meet or Zoom) A meeting registration link will be provided prior to the hearing	October 21, 2025 10 a.m.

PUBLIC HEALTH DEPARTMENT[641]

Volunteer health care provider program; BCBA/BCaBA grants program; county medical examiners; love our kids grant Iowa physician orders for scope of treatment; tobacco use prevention and control funding process; child support noncompliance, adopt chs 88, 107, 127, 192; rescind chs 141, 145, 152 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8	October 21, 2025 10 a.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 9/17/25 **ARC 9550C**	Microsoft Teams Meeting ID: 259 285 819 643 8 Passcode: Do6b3vu7 Microsoft Teams Meeting ID: 285 028 257 610 6 Passcode: 9tN9Cg9p	October 7, 2025 10 to 10:30 a.m. October 7, 2025 2 to 2:30 p.m.
Service program operations, 132.3(4) IAB 9/17/25 **Regulatory Analysis**	Microsoft Teams Meeting ID: 259 285 819 643 8 Passcode: Do6b3vu7	October 7, 2025 10 a.m.
Prescription drug donation repository program, ch 109 IAB 10/1/25 **ARC 9580C**	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8 Microsoft Teams Meeting ID: 253 278 713 075 4 Passcode: og9qC9mD	October 21, 2025 10 to 10:30 a.m. October 21, 2025 2 to 2:30 p.m.

PUBLIC SAFETY DEPARTMENT[661]

Sheriff's uniforms, ch 3 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 21, 2025 1:30 to 2 p.m.
Governor's traffic safety bureau, ch 20 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 21, 2025 2:30 to 3 p.m.
Marijuana eradication procedures, ch 28 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 21, 2025 1 to 1:30 p.m.
Human trafficking prevention training—lodging providers, ch 29 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 21, 2025 2 to 2:30 p.m.
Complaints against employees, rescind ch 35 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 22, 2025 9 to 9:30 a.m.

PUBLIC SAFETY DEPARTMENT[661](cont'd)

Notification of law enforcement agency by hospital prior to discharge of a person with serious mental impairment, rescind ch 88 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 22, 2025 9:30 to 10 a.m.
Division of criminal investigation criminalistics laboratory, ch 150 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 22, 2025 10:30 to 11 a.m.
Public safety survivor benefits fund, rescind ch 292 IAB 10/1/25 **Regulatory Analysis**	Conference Room 125 Oran Pape State Office Building Des Moines, Iowa 50319	October 22, 2025 10 to 10:30 a.m.

RACING AND GAMING COMMISSION[491]

Racing, gambling structure, or excursion gambling boat license application—refundable fees, 1.5(1) IAB 10/1/25 **Regulatory Analysis**	Commission Office 6200 Park Avenue, Suite 100 Des Moines, Iowa	October 21, 2025 9 a.m.

REAL ESTATE COMMISSION[193E]

Seller property condition disclosure, 14.1(7) IAB 10/1/25 **ARC 9592C**	6200 Park Avenue Des Moines, Iowa Also via Zoom	October 21, 2025 8 to 8:30 a.m.

REVENUE DEPARTMENT[701]

GovConnectIowa, 6.4, 7.3 IAB 9/17/25 **ARC 9573C**	Via videoconference call meet.google.com/pvu-ntmq-msf	October 7, 2025 8:30 to 9 a.m.
Device excise tax, ch 235 IAB 9/17/25 **ARC 9570C**	Via videoconference call meet.google.com/ydm-bptq-irq	October 7, 2025 9:30 to 10:30 a.m.
Mixed drinks or cocktails, 1000.19, 1000.22 IAB 9/17/25 **ARC 9554C**	Via videoconference call meet.google.com/xik-mosn-ope	October 7, 2025 2 to 2:30 p.m.
Dishonored payment for alcoholic liquor; disputed beer barrel and wine gallonage taxes, 1000.28, 1000.32 IAB 9/17/25 **ARC 9555C**	Via videoconference call meet.google.com/yyw-auru-kzv	October 7, 2025 3 to 3:30 p.m.

TRANSPORTATION DEPARTMENT[761]

Lighting, rescind ch 136 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 558 203 18#	October 22, 2025 1 to 1:30 p.m.
Improvements and maintenance on primary road extensions, ch 150 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 927 872 218#	October 21, 2025 1 to 1:30 p.m.

TRANSPORTATION DEPARTMENT[761](cont'd)

Traffic safety improvement program, ch 164 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 617 310 92#	October 21, 2025 2 to 2:30 p.m.
Items of general application for railroads, ch 800 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 533 261 96#	October 29, 2025 10:30 to 11 a.m.
Notification of railroad accidents or incidents, ch 802 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 886 305 322#	October 29, 2025 2:30 to 3 p.m.
Railroad safety standards, ch 810 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 387 225 265#	October 29, 2025 3 to 3:30 p.m.
Highway-railroad grade crossing warning devices, rescind ch 811 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 589 425 80#	October 30, 2025 9 to 9:30 a.m.
Classifications and standards for highway-railroad grade crossings, rescind ch 812 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 295 875 453#	October 30, 2025 9:30 to 10 a.m.
Close-clearance warning signs along railroad tracks, ch 813 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 563 080 555#	October 30, 2025 10:30 to 11 a.m.
Highway grade crossing safety fund, ch 820 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 788 229 945#	October 30, 2025 11 to 11:30 a.m.
Highway-railroad grade crossing surface repair fund, rescind ch 821 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 911 587 368#	October 29, 2025 8:30 to 9 a.m.
Railroad revolving loan and grant fund program, rescind ch 822 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 391 471 89#	October 30, 2025 11:30 a.m. to 12 noon
Advanced allocations of state transit assistance funding, rescind ch 921 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 197 108 51#	October 22, 2025 9 to 9:30 a.m.

TRANSPORTATION DEPARTMENT[761](cont'd)

Federal transit assistance, ch 922 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 231 277 560#	October 22, 2025 9:30 to 10 a.m.
Capital match revolving loan fund, ch 923 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 812 773 314#	October 22, 2025 1:30 to 2 p.m.
Public transit infrastructure grant program, ch 924 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 979 856 872#	October 22, 2025 2 to 2:30 p.m.

UTILITIES COMMISSION[199]

Customer participation in wholesale markets through demand response activities, 20.1(3), 20.22 IAB 10/1/25 **Regulatory Analysis**	Commission Hearing Room 1375 East Court Avenue Des Moines, Iowa	November 18, 2025 1 p.m.

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

Organization and procedures, ch 1 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 3:30 p.m.
Petitions for rulemaking, ch 2 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/uhs-vqhf-rvz Or dial: 720.500.4559 Conference ID: 117344442	October 8, 2025 2 p.m.
Declaratory orders, ch 3 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/uhs-vqhf-rvz Or dial: 720.500.4559 Conference ID: 117344442	October 8, 2025 2:30 p.m.
Agency procedure for rulemaking, ch 4 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/uhs-vqhf-rvz Or dial: 720.500.4559 Conference ID: 117344442	October 8, 2025 3 p.m.
Fair information practices, ch 6 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/uhs-vqhf-rvz Or dial: 720.500.4559 Conference ID: 117344442	October 8, 2025 3:30 p.m.
County commission of veteran affairs fund and training program, ch 7 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 2:30 p.m.

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801](cont'd)

Contested cases, ch 8 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 3 p.m.
War orphans educational assistance fund, rescind ch 9 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 1:30 p.m.
Injured veterans grant program, ch 11 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 2 p.m.
Vietnam conflict veterans bonus, rescind ch 13 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 4 p.m.
Limited residency Vietnam conflict veterans bonus, rescind ch 16 IAB 9/17/25 **Regulatory Analysis**	Video call link: meet.google.com/mtw-zbss-sva Or dial: 361.400.7385 Conference ID: 993 125 828#	October 28, 2025 4:30 p.m.

VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

Sexual orientation and gender identity—Iowa youth mentoring program, future ready Iowa volunteer mentor program, 8.4, 13.3 IAB 10/1/25 **Regulatory Analysis**	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8	October 21, 2025 10 a.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871]

Definitions, ch 48 IAB 9/17/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 276 533 632 652 0 Passcode: fT2oG6oD Dial in: 1.469.998.6043 Conference ID: 799 171 69#	October 7, 2025 9:30 a.m.
Employment and training services divisions, ch 49 IAB 9/17/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 223 165 732 506 0 Passcode: Nu3pP9C6 Dial in: 1.469.998.6043 Conference ID: 951 889 764#	October 7, 2025 10 a.m.
Iowa workforce investment Act program, rescind ch 53 IAB 9/17/25 **Regulatory Analysis**	Microsoft Teams link Meeting ID: 221 234 437 878 3 Passcode: yG7WS6NU Dial in: 1.469.998.6043 Conference ID: 909 268 967#	October 7, 2025 9 a.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871](cont'd)

Placement, rescind ch 54 IAB 9/17/25 **ARC 9545C**	Microsoft Teams link Meeting ID: 299 377 396 359 7 Passcode: M6rV3bm2 Dial in: 1.469.998.6043 Conference ID: 202 030 249#	October 7, 2025 8:30 to 9 a.m.
	Microsoft Teams link Meeting ID: 297 311 346 053 3 Passcode: xi2Bz2yB Dial in: 1.469.998.6043 Conference ID: 757 249 619#	October 7, 2025 1 to 1:30 p.m.
Youth affairs, rescind ch 56 IAB 9/17/25 **ARC 9546C**	Microsoft Teams link Meeting ID: 270 115 501 784 6 Passcode: wJ674Fs2 Dial in: 1.469.998.6043 Conference ID: 447 784 914#	October 7, 2025 9 to 9:30 a.m.
	Microsoft Teams link Meeting ID: 299 377 396 359 7 Passcode: M6rV3bm2 Dial in: 1.469.998.6043 Conference ID: 202 030 249#	October 7, 2025 8:30 to 9 a.m.
Work force investment program, rescind ch 57 IAB 9/17/25 **ARC 9547C**	Microsoft Teams link Meeting ID: 248 717 876 918 2 Passcode: pu3gU3wf Dial in: 1.469.998.6043 Conference ID: 780 797 363#	October 7, 2025 9:30 to 10 a.m.
	Microsoft Teams link Meeting ID: 288 476 801 327 5 Passcode: pS6vi23K Dial in: 1.469.998.6043 Conference ID: 269 285 981#	October 7, 2025 2 to 2:30 p.m.
Iowa job training partnership program, rescind ch 58 IAB 9/17/25 **ARC 9548C**	Microsoft Teams link Meeting ID: 280 975 076 066 6 Passcode: nx79kq2o Dial in: 1.469.998.6043 Conference ID: 562 955 065#	October 7, 2025 10 to 10:30 a.m.
	Microsoft Teams link Meeting ID: 284 343 137 311 0 Passcode: aW3D9fs9 Dial in: 1.469.998.6043 Conference ID: 736 074 423#	October 7, 2025 2:30 to 3 p.m.
Mentor advisory board, rescind ch 59 IAB 9/17/25 **ARC 9549C**	Microsoft Teams link Meeting ID: 286 614 085 108 2 Passcode: dT7JB64W Dial in: 1.469.998.6043 Conference ID: 560 461 530#	October 7, 2025 10:30 to 11 a.m.
	Microsoft Teams link Meeting ID: 267 562 529 904 3 Passcode: Zs3pv6EL Dial in: 1.469.998.6043 Conference ID: 178 305 196#	October 7, 2025 3 to 3:30 p.m.

WORKFORCE DEVELOPMENT DEPARTMENT[871](cont'd)

Strategic workforce development fund, rescind ch 61 IAB 9/17/25 **ARC 9552C**	Microsoft Teams link Meeting ID: 212 430 258 746 4 Passcode: q3HA9P8g Dial in: 1.469.998.6043 Conference ID: 970 247 527#	October 7, 2025 11 to 11:30 a.m.
	Microsoft Teams link Meeting ID: 265 473 286 085 0 Passcode: XT3wp27a Dial in: 1.469.998.6043 Conference ID: 566 273 934#	October 7, 2025 3:30 to 4 p.m.
Workforce development fund, ch 64 IAB 9/17/25 **ARC 9542C**	Microsoft Teams link Meeting ID: 254 482 638 403 Passcode: nP7mW2Ey Dial in: 1.469.998.6043 Conference ID: 321 967 977#	October 7, 2025 9 to 9:30 a.m.
	Microsoft Teams link Meeting ID: 227 120 507 070 8 Passcode: 5Hd7gR2K Dial in: 1.469.998.6043 Conference ID: 458 930 561#	October 7, 2025 1 to 1:30 p.m.
Employment agency licensing, ch 78 IAB 9/17/25 **ARC 9553C**	Microsoft Teams link Meeting ID: 240 821 964 954 3 Passcode: 6jV9mp9k Dial in: 1.469.998.6043 Conference ID: 416 492 612#	October 7, 2025 11:30 a.m. to 12 noon
	Microsoft Teams link Meeting ID: 275 596 078 558 Passcode: Tw9r9ag7 Dial in: 1.469.998.6043 Conference ID: 171 019 317#	October 7, 2025 4 to 4:30 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.

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AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]
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Regulatory Analysis

Notice of Intended Action published: 21—Chapter 90 (Notice **ARC 9452C** and Adopted and Filed Emergency **ARC 9455C**, IAB 8/6/25)
"State Licensed Warehouses and Warehouse Operators"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 203, 203C, and 203D
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 203, 203C, and 203D

Public Hearing

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

October 23, 2025 9 a.m.	Heritage West Conference Room Hoover 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 Department of Agriculture and Land Stewardship (IDALS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Purpose and Summary

Chapter 90 includes updated language pursuant to 2025 Iowa Acts, Senate File 608, related to the type of financial statements required for grain dealer and warehouse operator licenses.

The Grain Indemnity Fund rules (21—Chapter 92) include updated coverage levels for different grain purchases from producers and a restructured pricing procedure that may apply to sellers' claims. The content from previous 21—Chapters 92 and 94 is consolidated into one chapter.

Analysis of Impact

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

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

Iowa licensed grain dealers and warehouse operators will bear the costs.

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

Producers that store grain at Iowa licensed warehouses and sell grain to Iowa licensed grain dealers 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:**

Iowa licensed grain dealers and warehouse operators that currently submit review type financial statements will see an increase in submitting an unqualified audited financial statement. This increased expense could range from $5,000 to $55,000 each year for licensees that currently submit a review type financial statement. Licensees are typically small, privately owned entities.

- **Qualitative description of impact:**

The new law (Senate File 608) may reduce the number of Iowa licensed warehouse operators and grain dealers due to the increased cost of submitting an unqualified financial statement. This may also impact the Certified Public Accounting (CPA) firms in Iowa that previously were able to conduct and submit review type financial statements. Some CPA firms do not have adequate staff levels or certification to conduct the now required unqualified financial statements. A reduction in the number of grain dealers could impact the ability for producers to market their grain and the prices paid for that grain.

IDALS addressed the timeline issue of implementation by July 1, 2025, through emergency rulemaking (Notice **ARC 9452C** and Adopted and Filed Emergency **ARC 9455C**, IAB 8/6/25) and has proposed a temporary solution to allow licensees and CPA firms to be able to submit the required financial statements up to 12 months after the statements are due. Licensees would be required to submit additional information for the 12-month extension to be approved.

3. **Costs to the State:**

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

Additional staff time dedicated to financial reviews is expected.

- **Anticipated effect on State revenues:**

Not applicable.

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

IDALS does not have an option of inactivity due to the changes in law.

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

No less costly or less intrusive methods exist.

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

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

No alternative methods were considered.

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

No alternative methods were considered.

Small Business Impact

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

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

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

The increased cost for a small business to hire a CPA to conduct an annual unqualified audited financial statement could be the reason a licensee would consider canceling their license, negatively impacting farmers who market their grain to these entities. To transition into this new statutory

requirement, the rules allow a temporary solution that gives licensees additional time to complete the unqualified audited financial statement.

Text of Proposed Rulemaking

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.

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Regulatory Analysis

Notice of Intended Action published: 21—Chapter 91 (Notice **ARC 9453C** and
Adopted and Filed Emergency **ARC 9456C**, IAB 8/6/25)
"Licensed Grain Dealers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 203, 203C, and 203D
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 203, 203C, and 203D

Public Hearing

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

October 23, 2025 9 a.m.	Heritage West Conference Room Hoover 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 Department of Agriculture and Land Stewardship (IDALS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Purpose and Summary

Chapter 91 includes updated language pursuant to 2025 Iowa Acts, Senate File 608, related to the type of financial statements required for grain dealer and warehouse operator licenses.

The Grain Indemnity Fund rules (21—Chapter 92) include updated coverage levels for different grain purchases from producers and a restructured pricing procedure that may apply to sellers' claims. The content from previous 21—Chapters 92 and 94 is consolidated into one chapter.

Analysis of Impact

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

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

Iowa licensed grain dealers and warehouse operators will beat the costs.

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

Producers that store grain at Iowa licensed warehouses and sell grain to Iowa licensed grain dealers 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:**

Iowa licensed grain dealers and warehouse operators that currently submit review type financial statements will see an increase in submitting an unqualified audited financial statement. This increased expense could range from $5,000 to $55,000 each year for licensees that currently submit a review type financial statement. This is typically small, privately owned entities.

- **Qualitative description of impact:**

The new law (Senate File 608) may reduce the number of Iowa licensed warehouse operators and grain dealers due to the increased cost of submitting an unqualified financial statement. This may also impact the Certified Public Accounting (CPA) firms in Iowa that previously were able to conduct and submit review type financial statements. Some CPA firms do not have adequate staff levels or certification to conduct the now required unqualified financial statements. A reduction in the number of grain dealers could impact the ability for producers to market their grain and the prices paid for that grain.

IDALS addressed the timeline issue of implementation by July 1, 2025, through emergency rulemaking (Notice **ARC 9453C** and Adopted and Filed Emergency **ARC 9456C**, IAB 8/6/25) and has proposed a temporary solution to allow licensees and CPA firms to be able to submit the required financial statements up to 12 months after the statements are due. Licensees would be required to submit additional information for the 12-month extension to be approved.

3. **Costs to the State:**

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

Additional staff time dedicated to financial reviews is expected.

- **Anticipated effect on State revenues:**

Not applicable.

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

IDALS does not have an option of inactivity due to the changes in law.

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

No less costly or less intrusive methods exist.

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

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

No alternative methods were considered.

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

No alternative methods were considered.

Small Business Impact

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

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

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

The increased cost for a small business to hire a CPA to conduct an annual unqualified audited financial statement could be the reason a licensee would consider cancelling their license, negatively impacting farmers who market their grain to these entities. To transition into this new statutory

requirement, the rules allow a temporary solution that gives licensees additional time to complete the unqualified audited financial statement.

Text of Proposed Rulemaking

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.

Regulatory Analysis

Notice of Intended Action published: 21—Chapter 92 (Notice **ARC 9455C** and Adopted and Filed Emergency **ARC 9458C**, IAB 8/6/25)
"Grain Indemnity Fund—Board Organization, Operations and Claims"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 203, 203C, and 203D
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 203, 203C, and 203D

Public Hearing

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

October 23, 2025 9 a.m.	Heritage West Conference Room Hoover 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 Department of Agriculture and Land Stewardship (IDALS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock
1305 East Walnut Street
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Purpose and Summary

Chapter 92 includes updated coverage levels for different grain purchases from producers and a restructured pricing procedure that may apply to sellers' claims. The content from previous 21—Chapters 92 and 94 is consolidated into one chapter.

Analysis of Impact

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

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

Iowa licensed grain dealers and warehouse operators will bear the costs.

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

Producers that store grain at Iowa licensed warehouses and sell grain to Iowa licensed grain dealers 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:**

Iowa licensed grain dealers and warehouse operators that currently submit review type financial statements will see an increase in submitting an unqualified audited financial statement. This increased expense could range from $5,000 to $55,000 each year for licensees that currently submit a review type financial statement. This is typically small, privately owned entities.

- **Qualitative description of impact:**

The new law (Senate File 608) may reduce the number of Iowa licensed warehouse operators and grain dealers due to the increased cost of submitting an unqualified financial statement. This may also

impact the Certified Public Accounting (CPA) firms in Iowa that previously were able to conduct and submit review type financial statements. Some CPA firms do not have adequate staff levels or certification to conduct the now required unqualified financial statements. A reduction in the number of grain dealers could impact the ability for producers to market their grain and the prices paid for that grain.

IDALS addressed the timeline issue of implementation by July 1, 2025, through emergency rulemaking (Notice **ARC 9453C** and Adopted and Filed Emergency **ARC 9456C**, IAB 8/6/25) and has proposed a temporary solution to allow licensees and CPA firms to be able to submit the required financial statements up to 12 months after the statements are due. Licensees would be required to submit additional information for the 12-month extension to be approved.

3. **Costs to the State:**

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

Additional staff time dedicated to financial reviews is expected.

- **Anticipated effect on State revenues:**

Not applicable.

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

IDALS does not have an option of inactivity due to the changes in law.

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

No less costly or less intrusive methods exist.

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

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

No alternative methods were considered.

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

No alternative methods were considered.

Small Business Impact

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

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

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

The increased cost for a small business to hire a CPA to conduct an annual unqualified audited financial statement could be the reason a licensee would consider cancelling their license, negatively impacting farmers who market their grain to these entities. To transition into this new statutory requirement, the rules allow a temporary solution that gives licensees additional time to complete the unqualified audited financial statement.

Text of Proposed Rulemaking

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**.

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 17
"Health Care Professional Incentive Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 2025 Iowa Acts, House File 972, division IV

State or federal law(s) implemented by the rulemaking: 2025 Iowa Acts, House File 972, division IV

Public Hearing

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

October 21, 2025 4 p.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 proposes new Chapter 17, "Health Care Professional Incentive Program," pursuant to 2025 Iowa Acts, House File 972, division IV. This rulemaking defines key terms used in this chapter and explains the process used to award grants under the program.

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. The rulemaking establishes applicant eligibility criteria and a process for awarding funds.

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

Iowa health care professionals, Iowans, and the Commission will benefit from the rulemaking since it clarifies the processes by which Iowans will apply for and qualify for the Health Care Professional Incentive Program.

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:**

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

3. **Costs to the State:**

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

The rulemaking is not anticipated to have any implementation or enforcement costs beyond that of the legislation it is intended to implement.

- **Anticipated effect on State revenues:**

The rulemaking is not anticipated to have any effects on State revenues beyond that of the legislation it is intended to implement.

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

The benefit of the proposed rulemaking is to publicly illustrate the process that will be used to consistently administer and disburse the awards and articulate criteria and general provisions of eligibility. The cost of inaction would be confusion about and inconsistency in the process and criteria to be used in the application and awarding of funds under the award.

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

Adopting Chapter 17 is the most efficient approach to outline the clarifications needed to administer the Health Care Professional Incentive Program under 2025 Iowa Acts, House File 972, division IV.

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 because the proposed approach is the most cost-efficient and minimizes potential confusion among Iowans.

- **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 health care professionals 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. Adopt the following **new** 283—Chapter 17:

CHAPTER 17
HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM

283—17.1(256) Definitions.

"Award" means the same as defined in Iowa Code section 256.222 as enacted by 2025 Iowa Acts, House File 972. The applicant will select the award type on the initial application and may change that choice if a request is provided to the commission in writing.

"Eligible applicant" means an individual who is an eligible health care professional or agrees to become an eligible health care professional, agrees to sign a program agreement, has not received an award under Iowa Code section 256.222(4) as enacted by 2025 Iowa Acts, House File 972, and agrees to complete the obligation. The eligible applicant completes applications on or before the date established by the commission.

1. The program agreement specifies the obligation and other details pertaining to the program.
2. The obligation is fulfilled by serving clients in eligible practice areas on a full-time basis for five consecutive years or on a part-time basis for seven consecutive years. Progression toward completion of the obligation is verified annually.

"Eligible health care professional" means the same as defined in Iowa Code section 256.222 as enacted by 2025 Iowa Acts, House File 972. The eligible health care professional must be licensed or board-certified to practice as an eligible health care professional before the obligation begins.

"Eligible practice area" means the same as defined in Iowa Code section 256.222 as enacted by 2025 Iowa Acts, House File 972. After an eligible applicant signs an agreement to practice in an eligible practice area, subsequent changes to eligible practice areas will not impact that applicant's continued eligibility for the program.

"Part-time" means an average of at least 30 hours, but fewer than 40 hours, per week.

283—17.2(256) Awarding of funds.

17.2(1) *Award designations.* The commission will establish the number of awards and maximum award amounts for each eligible health care profession prior to the fiscal year in which applications will be accepted and awards obligated.

17.2(2) *Selection criteria.* All eligible applicants will be considered for an award. Awards will be prioritized within each eligible health care profession according to subrule 17.2(3).

17.2(3) *Priority for awards.* If funding is insufficient to award all eligible applicants, new awards will be made to eligible applicants in order of the following priority categories:

a. Eligible applicants who are in their final year of a program of study or of a clinical or residency program that leads to their full license to practice on a full-time basis as an eligible health care professional in an eligible practice area. If funds are insufficient to award all eligible applicants meeting these criteria, eligible applicants will be further prioritized by the date of application.

b. Eligible applicants who are fully licensed eligible health care professionals but who agree to continue or begin full-time practice as eligible health care professionals on a full-time basis in eligible practice areas within six months of signing a program agreement. If funds are insufficient to award all eligible applicants meeting these criteria, eligible applicants will be further prioritized by the date of application.

c. Eligible applicants who are in their final year of a program of study or clinical or residency program that leads to their full license to practice on a part-time basis as an eligible health care professional in an eligible practice area. If funds are insufficient to award all eligible applicants meeting these criteria, eligible applicants will be further prioritized by the date of application.

d. Eligible applicants who are fully licensed eligible health care professionals but who agree to continue or begin full-time practice as eligible health care professionals on a part-time basis in eligible practice areas within six months of signing a program agreement. If funds are insufficient to award all

eligible applicants meeting these criteria, eligible applicants will be further prioritized by the date of application.

17.2(4) *Awarding process.*

a. The commission will provide notice of the eligibility criteria, the anticipated number of awards to be made in each eligible health care profession, the maximum award amount in each eligible health care profession and the application process annually.

b. The commission will collect applications, designate eligible applicants for awards and notify applicants of their eligibility.

c. The commission will track eligible applicants selected to receive awards through completion of their obligation. An obligation is satisfied if completed according to the criteria in Iowa Code section 256.222 as enacted by 2025 Iowa Acts, House File 972 and this rule.

d. Upon verifying completion of the obligation with the eligible health care professional's employer on an annual basis, the commission will pay the annual award.

These rules are intended to implement Iowa Code section 256.222 as enacted by 2025 Iowa Acts, House File 972.

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 20
"Iowa National Guard Benefits Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 2025 Iowa Acts, House File 117

State or federal law(s) implemented by the rulemaking: 2025 Iowa Acts, House File 117

Public Hearing

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

October 21, 2025 4 p.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 proposes to amend Chapter 20 pursuant to 2025 Iowa Acts, House File 117. The proposed amendments add a definition for "educational programs" to clarify eligibility for scholarships and benefits and create a new Iowa National Guard Service Professional Qualification Scholarship designed to assist Guard members in pursuing professional credentials and qualifications necessary for specific occupations.

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 is not expected to impose costs on individuals, institutions, or State agencies beyond what is already authorized by law.

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

Iowa National Guard members, eligible institutions, and the Commission will benefit from the rulemaking because it ensures that the Iowa Administrative Code aligns with the Iowa Code.

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:**

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

3. **Costs to the State:**

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

The Commission would incur costs to administer the program through the Iowa College Aid Processing System (ICAPS). The costs will be covered by the Iowa National Guard.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to have any effect on State revenues beyond that of the legislation it is intended to implement.

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

The benefit of the proposed rulemaking is to ensure Chapter 20 aligns with the Iowa Code. The cost of inaction would be confusion caused by misalignment between Iowa Administrative Code and Iowa Code requirements.

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

No less costly methods exist.

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 the method proposed is the most cost-efficient and seamless for all entities involved.

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

The alternative methods were rejected because they would not correct the current misalignment between the Iowa Administrative Code and the Iowa Code.

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. Adopt the following **new** definition of "Educational program," in rule **283—20.1(256)**:

"Educational program" means a program of study that is approved by the adjutant general and leads to a credential as described in Iowa Code section 256.210A as enacted by 2025 Iowa Acts, House File 117.

ITEM 2. Adopt the following **new** rule 283—20.4(256):

283—20.4(256) Iowa national guard service professional qualification scholarship. In the event that the adjutant general authorizes the expenditure of unencumbered or unobligated funds from Iowa

Code section 256.210(6) to provide an eligible member of the Iowa national guard who is enrolled in an educational program that meets the criteria of section 256.210A as enacted by 2025 Iowa Acts, House File 117, this rule will be used to administer authorized scholarships. The adjutant general will select program recipients, select educational programs, and authorize scholarship awards under this rule. The decision of the adjutant general is final.

20.4(1) *Eligible applicant.* An eligible applicant is an Iowa resident, as determined by the adjutant general, who enrolls in an educational program at an eligible institution and who meets the award eligibility criteria approved by the adjutant general and the following provisions:

a. Completes the applications the Iowa national guard deems necessary on or before the date established by the Iowa national guard, except that an individual who was on federal active duty at the time of an application deadline will have 30 days to apply upon return to Iowa from active duty.

b. Meets the eligibility criteria in Iowa Code section 256.210A(2) as enacted by 2025 Iowa Acts, House File 117; meets satisfactory academic progress standards; and maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum of 90 percent of scheduled drill dates and attending annual training.

20.4(2) *Awarding of funds.*

a. *Selection criteria.* All eligible applicants will be considered for an award.

b. *Maximum award and extent of award.* The adjutant general will determine the amount and extent of awards eligible applicants can receive.

(1) The maximum award will not exceed the maximum award established by the adjutant general or the tuition and testing fees charged to the eligible applicant by the eligible institution, whichever is lower.

(2) Scholarship awards within a term of enrollment will be reported to the commission within the state-defined payment period.

c. *Awarding process.* The commission adopts the awarding process in paragraph 20.2(2)*"c"* with the following exceptions:

(1) In lieu of "Iowa Code section 256.210(5) in subparagraph 20.2*"c"*(4)", insert "paragraph 20.4(2)*"b"*".

(2) In lieu of "Iowa Code section 256.210" in subparagraph 20.2(2)*"c"*(7), insert "Iowa Code section 256.210A as enacted by 2025 Iowa Acts, House File 117".

These rules are intended to implement 2025 Iowa Acts, House File 117.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 36
"Downtown Loan Guarantee Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.431
State or federal law(s) implemented by the rulemaking: Iowa Code section 15.431

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:30 to 9:45 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 36 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Downtown Loan Guarantee Program administered by the Authority pursuant to Iowa Code section 15.431. The program provides loan guarantees for eligible downtown revitalization projects.

The updated chapter will be more concise throughout. Unnecessary definitions and language that duplicates statute will be omitted.

Analysis of Impact

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

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

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

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

Entities interested in applying for or receiving assistance through the program will benefit from the 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:**

Entities interested in applying for the program may require staff time to complete an application to receive financial assistance. Recipients of a loan guarantee and their lenders may incur costs to comply with administrative and reporting requirements of the program. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a consultant. The

amount of the costs will vary depending on the compensation of staff or service providers involved. Lenders are assessed an annual loan guarantee fee not to exceed 2 percent of the loan amount for the duration of the loan guarantee.

- **Qualitative description of impact:**

The program supports eligible downtown revitalization projects.

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, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. The Authority is directed to provide loan guarantees pursuant to Iowa Code section 15.431 from funds appropriated for the purposes of that section or other funds lawfully available to the authority.

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 the 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?

The proposed rules do not have a substantial impact on small business. The rules do not establish compliance or reporting requirements for businesses. The rules do not establish design or operational standards. Compliance with downtown resource center and main street Iowa design review is prescribed by Iowa Code section 15.431(2)"h."

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 36 and adopt the following **new** chapter in lieu thereof:

CHAPTER 36
DOWNTOWN LOAN GUARANTEE PROGRAM

261—36.1(15) Definitions.

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

"Authority's website" means the information and related content found at www.opportunityiowa.gov.

"Borrower" means a business that is approved for a loan by a lender and that has applied for assistance under the program.

"Director" means the director of the authority.

"Iowa finance authority" means the public instrumentality and agency of the state created by Iowa Code section 16.1A.

"Lender" means a federally insured financial lending institution that issued a loan to a borrower.

"Program" means the downtown loan guarantee program established pursuant to Iowa Code section 15.431 and this chapter.

261—36.2(15) Eligibility. To be eligible for approval of a loan guarantee, a borrower must demonstrate that all conditions in Iowa Code section 15.431(2) are met.

261—36.3(15) Application submittal and review process.

36.3(1) To apply for assistance under the program, the borrower and lender shall submit an application to the authority in the manner prescribed by the authority. Applications will be accepted and processed by authority staff on a continuing basis, or the authority may establish application periods as announced on the authority's website.

36.3(2) The application will include, at a minimum, the following: name(s) and address(es) of the borrower and participating lender, amount of loan, amount of loan guarantee requested, and certification of compliance with state law and lending practices.

36.3(3) The authority may refuse to accept incomplete or ineligible applications.

36.3(4) The authority may refuse to accept applications because of insufficient funds.

36.3(5) Authority staff, in conjunction with Iowa finance authority staff, will review applications and make a recommendation as to whether an application should be approved and the guarantee percentage. The director may approve, deny, or defer an application.

261—36.4(15) Loan guarantee limitations. Loan guarantees are subject to the limitations in Iowa Code section 15.431(3) through 15.431(10). Extensions are subject to approval by the director.

261—36.5(15) Annual fee. The lender shall pay an annual loan guarantee fee not to exceed 2 percent of the loan amount for the duration of the loan guarantee. The fee applicable to each approved loan guarantee will be established by the program agreement executed pursuant to rule 261—36.7(15).

261—36.6(15) Agreement. Upon approval of an award, authority staff will prepare an agreement between the authority, the lender, and the borrower. The agreement, at a minimum, shall include the conditions of the award, including the applicable annual fee to be paid by the lender pursuant to rule 261—36.6(15), the guarantee percentage, the responsibilities of each party, and the potential actions in instances of noncompliance.

261—36.7(15) Reporting. The borrower and lender shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the authority board, the general assembly, or the governor's office.

These rules are intended to implement Iowa Code section 15.431.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 39
"Main Street Iowa Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A(1)"i" and 15.108(3)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 15.106A(1)"i" and 15.108(3)

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:30 to 9:45 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, 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 Main Street Iowa Program. Communities selected by the Authority for participation in the program may receive technical assistance and financial assistance that enables them to revitalize traditional commercial districts.

The updated chapter will be more concise throughout. A new definition of "designated main street Iowa community" is incorporated and will contribute to added clarity throughout the chapter. The definition of "eligible applicant" is updated to allow for the possibility of a combined application submitted by two or more cities, if invited by the Authority. References to the "National Main Street Center" are replaced with the current name of that organization, "Main Street America."

Analysis of Impact

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

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

Communities applying for or participating in the program will bear the costs of the rulemaking.

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

Communities applying for or participating in the program will benefit from the 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:**

Communities interested in applying for the program may require staff time to complete an application. Designated main street Iowa communities may incur costs to participate in technical assistance opportunities or administer an award of financial assistance. Some communities may choose to rely on an external service provider to complete these tasks. Costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program supports revitalization of traditional commercial districts throughout 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 prepare applications for approval, draft and execute program contracts, disburse funds to recipients of financial assistance, communicate with program applicants and recipients, and provide technical assistance.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues.

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 the rulemaking. The costs to the State to administer the program are proportional to the activities supported.

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 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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 39 and adopt the following **new** chapter in lieu thereof:

CHAPTER 39
MAIN STREET IOWA PROGRAM

261—39.1(15) Purpose. Communities selected by the authority for participation in the main street Iowa program pursuant to this chapter will receive technical assistance from the authority's main street Iowa staff, professional staff of Main Street America, and other professional consultants to facilitate the communities' local main street programs and may receive financial assistance from the authority.

261—39.2(15) Definitions. The following definitions apply to the main street Iowa program unless the context otherwise requires:

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

"Designated main street Iowa community" means a community that has been selected for participation in the program pursuant to this chapter.

"Director" means the director of the economic development authority.

"Eligible activity" includes organization, promotion, design, and economic vitality activities to create a positive image and an improved economy in a city's traditional commercial district.

"Eligible applicant" means a city in Iowa that files a joint application with a local nonprofit organization established by the community to govern the local main street program. Two or more cities may submit a combined application if invited to submit such combined application by the authority.

"Main Street America" means a nonprofit subsidiary of the National Trust for Historic Preservation, a nonprofit organization chartered by the United States Congress. Main Street America owns the licensed, trademarked Main Street Four-Point Approach™ (main street approach).

"Program" means the main street Iowa program established in this chapter.

"Traditional commercial district" means a downtown or neighborhood area that is walkable and is dominated by historic or older commercial architecture and contiguous commercial uses. A traditional commercial district defines the target area of the local program efforts.

261—39.3(15) Program administration.

39.3(1) *Subcontracting.* The authority may contract with Main Street America for technical and professional services, as well as with other appropriate consultants and organizations.

39.3(2) *Advisory council.* The director may appoint a state main street advisory council composed of individuals knowledgeable in traditional commercial district revitalization to advise the authority on the various elements of the program.

261—39.4(15) Application and selection process.

39.4(1) The authority will make standard application forms available only to prospective applicants that have attended an application workshop conducted by the authority. A completed application shall be submitted to the authority no later than the date specified in the application and contain the information requested in the application.

39.4(2) The director will determine the number of applicants to be selected for inclusion in the program.

39.4(3) The authority will select applicants for participation in the program based on the criteria in rule 261—39.5(15).

39.4(4) The authority will notify applicants selected for participation in the program in writing.

261—39.5(15) Selection criteria. The authority will consider the following factors to select applicants for participation in the program:

39.5(1) The applicant has a well-planned budget demonstrating sustainable funding for ongoing operations and evidence of adequate local sources of funding to support the traditional commercial district revitalization organization and its programming.

39.5(2) The applicant has garnered broad-based financial and philosophical community support for the local program, including support from the city.

39.5(3) The applicant has provided evidence of willingness by local stakeholders to get involved in the effort.

39.5(4) The applicant has demonstrated its commitment to the main street approach and has hired or will hire an executive director to manage the local program.

39.5(5) The applicant is committed to historic preservation and preservation-based economic development, has a track record of preservation planning, and has a commitment to future preservation projects.

39.5(6) The applicant has provided evidence of traditional commercial district planning efforts and clearly defined goals.

39.5(7) The applicant has defined an organizational structure to manage local program efforts.

39.5(8) The applicant demonstrates an eagerness to learn and implement traditional commercial district revitalization strategies and techniques.

39.5(9) The applicant has clearly defined the boundaries of the proposed traditional commercial district and has articulated the reasons behind the location of the boundaries.

39.5(10) The applicant has identified a traditional commercial district that has clear potential for success, as demonstrated by the presence of the following elements:

a. Existence of historic character of the traditional commercial district.

b. Plans for the traditional commercial district demonstrate a recognition of traditional commercial district trends and address the challenges unique to that district.

c. Present market capacity defined by a current business environment upon which the district can build its revitalization efforts.

d. Present physical capacity defined by building stock and built environment upon which the district can build its revitalization efforts.

261—39.6(15) Reports. Designated main street Iowa communities shall submit performance reports to the authority as required that document the progress of the program activities.

261—39.7(15) Program agreement and noncompliance. Each designated main street Iowa community shall enter into a standard program agreement with the authority. The program agreement will describe the obligations of the authority and the designated main street Iowa community. If the authority finds that a designated main street Iowa community is not in compliance with the requirements of the program or the terms of the program agreement, the authority may terminate the program agreement.

These rules are intended to implement Iowa Code sections 15.106A(1)*"i"* and 15.108(3).

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 45
"Community Catalyst Building Remediation Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.231
State or federal law(s) implemented by the rulemaking: Iowa Code section 15.231

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:30 to 9:45 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 45 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Community Catalyst Building Remediation Program administered by the Authority pursuant to Iowa Code section 15.231. The program provides grants to cities for the remediation or redevelopment of underutilized buildings.

The updated chapter will be more concise throughout. Language that duplicates statute and language that is duplicated within the chapter will be omitted.

Analysis of Impact

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

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

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

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

Cities interested in applying for or receiving assistance through the program will benefit from the 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:**

Cities interested in applying for financial assistance may require staff time to complete an application for financial assistance. Cities that receive funds may similarly incur costs to administer an award, including requests for disbursement. 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 supports remediation of underutilized buildings.

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, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. The Authority is directed to provide financial assistance pursuant to Iowa Code section 15.231 from funds appropriated for the purposes of that section or other funds lawfully available to the Authority.

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 the 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 any less costly 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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 45 and adopt the following **new** chapter in lieu thereof:

CHAPTER 45
COMMUNITY CATALYST BUILDING REMEDIATION PROGRAM

261—45.1(15) Definitions. For purposes of this chapter unless the context otherwise requires:

"Agreement" means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

"Applicant" means a city applying for financial assistance under the program.

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

"Building" means a structure located in a city that is used or intended to be used for:

1. Commercial or industrial purposes;
2. Residential purposes; or
3. Both commercial or industrial and residential purposes.

"Community catalyst" means a building(s) located in an area central to a city's economic development activities that, if remediated, would stimulate additional economic growth or reinvestment in the community, especially private sector financial investment.

"Costs directly related" means expenditures that are incurred for acquisition, deconstruction, disposal, redevelopment, or rehabilitation of a community catalyst to the extent that the expenditures are attributable directly to the remediation or redevelopment of the community catalyst. "Costs directly related" includes expenditures for site preparation work, surveying, construction materials, construction labor, architectural services, engineering services, building permits, building inspection fees, and interest accrued on a construction loan during the time period allowed for project completion under an agreement entered into pursuant to the program. "Costs directly related" does not include expenditures for furnishings, appliances, accounting services, legal services, loan origination and other financing costs, syndication fees and related costs, developer fees, or the costs associated with selling or renting the dwelling units whether incurred before or after completion of the project.

"Director" means the director of the authority.

"Economic growth" means the creation of additional jobs, growth of new or existing businesses, development of new housing units, increased property values, or potential population growth.

"Emergency project" means the same as defined in Iowa Code section 15.231(2)*"b."*

"Financial assistance" means a grant made by the authority under the program.

"Program" means the community catalyst building remediation program established pursuant to Iowa Code section 15.231 and this chapter.

"Project" means a proposed plan for the remediation of underutilized buildings in a city that is expected to have a significant positive impact on the city. "Project" must include at least one building but no more than two buildings. For two buildings to be considered part of the same project, the buildings must be contiguous and under the same ownership. All community catalyst buildings to be remediated must be included in the proposed plan upon application, and the proposed plan must demonstrate the steps and actions necessary to further remediation and redevelopment efforts in a comprehensive and coordinated manner.

"Public nuisance" means the same as defined in Iowa Code section 657A.1 and includes buildings with blighting characteristics as defined by Iowa Code section 403.2.

"Redevelopment" means development activities associated with a project that are undertaken for the purpose of remediating underutilized buildings; for constructing new buildings or improvements at a site where formerly existing buildings have been demolished; or for rehabilitating, reusing or repurposing existing buildings or improvements at a project site. "Redevelopment" typically includes projects that result in the elimination of blighting characteristics as defined by Iowa Code section 403.2.

"Remediation" or *"remediating"* means the redevelopment, repair, improvement, rehabilitation, disposal, or deconstruction of at least one but no more than two underutilized buildings at a site included in a project.

"Underutilized building" means a building that is vacant or mostly vacant, is blighted or severely deteriorated, and contains potential safety hazards including structural instability, code noncompliance, vermin infestation, vandalism or potential for vandalism, vagrancy, hazardous materials, or generally unsafe or hazardous conditions. The building may or may not be considered a public nuisance.

261—45.2(15) Program description.

45.2(1) *Amount, form, and timing of assistance.*

a. The amount of financial assistance awarded will be determined by the authority based on the total amount of funds available to the authority for the program and based on the project details. Each applicant shall receive no more than one award of financial assistance per project per fiscal year. The maximum amount of financial assistance per applicant per fiscal year shall not exceed $100,000.

b. The authority shall allocate moneys based on population as prescribed in Iowa Code section 15.231(3).

45.2(2) *Application.*

a. Information on submitting an application under the program is available on the authority's website.

b. Each fiscal year during which funding is available, applications for financial assistance other than applications for emergency projects submitted pursuant to paragraph 45.2(2)*"d"* will only be accepted during the established application period(s) identified by the authority on the authority's website.

c. An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

d. Cities that identify an emergency project may submit an application for financial assistance at any time. All applications for financial assistance for emergency projects must meet all other requirements of this program and shall be scored using the same criteria as are applied to other applications.

45.2(3) *Use of funds.* An applicant shall use funds only for reimbursement of the costs directly related to the project. The authority may require documentation or other information establishing the actual costs incurred for a project. Failure to use the funds for reimbursement of the costs directly related to a project shall be grounds for default under the agreement entered into pursuant to this chapter.

261—45.3(15) Program eligibility, application scoring, and funding decisions.

45.3(1) *Program eligibility.* An applicant must meet the following eligibility criteria to qualify for financial assistance under this program:

a. The applicant must be a city. If the project building(s) are owned by an entity other than the city, the city must provide information to the authority regarding ownership and the relationship between the owner and the city.

b. A building that constitutes the project must be an underutilized building and a community catalyst as determined by the authority.

c. The project must include financial or in-kind resources contributed by the city.

d. The applicant must complete the application and provide all other information and documents reasonably required by the authority.

45.3(2) *Application scoring criteria.* Each complete and eligible application will be scored by authority staff using criteria set forth by the authority, which may include the following:

a. Economic impact of the project. The authority will take into account the potential economic growth and investment that is reasonably expected to occur as a result of the project. The applicant must provide information demonstrating that the expected economic impact of the project is reasonable based on existing factors.

b. Local government support. The level and amount of local government support, including financial support, will be considered for each applicant.

c. Readiness. The authority will assess whether the project is well-prepared and ready to begin within a reasonable amount of time.

d. Project plan and timeline. The authority will assess whether the applicant has prepared a detailed project plan and timeline for the execution of the project.

e. Project financing. The authority will assess whether the applicant has secured financing and is financially prepared to complete the project.

45.3(3) *Funding decisions.*

a. Each application and its average numerical score will be referred to the director with a recommendation as to whether to fund the project and, if financial assistance is recommended, a recommendation as to the amount of financial assistance.

b. The director will make the final funding decision on each application, taking into consideration the amount of available funding, the average numerical score of the application, and the recommendations made by authority staff. The director may approve, deny, or defer any application.

c. An application must receive the average minimum score established by the authority to receive funding. A score exceeding the minimum does not guarantee that the applicant will receive financial assistance.

d. Each applicant will be notified in writing of the funding decision.

e. A project that does not receive financial assistance may reapply.

261—45.4(15) Agreement and reporting.

45.4(1) Each applicant that is approved for financial assistance under the program shall enter into an agreement with the authority that specifies the terms on which the financial assistance is to be provided, including the terms described in Iowa Code section 15.231(4) and 15.231(5). The recipient shall execute the agreement before funds are disbursed.

45.4(2) The authority and the applicant may amend the agreement at any time upon the mutual written agreement of both the authority and the applicant.

45.4(3) An applicant that has been approved for financial assistance under the program shall submit information reasonably required by the authority to make reports to the authority's board, the governor's office, or the general assembly.

These rules are intended to implement Iowa Code section 15.231.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 48
"Workforce Housing Tax Incentive Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: chapter 15, subchapter II, part 17

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15, subchapter II, part 17

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10 to 10:15 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 48 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Workforce Housing Tax Incentive Program available pursuant to Iowa Code chapter 15, subchapter II, part 17 as amended by 2025 Iowa Acts, Senate File 657. The program supports the development of housing projects that are targeted at middle-income households.

The new chapter will be clearer and more concise throughout and will omit language that duplicates statute. Additionally, the new chapter omits inconsistencies due to changes to the program and its available allocation of tax credits in 2025 Iowa Acts, Senate File 657.

Analysis of Impact

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

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

Entities applying for or participating in the program will bear the costs of the rulemaking.

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

Entities applying for or participating in the program will benefit from the 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:**

Entities interested in applying for tax incentives may require staff time to complete an application. Entities that receive tax incentives may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants and recipients 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:**

The program supports the development of housing projects that are targeted at middle-income households.

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, issue tax credit certificates and refund notices, review reports, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. Up to $35 million total in tax incentives may be awarded and issued by the Authority for this program in fiscal year 2026 pursuant to Iowa Code section 15.354(4) as amended 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 the rulemaking. The costs to the State to administer the program are proportional to the activities supported.

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?

The rulemaking impacts only small businesses seeking tax incentives. 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. Rescind 261—Chapter 48 and adopt the following **new** chapter in lieu thereof:

CHAPTER 48
WORKFORCE HOUSING TAX INCENTIVES PROGRAM

261—48.1(15) Definitions. As used in this chapter unless the context otherwise requires:

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

"Authority's website" means the information and related content found at www.opportunityiowa.gov.

"Average dwelling unit cost" means the costs directly related to the housing project divided by the total number of dwelling units in the housing project.

"Board" means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

"Costs directly related" means expenditures that are incurred for construction of a housing project to the extent that they are attributable directly to the improvement of the property or its structures. "Costs directly related" includes expenditures for site preparation work, surveying, construction materials, construction labor, architectural services, and engineering services. "Costs directly related" does not include expenditures for property acquisition, building permits, building inspection fees, furnishings, appliances, accounting services, legal services, loan origination and other financing costs including interest on construction loans, syndication fees and related costs, developer fees, or the costs associated with selling or renting the dwelling units whether incurred before or after completion of the housing project.

"Disaster recovery housing project" means the same as defined in Iowa Code section 15.354(6).

"Grayfield site" means the same as defined in Iowa Code section 15.352.

"Greenfield site" means the same as defined in Iowa Code section 15.352.

"Housing business" means the same as defined in Iowa Code section 15.352.

"Housing project" means the same as defined in Iowa Code section 15.352.

"New dwelling units" means dwelling units that are made available for occupancy in a community as a result of a housing project and that were not available for occupancy as residential housing in the community for a period of at least six months prior to the date on which application is made to the authority for tax incentives. If a dwelling unit has served as residential housing and been occupied during the six months preceding the date on which application is made to the authority for tax incentives, then the dwelling unit shall be presumed not to be a new dwelling unit.

"Program" means the workforce housing tax incentives program administered pursuant to Iowa Code chapter 15, subchapter II, part 17, and this chapter.

"Tax credit certificate" means a certificate issued by the authority stating the amount of workforce housing investment tax credits pursuant to Iowa Code section 15.355(3) that an eligible housing business may claim.

261—48.2(15) Housing project requirements.

48.2(1) *Eligible project types.* To receive workforce housing tax incentives pursuant to the program, a proposed housing project shall meet all of the requirements in Iowa Code section 15.353.

a. For the purposes of identifying eligible project types pursuant to Iowa Code section 15.353, "rehabilitation, repair, or redevelopment" means construction or development activities associated with a housing project that are undertaken for the purpose of reusing or repurposing existing buildings or structures as new dwelling units. "Rehabilitation, repair, or redevelopment" does not include new construction of dwelling units at a greenfield site. "Rehabilitation, repair, or redevelopment" includes new structures at a qualified grayfield site.

b. For the purposes of identifying eligible project types pursuant to Iowa Code section 15.353, factors the authority may consider to determine whether a dwelling unit should be classified as a single family dwelling unit include but are not limited to the following:

(1) Whether the unit is separated from other units by a ground-to-roof wall;
(2) Whether the unit has a separate heating system;
(3) Whether the unit has an individual meter for public utilities; and
(4) Whether the unit has other units above or below.

c. A housing project is not eligible for the program if it is located in a 100-year floodplain.

48.2(2) *Maximum cost.* The average dwelling unit cost for a housing project shall not exceed the maximum amount established by the board pursuant to Iowa Code section 15.353(3)*"a"* or, if applicable, the maximum amount established pursuant to Iowa Code section 15.353(3)*"b."*

48.2(3) *Violations of law.* A housing project may be ineligible for the program due to a record of violations of the law pursuant to Iowa Code section 15.354(1)*"b"*(2) as amended by 2025 Iowa Acts, Senate File 657.

261—48.3(15) Housing project application and agreement.

48.3(1) *Application.* Information about applying for tax incentives will be available on the authority's website. A housing business shall apply for tax incentives in the form and content specified by the authority. The application will include all the information described in described in Iowa Code section 15.354(1).

48.3(2) *Application review and approval.*

a. All completed applications shall be reviewed and scored pursuant to Iowa Code section 15.354(2) as amended by 2025 Iowa Acts, Senate File 657. Review criteria include but are not limited to project need, project readiness, financial capacity, and project impact.

b. The director will approve tax incentive awards after considering the recommendations of staff. The director may approve, defer or deny an application.

48.3(3) *Agreement and fees.*

a. A housing business that has been approved for tax incentives shall execute and return the agreement required by Iowa Code section 15.354(3) within 90 days of transmittal. Failure to do so may be cause for the director to terminate the award.

b. The compliance cost fees imposed in Iowa Code section 15.354(3)*"b"* as amended by 2025 Iowa Acts, Senate File 657, shall apply to all agreements entered into for this program.

c. The agreement entered pursuant to Iowa Code section 15.354(3) may only be amended if done so in writing and signed by the housing business and the authority. Examples of situations requiring an amendment include but are not limited to time extensions, budget revisions, and significant alterations of the housing project.

d. Upon completion of a housing project, a housing business shall submit all of the information and documentation required by Iowa Code section 15.354(3)*"d"* to the authority along with a statement of all funding sources utilized for the project including government financing. The attestation applicable to the examination required by Iowa Code section 15.354(3)*"d"* is SSAE No. 10 (as amended by SSAE Nos. 11, 12, 14), AT section 101, and AT section 601 or other comparable attestations as identified by the authority. The procedures used by the certified public accountant (CPA) to conduct the examination should allow the CPA to conclude that, in the CPA's professional judgment, the expenditures claimed are eligible pursuant to the agreement; Iowa Code chapter 15, subchapter II, part 17; and all rules adopted pursuant to Iowa Code chapter 15, subchapter II, part 17, in all material respects. Within ten business days of a request by the authority, the housing business shall make available to the authority the documents reviewed by the CPA unless good cause is shown.

261—48.4(15) Workforce housing tax incentives.

48.4(1) *Eligibility.* A housing business that has entered into an agreement pursuant to rule 261—48.3(15) is eligible to receive the sales tax refund and income tax credit described in Iowa Code section 15.355. Tax incentives may be claimed pursuant to Iowa Code section 15.355 and any applicable rules adopted by the department of revenue.

48.4(2) *Transfer.* Tax credit certificates may be transferred to any person pursuant to Iowa Code section 15.355 and the applicable rules adopted by the department of revenue. However, tax credit certificate amounts of less than $1,000 shall not be transferable.

48.4(3) *Tax credit limitations.* The tax credit limitations specified in Iowa Code section 15.354(4) as amended by 2025 Iowa Acts, Senate File 657, shall apply.

DISASTER RECOVERY HOUSING PROGRAM

261—48.5(15) Disaster recovery housing project requirements. To receive disaster recovery housing tax incentives pursuant to the program, a proposed disaster recovery housing project shall meet all requirements for other housing projects in rule 261—48.2(15).

261—48.6(15) Disaster recovery housing project application and agreement.

48.6(1) *Application.* Information about applying for disaster recovery tax incentives will be available on the authority's website. A housing business shall apply for tax incentives in the form and with the content specified by the authority. The application will include all the information described in Iowa Code section 15.354(1). If tax credits for disaster recovery housing projects are available, the authority may establish for a county in a disaster recovery application period following the declaration of a major disaster by the President of the United States for a county in Iowa.

48.6(2) *Application review and approval.*

a. All completed applications shall be reviewed and scored pursuant to Iowa Code section 15.354(2) as amended by 2025 Iowa Acts, Senate File 657. Review criteria include but are not limited to project need, project readiness, financial capacity, and project impact.

b. The director will approve tax incentive awards after considering the recommendations of staff. The director may approve, defer, or deny an application.

48.6(3) *Agreement and fees.*

a. A housing business that has been approved for disaster recovery tax incentives shall execute and return the agreement required by Iowa Code section 15.354(3) within 90 days of transmittal. Failure to do so may be cause for the director to terminate the award.

b. The compliance cost fees imposed in Iowa Code section 15.354(3)*"b"* as amended by 2025 Iowa Acts, Senate File 657, shall apply to all agreements entered into for this program.

c. The agreement entered pursuant to Iowa Code section 15.354(3) may only be amended if done so in writing and signed by the housing business and the authority. Examples of situations requiring an amendment include but are not limited to time extensions, budget revisions, and significant alterations of the housing project.

d. Upon completion of a disaster recovery housing project, a housing business shall submit all information and documentation required by Iowa Code section 15.354(3)*"d"* to the authority along with a statement of all funding sources utilized for the project including government financing. The attestation applicable to the examination required by Iowa Code section 15.354(3)*"d"* is as described in paragraph 48.3(3)*"c."*

261—48.7(15) Disaster recovery housing tax incentives.

48.7(1) *Eligibility.* A housing business that has entered into an agreement pursuant to rule 261—48.6(15) is eligible to receive the sales tax refund and income tax credit described in Iowa Code section 15.355. Tax incentives may be claimed pursuant to Iowa Code section 15.355 and any applicable rules adopted by the department of revenue.

48.7(2) *Transfer.* Tax credit certificates may be transferred to any person pursuant to Iowa Code section 15.355 and the applicable rules adopted by the department of revenue. However, tax credit certificate amounts of less than $1,000 shall not be transferable.

48.7(3) *Tax credit limitations.* The tax credit limitations specified in Iowa Code section 15.354(4) as amended by 2025 Iowa Acts, Senate File 657, or that may otherwise be specified for disaster recovery housing projects shall apply.

261—48.8(15) Projects located in small cities. A housing project located in a city or township that meets the criteria in Iowa Code section 15.352(10)*"b"* must be located at least five miles from the city limits of a city with a population greater than 2,500 to be considered located in a small city. Population for the purposes of this rule will be as determined by either the most recent population estimate produced by the United States Bureau of Census or the most recent decennial census released by the United States Bureau of Census.

These rules are intended to implement Iowa Code chapter 15, subchapter II, part 17.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapters 57, 66, and 76
"Employer Child Care Tax Credit; Assistive Device Tax Credit; Aggregate Tax Credit Limit for Certain Economic Development Programs"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.119, 237A.31, and 422.33(9)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 15.119, 237A.31, and 422.33(9)

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:45 to 10 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10 and Iowa Code section 17A.7(2), the Authority proposes to rescind Chapters 57, 66, and 76. Chapter 57 describes the policies and procedures applicable to the employer child care tax credit administered by the Authority pursuant to Iowa Code section 237A.31. Chapter 66 describes the policies and procedures applicable to the assistive device tax credit administered by the Authority pursuant to Iowa Code section 422.33(9). Chapter 76 describes the procedure by which the Authority, with approval of its board, allocates the aggregate tax credit limit established in Iowa Code section 15.119.

The employer child care tax credit and assistive device tax credit were repealed by 2025 Iowa Acts, Senate File 657. That legislation also removes the requirement for the Authority to adopt a procedure for allocating the aggregate tax credit limit by rule.

Analysis of Impact

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

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

The rescission of Chapters 57, 66, and 76 does not impose any costs.

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

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of 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:**

The rescission of Chapters 57, 66, and 76 does not impose any costs.

- **Qualitative description of impact:**

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of rules.

3. **Costs to the State:**

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

None.

- **Anticipated effect on State revenues:**

None.

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

The rescission of Chapters 57, 66, and 76 does not impose any costs. Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of rules.

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 or less intrusive methods.

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?

The rescission of chapters does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **261—Chapter 57**.

ITEM 2. Rescind and reserve **261—Chapter 66**.

ITEM 3. Rescind and reserve **261—Chapter 76**.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 65
"Redevelopment Tax Credits Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15, subchapter II, part 9

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15, subchapter II, part 9

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10 to 10:15 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 65 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Redevelopment Tax Credits Program available pursuant to Iowa Code chapter 15, subchapter II, part 9 as amended by 2025 Iowa Acts, Senate File 657 and House File 975. The program provides tax credits for the acquisition, remediation, or redevelopment of brownfield and grayfield sites.

The new chapter will be clearer and more concise throughout and will omit language that duplicates statute. The new chapter omits language that is unnecessary due to the repeal of the Brownfield Redevelopment Program and the elimination of the brownfield advisory council by 2025 Iowa Acts, House File 975. The new chapter also incorporates the Certified Public Accountant (CPA) attestation added to the Redevelopment Tax Credits Program in House File 975. Inconsistencies with statute amended by 2025 Iowa Acts, Senate File 657, have also been addressed.

Analysis of Impact

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

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

Entities applying for or participating in the program will bear the costs of the rulemaking.

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

Entities applying for or participating in the program will benefit from the 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:**

Entities interested in applying for tax credits may require staff time to complete an application. Entities that receive tax credits may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants and recipients 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:**

The program supports the acquisition, remediation, or redevelopment of brownfield and grayfield sites.

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, issue tax credit certificates, review reports, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. Up to $15 million total in tax credits may be awarded by the Authority for this program in each fiscal year pursuant to Iowa Code section 15.293A as amended 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 the rulemaking. The costs to the State to administer the program are proportional to the activities supported.

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 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?

The rulemaking impacts only small businesses seeking tax credits. 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. Rescind 261—Chapter 65 and adopt the following **new** chapter in lieu thereof:

CHAPTER 65
REDEVELOPMENT TAX CREDITS PROGRAM

261—65.1(15) Definitions. As used in this chapter unless the context otherwise requires:

"Acquisition" means the purchase of brownfield or grayfield property.

"Affiliate" or *"affiliated entity"* means any entity to which one or more of the following applies:

1. The entity directly, indirectly, or constructively controls another entity.
2. The entity is directly, indirectly, or constructively controlled by another entity.
3. The entity is subject to the control of a common entity. A common entity is one that owns directly or individually more than 10 percent of the voting securities of the entity.

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

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

"Brownfield site" means the same as defined in Iowa Code section 15.291.

"Grayfield site" means the same as defined in Iowa Code section 15.291.

"Previously remediated or redeveloped site" means a site at which prior remediation or redevelopment has occurred, including development for which an award of tax credits under this chapter has been made, and identified by the authority pursuant to the criteria in subrule 65.2(2).

"Program" means the redevelopment tax credits program administered pursuant to Iowa Code chapter 15, subchapter II, part 9, and this chapter.

"Qualifying investment" means the same as defined in Iowa Code section 15.291.

"Qualifying investor" means an applicant who has been approved by the authority to receive a redevelopment tax credit.

"Qualifying redevelopment project" means the same as defined in Iowa Code section 15.291.

"Redevelopment" means construction or development activities associated with a qualifying redevelopment project that are undertaken either for the purpose of constructing new buildings or improvements at a site where formerly existing buildings have been demolished or for the purpose of rehabilitating, reusing, or repurposing existing buildings or improvements. Redevelopment typically includes projects that result in the elimination of blighting characteristics as defined by Iowa Code section 403.2.

"Remediation" includes characterization, risk assessment, removal, and cleanup of environmental contaminants located on and adjacent to a brownfield site in compliance with appropriate Iowa department of natural resources requirements and guidelines.

261—65.2(15) Eligibility. To be eligible for the program, an applicant must meet the criteria for eligibility in Iowa Code chapter 15, subchapter II, part 17 as amended by 2025 Iowa Acts, Senate File 657, and this rule.

65.2(1) *Site control.* The applicant must own the brownfield site or grayfield site or the applicant must have an agreement with the owner of a brownfield site or grayfield site prior to applying for tax credits. The agreement will include:

a. The total cost for remediating the site.

b. That the owner shall transfer title of the property to the applicant upon completion of the remediation of the property. Title transfer is not required when the applicant is the owner of the property and no title transfer occurs.

c. That upon the subsequent sale of the property by the applicant to a person other than the original owner, the original owner shall receive not more than 75 percent of the estimated total cost of the remediation, acquisition, or redevelopment.

65.2(2) *Previously remediated or redeveloped sites.* The authority will determine whether a project constitutes subsequent redevelopment at the same site as a previously remediated or redeveloped site by considering factors including but not limited to:

a. Whether the redevelopment described in multiple proposed projects is planned for a single parcel.

b. Whether the redevelopment described in multiple proposed projects is planned for adjacent or contiguous parcels or parcels in very close physical proximity.

c. Whether all involved parcels are owned by the same entity, different entities, or affiliated entities.

d. Whether a proposed project is the result of the same planning process as another project.

e. Whether the proposed projects are being developed by the same entity, different entities, or affiliated entities.

f. Whether the development of one proposed project occurs at or near the same time as another proposed project.

65.2(3) *Leaking underground storage tanks.* A project that includes remediation of contaminants being addressed under Iowa's leaking underground storage tank (UST) program is not eligible for the program unless other nonpetroleum contaminants or petroleum substances not addressed under 567—Chapter 135 are present.

65.2(4) *Violations of law.* The authority will determine whether the applicant has a record of violations of law that over a period of time tends to show a consistent pattern or that establishes intentional, criminal, or reckless conduct in violation of such laws. An applicant with such a record of violations of the law shall be ineligible for the program.

261—65.3(15) Limitations on qualifying investment. For the purposes of identifying qualifying investment for the purposes of the program, the following shall not be included:

1. The portion of the total cost of a project that is financed by federal, state, or local government tax credits, grants, forgivable loans, or other forms of financial assistance that do not require repayment, excluding the tax incentives provided under the program.
2. Any costs, including acquisition costs, incurred before the project is approved by the board.
3. Building permits, building inspection fees, furnishings, appliances, accounting services, legal services, loan origination and other financing costs including interest on construction loans, syndication fees, and related costs; developer fees; or the costs associated with selling or renting the property whether incurred before or after completion of the project.

261—65.4(15) Application—registration of projects—agreements.

65.4(1) *Application.*

a. Applications for redevelopment tax credits will only be accepted during the annual application period established by the authority.

b. An investor applying for a tax credit shall provide the authority with all of the following:

(1) The total costs of the qualifying redevelopment project, including the costs of land acquisition, cleanup, and redevelopment.

(2) The financing sources of the investment that are directly related to the qualifying redevelopment project for which the investor is seeking approval for a tax credit as provided in this chapter.

(3) Any other information deemed necessary to review and score the application pursuant to this rule.

65.4(2) *Scoring.* Each complete and eligible application will be reviewed and scored by the authority pursuant to Iowa Code section 15.293B(1)*"f"* as amended by 2025 Iowa Acts, House File

975. Review criteria may include but are not limited to project need, project readiness, financial capacity, and project impact.

65.4(3) *Registration.* The authority will make tax credit award recommendations and register projects pursuant to Iowa Code section 15.293B(1)*"e"* as amended by 2025 Iowa Acts, House File 975.

65.4(4) *Approval.* Tax credit awards and amounts of tax credit awards are subject to approval by the board pursuant to Iowa Code section 15.293B(1)*"e"* as amended by 2025 Iowa Acts, House File 975. Awards may be conditioned upon commitment of other sources of funds necessary to complete the activity.

65.4(5) *Agreement.*

a. The agreement entered pursuant to Iowa Code section 15.293B(3) will identify the tax credit amount, the award date, the project completion deadline, the qualifying investment and the total costs of the project.

b. The qualifying investor must execute and return the agreement to the authority within 90 days of transmittal of the final agreement from the authority. Failure to do so may be cause for the board to terminate the award.

c. Agreement amendments must comply with Iowa Code chapter 15, subchapter II, part 9 as amended by 2025 Iowa Acts, Senate File 657, and this chapter. Qualifying investors may submit requests for amendments to authority staff.

(1) Except as provided in paragraph 65.4(4)*"b,"* requests to amend an agreement must be approved by the board.

(2) The board may designate authority staff with authority to approve nonsubstantive changes, including but not limited to the following:

1. Recipient name, address, and similar changes.
2. Line-item budget changes that do not reduce overall total project costs or qualifying investment.
3. Extension of a project completion deadline of up to 12 months.

d. Noncompliance with the agreement may result in revocation of all or a portion of the tax credit award pursuant to Iowa Code section 15.293B(3).

65.4(6) *Reports.* Qualifying investors shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general assembly, or the governor's office.

65.4(7) *Project completion.* The project completion deadline may be extended pursuant to Iowa Code section 15.293B(4). The authority may for good cause within the discretion of the authority extend a qualifying investor's completion deadline by up to 12 months upon application by the qualifying investor, which application shall be made prior to the expiration of the completion deadline in the manner and form prescribed by the authority. The authority may approve a second extension of up to 12 months if, prior to the expiration of the first 12-month extension, the qualifying investor applies and substantiates to the satisfaction of the authority that the second extension is warranted due to extenuating circumstances outside the control of qualifying investor.

65.4(8) *Certified public accountant (CPA) examination.* The attestation applicable to the examination required pursuant to Iowa Code section 15.293B(5) as amended by 2025 Iowa Acts, House File 975, is SSAE No. 10 (as amended by SSAE Nos. 11, 12, 14), AT section 101 and AT section 601 or other comparable attestations identified by the authority. The procedures used by the CPA to conduct the examination should allow the CPA to conclude that, in the CPA's professional judgment, the expenditures claimed are eligible pursuant to the agreement; Iowa Code chapter 15, subchapter II, part 9; and all rules adopted pursuant to Iowa Code chapter 15, subchapter II, part 9, in all material respects. Within ten business days of a request by the authority, the qualifying investor shall make available to the authority the documents reviewed by the CPA unless good cause is shown.

261—65.5(15) Redevelopment tax credit.

65.5(1) *Tax credit certificate.*

a. Issuance. The authority may issue a redevelopment tax credit certificate upon completion of the project and submittal of proof of completion by the qualifying investor, including the CPA attestation required pursuant to Iowa Code section 15.293B(5) as amended by 2025 Iowa Acts, House File 975, and as described in subrule 65.4(6).

b. Claims. To claim a tax credit under this rule, a qualifying investor shall file a claim with the department of revenue pursuant to the applicable rules adopted by the department of revenue. A tax credit certificate shall not be used or included with a return filed for a taxable year beginning prior to the tax year listed on the certificate. The tax credit certificate(s) included with the qualifying investor's tax return shall be issued in the qualifying investor's name, expire on or after the last day of the taxable year for which the qualifying investor is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the qualifying investor's tax return.

c. Transfer. Tax credit certificates issued under this rule may be transferred to any person or entity to the extent allowed by Iowa Code section 15.293A(2)*"d"* and any applicable rules adopted by the department of revenue.

65.5(2) *Tax credit amount and limitations.*

a. The amount of the tax credit shall equal the applicable percentage of the qualifying investor's qualifying investment specified in Iowa Code section 15.293A(3).

b. The maximum amount of tax credits the board may award in any one fiscal year is specified in Iowa Code section 15.293A(6) as amended by 2025 Iowa Acts, Senate File 657.

65.5(3) *Tax credit carryover.* If the maximum amount of tax credits available has not been issued at the end of the fiscal year, the remaining tax credit amount may be carried over to a subsequent fiscal year or the authority may prorate the remaining credit amount among other eligible applicants.

These rules are intended to implement Iowa Code chapter 15, subchapter II, part 9 as amended by 2025 Iowa Acts, Senate File 657 and House File 975.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 200
"Reinvestment Districts Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A and 15J
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15J

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10:15 to 10:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 200 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Reinvestment Districts Program administered by the Authority pursuant to Iowa Code chapter 15J. The program enables new State hotel/motel and sales tax revenues to be reinvested within approved districts.

The updated chapter will be more concise throughout. Unnecessary definitions, language that duplicates statute, and language that is redundant within the chapter will be eliminated. Specific point totals for scoring criteria will also be removed from the chapter.

Analysis of Impact

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

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

Municipalities applying for or receiving assistance through the program will bear the costs of the rulemaking.

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

Municipalities applying for or receiving assistance through the program will benefit from the 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:**

Municipalities applying for the program may require staff time to complete an application to receive financial assistance. Recipients of financial assistance may similarly incur costs to administer

the award. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a consultant. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program assists communities in developing transformative projects that improve quality of life, create and enhance unique opportunities, and substantially benefit communities and 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, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. The Authority is directed to administer the program pursuant to Iowa Code chapter 15J.

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 the 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 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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 200 and adopt the following **new** chapter in lieu thereof:

CHAPTER 200
REINVESTMENT DISTRICTS PROGRAM

261—200.1(15J) Definitions. For purposes of this chapter unless the context otherwise requires:

"Account" means the district account that is created within the fund for each municipality that has established a district and that holds the new tax revenues deposited by the department under the program.

"Applicant" means a municipality applying to the board and the authority for approval of a district under the program, including the preapplication process described in rule 261—200.2(15J).

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

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

"Commencement date" means the same as defined in Iowa Code section 15J.2.

"Department" means the department of revenue.

"District" means the same as defined in Iowa Code section 15J.2.

"Due diligence committee" means the due diligence committee of the board established pursuant to 261—Chapter 1.

"Fund" means the same as defined in Iowa Code section 15J.2.

"Joint board" means a legal entity established or designated in an agreement made pursuant to Iowa Code chapter 28E between two or more contiguous counties or incorporated cities.

"Maximum benefit amount" means the total amount of new tax revenues that may be remitted to a municipality's account and used for development in a district. The maximum benefit will be established by the board when a final application to the program is approved pursuant to rule 261—200.5(15J).

"Municipality" means the same as defined in Iowa Code section 15J.2.

"New lessor" means the same as defined in Iowa Code section 15J.2.

"New retail establishment" means the same as defined in Iowa Code section 15J.2.

"New tax revenues" means all state sales tax revenues and state hotel and motel tax revenues that are collected within a district by new retail establishments and new lessors, provided that such new retail establishments and lessors are included as projects in an approved district plan. New tax revenues are remitted to the department after collection by new retail establishments and new lessors and deposited by the department in an account.

"Program" means the reinvestment district program established pursuant to Iowa Code chapter 15J as amended by 2025 Iowa Acts, House File 975, and this chapter.

"Project" means the same as defined in Iowa Code section 15J.2.

"Retail business" means any business engaged in the business of selling tangible personal property or taxable services at retail in this state that is obligated to collect state sales or use tax under Iowa Code chapter 423. However, for the purposes of this chapter, "retail business" does not include a new lessor or a business engaged in an activity subject to tax under Iowa Code section 423.2(3).

"State hotel and motel tax" means the same as defined in Iowa Code section 15J.2.

"State sales tax" means the same as defined in Iowa Code section 15J.2.

"Substantially improved" means the same as defined in Iowa Code section 15J.2.

"Unique nature" means a quality or qualities of the projects to be developed in a district that, when considered in the entirety, will substantially distinguish the district's projects from other existing or proposed developments in the state. For purposes of this chapter, whether a project is of a unique nature is a subjective and contextual determination that will be made by the board. In determining whether a project is of a unique nature, the board will not necessarily require a project to be entirely without precedent or to be the only one of its kind in the state, but rather the board will evaluate whether the projects to be undertaken in a district will either (1) permanently transform the aesthetics or infrastructure of a local community for the better, including by preserving important historical

structures or neighborhoods, or (2) contribute substantially more to the state's economy or quality of life than other similar projects in the state.

"Vertical improvement" means the same as defined in Iowa Code section 15J.2. For the purposes of this definition, "appurtenant structure" means any building or other fixture on a piece of real estate other than the main building provided that such a building or fixture is permanent, is wholly or partially above grade, and will be constructed or substantially improved in conjunction with the main building. A structure is appurtenant when the structure is physically connected to a main building such that the connected structures combine to create a single, integrated facility. A structure is not physically connected if the structure has a function or purpose independent of the main building, even if the structures are in close proximity or are incidentally connected by some means such as a common wall, a sidewalk, or recreational trail.

261—200.2(15J) Preapplication process.

200.2(1) *Purpose.* The authority and the board will utilize a preapplication process to gauge the level of demand for funding under the program, accept initial project plans and requests for funding, make provisional determinations about the amount of maximum benefits, and notify applicants of the board's provisional funding decisions.

200.2(2) *Preapplication required.* The board will only approve a proposed district plan if that plan has been submitted during the annual filing window as described in this rule.

200.2(3) *Annual filing window.* Each year that funding is available, the authority will announce an annual filing window to accept preapplications under the program. The purpose of the annual filing window is to enable the competitive scoring of applications and facilitate funding decisions by the board that are within the limitations established for the program by the general assembly. A municipality interested in applying to the program must submit a preapplication during the annual filing window or wait until the next annual filing window.

200.2(4) *Preapplication submission requirements.* Each preapplication submission shall demonstrate compliance with the requirements listed in rule 261—200.3(15J) to the greatest extent possible. While the preapplication process is provisional in nature and is designed to allow applicants to make reasonable changes to the proposed district plan before a final application is considered, the board is more likely to approve funding for proposed districts that meet all requirements of rule 261—200.3(15J) during the preapplication process.

200.2(5) *Provisional funding decisions.*

a. The board, with the assistance of the authority, will evaluate the preapplications and assign them a provisional score based on the criteria described in rule 261—200.4(15J). Based on the results of the scoring, the board will make provisional funding decisions and notify applicants.

b. A provisional funding decision represents an initial judgment by the board about the merits of a proposed district plan and is provided for the convenience of both applicants and the board for the better administration of the program. A provisional funding decision shall not be construed as binding on the board nor will the applicant be required to meet all of the details contained in the preapplication. A provisional funding decision shall not be construed as a final approval by the board. A municipality shall not adopt an ordinance or resolution establishing a district based on a provisional funding decision.

c. The final details of a proposed district plan and a final funding decision, including a maximum benefit amount and a commencement date, shall be contingent upon the receipt of a full, final, and complete application and upon final action by the board to ratify, amend, defer, or rescind its provisional funding decision as provided in rule 261—200.5(15J).

d. The department will not deposit moneys into an account until a final application is approved by the board and an ordinance or resolution has been adopted by the municipality.

261—200.3(15J) Program eligibility and application requirements.

200.3(1) *Eligibility.* To be eligible for benefits under the program, an applicant shall demonstrate that all requirements in Iowa Code section 15J.4(1) are met.

a. To establish that the criterion in Iowa Code section 15J.4(1)*"a"* is met, a municipality should submit information such as an estimate of the expected increase in valuation or other data that lends itself to a quantitative assessment of the extent to which the real property will benefit.

b. To establish that the criterion in Iowa Code section 15J.4(1)*"b"* is met, a municipality should submit maps of the proposed area as well as maps of the existing enterprise zone or urban renewal area. A municipality should also submit copies of the local ordinance or resolution establishing the enterprise zone or the urban renewal area.

c. For purposes of establishing the criterion in Iowa Code section 15J.4(1)*"c"* is met, "contiguous" means parcels that are physically connected. Parcels connected by streets or other rights-of-way will be considered physically connected for purposes of this rule. In designating an area that includes a right-of-way, an applicant may include an area that is less than the full width of the right-of-way, but the applicant shall not include less than 60 feet of the right-of-way's width.

200.3(2) *Proposed district plan.* An applicant must submit a proposed district plan consistent with the requirements of Iowa Code section 15J.4(2) and a copy of the resolution approving the proposed district plan to the authority.

a. The finding required by Iowa Code section 15J.4(2)*"a"* should be supported by the information required under subrule 200.3(1).

b. If, at the time an application is submitted, the parcels to be included in the proposed district are not yet acquired or one or more parcels within the district are under consideration for a project, then the names and addresses of the owners of record of all parcels under consideration shall be submitted with the understanding that final board approval shall be contingent upon all parcels' being acquired and identified by address prior to final board approval and establishment of the commencement date.

c. The project description required by Iowa Code section 15J.4(2)*"d"*(4) should include an explanation of why the unique characteristics of the proposed project cause the project to be of a unique nature as defined in rule 261—200.2(15J).

200.3(3) *Additional conditions.* A municipality shall demonstrate to the board's satisfaction that all of the additional conditions in Iowa Code section 15J.4(3)*"b"* are met and the following additional conditions are met:

a. The applicant must have submitted an application under the preapplication process described in rule 261—200.4(15J) and, as part of a provisional funding decision by the board, must have been approved for a provisional maximum benefit amount.

b. The proposed district plan must meet a minimum score under the criteria described in rule 261—200.4(15J).

c. While multiple districts within a single municipality are not prohibited under the program, the size of any one district is limited by Iowa Code section 15J.4(1)*"c"* as amended by 2025 Iowa Acts, House File 975, and overlapping districts are prohibited by Iowa Code section 15J.4(1)*"e."* Therefore, the board will consider whether the approval of an additional district is appropriate given the particulars of the proposed additional district and the goals of the program. If a municipality proposes an additional district, the board, at its discretion, may accept the application and score it, or if the board determines that approval of an additional district would not serve the goals of the program, the board may reject the application without scoring it.

d. While it is within the discretion of the board to increase the maximum benefit amount of an approved district, the board will carefully scrutinize whether an increase is justified by circumstances such as greater investment or improved projects within the district and whether any change in the maximum benefit amount serves the goals of the program.

200.3(4) *Application materials and submission.* A municipality interested in applying for funding under the program shall submit a preapplication and a final application to the board for

approval and, when applying, shall provide the information described in this chapter or any other information the board or the authority may reasonably require in order to process the application. Information on submitting an application under the program may be obtained by contacting the authority.

261—200.4(15J) Application scoring and determination of benefits. The board will evaluate and score the proposed district plan submitted with each complete and eligible application according to the criteria and process described in this rule.

200.4(1) *Scoring criteria and plan evaluation.* Each proposed district plan will be given a numerical score between 0 and 100. The higher the numerical score, the more likely the proposed district will be approved for designation and funding under the program. The scoring process will necessarily involve a subjective assessment of the quality of each proposed district plan as well as a consideration of how each proposed district plan compares to the plans proposed by other applicants. The criteria used to score each application are as follows:

a. Uniqueness. The program requires that the projects proposed to be undertaken must be of a unique nature. Therefore, the proposed district plan will be evaluated on this criterion in order to quantify the extent to which the projects in the proposed district plan are of a unique nature. The more unique the projects are, the more points will be received under this criterion.

b. Economic impact. The program requires that the projects proposed to be undertaken must have a substantial beneficial impact on the economy of the state and the economy of the municipality. Therefore, the proposed district plan will be evaluated on this criterion in order to quantify the extent to which the projects in the proposed district plan will benefit the economy. The greater the economic impact of the proposed district plan, the more points will be received under this criterion.

c. Project feasibility. The program requires that funding sources for projects must be feasible. Therefore, the proposed district plan will be evaluated on this criterion in order to quantify the extent to which the funding sources of the proposed projects are feasible. The more feasible the funding sources for the proposed projects are, the more points will be received under this criterion.

d. Capital investment. The program requires that at least one project with a capital investment of $10 million or more be proposed. To the extent that the proposed district plan exceeds this minimum level of capital investment, more points will be received under this criterion.

e. Funding leverage. The program limits the amount of new tax revenues that can be received to 35 percent of the total cost of all proposed projects in the proposed district plan. To the extent that a proposed district plan includes a financing plan in which the percentage of new tax revenues to be received is less than 35 percent of the total cost, more points will be received under this criterion.

f. Nonretail focus. The program limits the amount of proposed capital investment in the district related to retail businesses to 50 percent of the total capital investment for all proposed projects in the proposed district. To the extent that a proposed district plan includes projects that provide cultural amenities, tourist attractions and accommodations, infrastructure, or quality of life improvements, more points will be received under this criterion.

g. Additional factors. The program allows the board to establish additional criteria for the program. Therefore, in addition to the other criteria listed in this subrule, the board will consider the following additional factors:

(1) Readiness for development. The closer a municipality is to beginning development on a proposed district plan, the more points may be received under the additional factors criterion.

(2) Geographic diversity. To the extent that a proposed district is located in a region of the state not already funded under the program, more points may be received under the additional factors criterion. A proposed district plan that would create an additional district within a municipality or a request to increase the maximum benefit amount of an already approved district will not be viewed as enhancing geographic diversity and may receive fewer points under the additional factors criterion.

(3) Funding need. To the extent that a funding gap exists in the proposed district plan’s financing, more points may be received under the additional factors criterion.

200.4(2) *Scoring process and funding recommendations.*

a. Proposed district plans will be scored by an evaluation committee consisting of members appointed by the director of the authority. Members of the committee will include authority staff and not more than five members of the board. Each member of the evaluation committee will judge the proposed district plan according to the scoring criteria, and then the scores of all members of the committee will be averaged together to reflect one numerical score between 0 and 100. The evaluation committee will not make a funding recommendation.

b. After all applications are scored, a copy of the proposed district plan and the results of the scoring will be referred to the due diligence committee, which will consider the quality of the proposed district plans and make funding recommendations to the board. The due diligence committee will take into account the requested funding levels but will also attempt to establish maximum benefit amounts that seem most appropriate to both the quality of the proposed district plans and the total demand for program funding.

c. The scoring results will not be negotiated and, while both the board and the due diligence committee will consider the scoring results of the evaluation committee, those results are not binding on either the due diligence committee or the board.

200.4(3) *Minimum score required.* To receive funding under the program, a proposed district plan must receive an average score of 70 or more points under the criteria listed in subrule 200.4(1).

200.4(4) *Funding not guaranteed.* The program is subject to a total aggregate limit on the amount of new tax revenues that may be approved. Therefore, a proposed district plan that meets the required minimum score is not guaranteed funding if the board's funding decisions for other, higher scoring proposed district plans cause the program's total aggregate limit to be reached.

200.4(5) *Final action taken by board.* The final decision on whether to approve the designation of a proposed reinvestment district and the determination of the amount of maximum benefit to award an applicant rest entirely with the board. The recommendations of the evaluation committee and the due diligence committee with respect to the proposed district plans are of an advisory nature only.

200.4(6) *Availability of scoring results.* The board and the authority will keep records of the scoring process and make those records available to applicants.

200.4(7) *Denial of plans and resubmission.* Reasons for denial of district plans may include a failure to meet filing deadlines, a failure to meet the basic requirements for eligibility, a failure to meet the required minimum score, or a lack of available funding. A municipality whose application is denied may resubmit the application at the next annual filing window provided there is funding available, but a resubmission must be rescored with all other applicants that apply during that filing window.

200.4(8) *Provisional nature of preapplication process.* The preapplication process described in rule 261—200.2(15J) will result in provisional scores and provisional funding decisions for applicants. However, these provisional scores and funding decisions are subject to change pending the final approval process described in rule 261—200.5(15J).

261—200.5(15J) Final application and approval process.

200.5(1) *Final application required.*

a. An applicant that receives a provisional funding decision must submit a final application to the board within one year of the submission of the preapplication.

b. A final application shall meet all the requirements described in Iowa Code section 15J.4 and rule 261—200.3(15J).

200.5(2) *Amendments to preapplications and rescoring of plans.* An applicant may amend any part of the preapplication when submitting the final application and must amend the application if any part of the proposed district plan will be materially different from the plan that was proposed during the preapplication process. If the board determines that a final application is substantially different from the related preapplication, then the board may rescore the application and reevaluate the provisional funding decision prior to taking final action. If the board elects to rescore and reevaluate

an application, the application will be rescored and reevaluated in the same manner and according to the same criteria used initially.

200.5(3) *Final funding decision and establishment of commencement date.* After submission of all information required for the final application, the board will make a final funding decision, establish a final maximum benefit amount, and establish a commencement date for the district as described in Iowa Code section 15J.4(3)*"d."*

200.5(4) *Provisional funding decisions not determinative of final funding decision.* The board's final funding decision may be different from its provisional funding decision. The board may ratify, amend, defer, or rescind the provisional funding decision. If the board's final funding decision causes additional funding to become available, the board may amend a funding decision for another proposed district plan made during the same annual filing window or may reserve the additional funding capacity for the next annual filing window.

261—200.6(15J) Adoption of ordinance and use of deposits.

200.6(1) *Ordinance and notice to department.* Upon receiving approval by the board of the final application pursuant to rule 261—200.5(15J), the municipality shall adopt an ordinance or, in the case of a joint board, a resolution establishing the district consistent with Iowa Code section 15J.4(4)*"c."* Notice to the director of revenue shall be provided consistent with Iowa Code section 15J.4(4)*"a"* and *"b."*

200.6(2) *Use of deposits.*

a. For the purpose of determining eligible uses of moneys deposited in an account pursuant to Iowa Code section 15J.4(4)*"d,"* "development" means all costs reasonably related to a project described in a final application approved by the board. Development costs may include project planning, professional services, land acquisition, construction, maintenance, and operational expenses. A municipality shall enter into development agreements for the expenditure of program funds and submit copies of such agreements to the authority within 30 days of execution.

b. Moneys deposited in an account shall only be used to fund projects approved by the board as part of a proposed district plan. Moneys deposited in an account may be used for projects that do not generate new tax revenues provided such projects are part of an approved plan. A municipality shall maintain records documenting the use of deposits under the program and make them available to the board or the department upon request.

c. Moneys from new tax revenues collected within a district and expended by a municipality under the program are subject to audit by the department or the auditor of state.

261—200.7(15J) Plan amendments and reporting.

200.7(1) *Plan amendments.*

a. Requests for amendments shall include updated or amended feasibility and economic impact studies as determined necessary by the authority. A plan amendment request that does not increase the maximum benefit amount may be requested at any time.

b. A request to extend a district's established commencement date will be rejected.

c. If, after final approval and establishment of the district, a municipality is unable to carry out development of all the projects proposed to be undertaken in a district, the municipality shall seek a modification to the plan. If a requested plan amendment would reduce capital investment in a district or remove one or more of the projects originally approved for the district, the board in its discretion may reduce, rescind, or otherwise modify the maximum benefit amount accordingly.

200.7(2) *Reports.* Following establishment of a district, the municipality shall submit the reports required by Iowa Code section 15J.4(6). Reports will be posted on the authority's website in accordance with Iowa Code section 15J.4(7).

261—200.8(15J) Cessation of deposits, district dissolution, and requests for extension.

200.8(1) *Cessation of deposits.* Deposits to the district's account shall cease in accordance with Iowa Code section 15J.8.

200.8(2) *District dissolution.* If a municipality is notified that its maximum benefit amount has been reached, the municipality shall dissolve the district by ordinance or resolution as soon as practicable after notification.

200.8(3) *Requests for extension.* The board may extend the district's 20-year period of time for depositing and receiving revenues in accordance with Iowa Code section 15J.8(3).

261—200.9(15J) Cross-reference to department rules. The department has adopted rules for the administration and deposit of moneys into the fund and into accounts in 701—Chapter 273.

These rules are intended to implement Iowa Code chapter 15J as amended by 2025 Iowa Acts, House File 975.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 211
"Community Attraction and Tourism (CAT) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15F, subchapter II
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15F, subchapter II

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10:15 to 10:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 211 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Community Attraction and Tourism Program provided by the Authority pursuant to Iowa Code chapter 15F, subchapter II. The program provides grants to assist projects that provide recreational, cultural, entertainment, and educational attractions.

The updated chapter will be more concise throughout. Unnecessary definitions, language that duplicates statute, and language that is duplicated within the chapter will be eliminated. Changes to the program in 2024 Iowa Acts, Senate File 2385, and 2025 Iowa Acts, House File 975, will be incorporated.

Analysis of Impact

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

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

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

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

Entities interested in applying for or receiving assistance through the program will benefit from the 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:**

Entities interested in applying for financial assistance may require staff time to complete an application for financial assistance. Recipients of financial assistance may similarly incur costs to administer the award, including requests for disbursement. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a grant writer. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program supports projects that provide recreational, cultural, entertainment, and educational attractions.

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, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. 2025 Iowa Acts, Senate File 645, appropriated $10 million for the program.

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 the 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 any less costly 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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 211 and adopt the following **new** chapter in lieu thereof:

CHAPTER 211
COMMUNITY ATTRACTION AND TOURISM (CAT) PROGRAM

261—211.1(15F) Definitions. When used in this chapter unless the context otherwise requires:

"Attraction" means a permanently located recreational, cultural, educational, or entertainment activity that is available to the general public.

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

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

"CAT" means community attraction and tourism.

"CAT review committee" means the committee established by Iowa Code section 15F.203(2) as amended by 2025 Iowa Acts, Senate File 975.

"Economic development organization" means an entity organized to position a community to take advantage of economic development opportunities and strengthen a community's competitiveness as a place to work and live.

"Local support" means endorsement by local individuals, organizations, and political subdivisions that have a substantial interest in a project.

"Nonfinancial support" may include but is not limited to the value of labor and services. Real property and personal property donated for purposes of the project are considered financial support at their fair market value.

"Public organization" means a not-for-profit economic development organization or other not-for-profit organization, including one that sponsors or supports community or tourism attractions and activities.

"Recipient" means the entity under contract to receive CAT funds and undertake the funded activity.

"School district" means a school corporation organized under Iowa Code chapter 274.

"Vertical infrastructure" means the same as defined in Iowa Code section 15F.203(3).

261—211.2(15F) Eligible applicants. Eligible applicants for CAT funds include cities, counties, public organizations, and school districts in cooperation with a city or county. Any eligible applicant may apply individually or jointly with another eligible applicant or other eligible applicants. A school district must apply jointly with a city or county.

261—211.3(15F) Eligible projects.

211.3(1) Eligible projects provide recreational, cultural, entertainment, and educational opportunities. Funded projects must position a community to take advantage of economic development opportunities in tourism and strengthen a community's competitiveness as a place to work and live. Completed projects must be open to the public for general use.

211.3(2) Eligible CAT projects must be primarily vertical infrastructure projects.

261—211.4(15F) Ineligible projects.

211.4(1) The board shall not approve an application for assistance under this program to refinance an existing loan.

211.4(2) A recipient may not receive more than one CAT award for a single project. However, previously funded projects may receive an additional award(s) if the applicant demonstrates that the funding is to be used for a significant expansion of the project or a new project.

211.4(3) The board shall not approve an application for assistance in which the combination of CAT funds plus other state funds would constitute more than 50 percent of the total project costs.

211.4(4) Work completed and costs incurred, except the acquisition of real estate, prior to the date of a potential CAT award are ineligible for funding under the CAT programs.

261—211.5(15F) Application requirements. Applications for the program must contain all the information identified in Iowa Code section 15F.202(2).

261—211.6(15F) Application procedure. Authority staff will review applications for completeness and eligibility and as described in subrule 211.7(1). A review, analysis, and evaluation from the authority staff will be submitted to the CAT review committee, which will then make a final recommendation to the board for final approval, denial, or deferral.

211.6(1) Applicants must submit a notice of intent to apply on a form provided by the authority. The authority will send standard application forms to those applicants who have submitted a notice of intent to apply. The notice of intent to apply form will be available on the authority's website. The authority can waive this requirement for good cause.

211.6(2) Authority staff may provide technical assistance as necessary. Authority staff and board members may conduct on-site evaluations of proposed projects.

211.6(3) Incomplete or ineligible applications will not be forwarded to the CAT review committee or board for review.

261—211.7(15F) Application review.

211.7(1) Authority staff will review each application for the following information:

a. Whether the application documents local support for the proposed activity.

b. Whether the proposed project is primarily a vertical infrastructure project.

c. Whether at least 65 percent of the funds needed to complete the proposed project have been raised or pledged. Other state funds cannot be counted as match until the applicant can document that at least 50 percent of the funds have been raised. Moneys raised at any time and not yet spent may be considered as local match. Up to 25 percent of the local match may be nonfinancial support.

211.7(2) The CAT review committee shall consider, at a minimum, the criteria identified in Iowa Code section 15F.203(3).

261—211.8(15F) Administration.

211.8(1) *Administration of awards.*

a. A contract shall be executed between the recipient and authority. The authority and the board reserve the right to negotiate terms and conditions of the contract.

b. The recipient must execute and return the contract within 45 days of transmittal of the final contract. Failure to do so may be cause for the board to terminate the award.

c. Certain projects may require that permits or clearances be obtained from other state or local agencies before the project may proceed. Awards may be conditioned upon the timely completion of these requirements.

d. Awards may be conditioned upon commitment of other sources of funds necessary to complete the project.

e. Awards may be conditioned upon the authority's receipt and board approval of an implementation plan for the funded project.

211.8(2) *Disbursement of funds.* Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Individual requests for funds shall be made in an amount equal to or greater than $1,000 per request, except for the final draw of funds.

211.8(3) *Recordkeeping and retention.* The recipient shall retain all financial records, all supporting documents, and all other records pertinent to the funded CAT project for three years after contract closeout. Representatives of the authority or its designees shall have access to all records belonging to or in use by recipients pertaining to CAT funds.

211.8(4) *Performance reports and reviews.* Upon request of the authority or the board, recipients shall submit performance reports in the manner and on forms prescribed by the authority. Reports

shall assess the use of funds and progress of activities. The authority may perform any reviews or site visits necessary to ensure each recipient's performance.

211.8(5) *Amendments to contracts.* Any substantive change to a contract shall be considered an amendment. Substantive changes include time extensions, budget revisions and significant alterations of the funded project that change the scope, location, objectives or scale of the approved project. Amendments must be requested in writing by the recipient and are not considered valid until approved by the board and confirmed in writing.

211.8(6) *Contract closeout.* Upon project completion, the authority shall initiate contract closeout procedures.

211.8(7) *Compliance with state and local laws and regulations.* Recipients shall comply with all applicable federal, state or local laws, rules or regulations, including but not limited to these rules, any provisions of the Iowa Code governing the program, or the recipient's project or operations.

211.8(8) *Remedies for noncompliance.* At any time before contract closeout, the authority may, for cause, find that a recipient is not in compliance with the requirements of this program. Remedies for noncompliance may include penalties up to and including the return of program funds. Reasons for a finding of noncompliance include but are not limited to the recipient's use of funds for activities not described in the contract, the recipient's failure to complete funded projects in a timely manner, the recipient's failure to comply with applicable federal, state or local laws, rules or regulations, or the lack of a continuing capacity of the recipient to carry out the approved project in a timely manner.

261—211.9(15F) Allocation of funds. Funds shall be allocated in accordance with Iowa Code section 15F.204(5) through 15F.204(8).

These rules are intended to implement Iowa Code chapter 15F, subchapter II as amended by 2025 Iowa Acts, Senate File 975.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 215
"Sports Tourism Program: Marketing Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: chapter 15F, subchapter IV
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15F, subchapter IV

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10:15 to 10:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 215. The chapter describes the policies and procedures applicable to the Sports Tourism Program Marketing Fund administered by the Authority pursuant to Iowa Code chapter 15F, subchapter IV. The program provides eligible applicants with grants for marketing projects that actively and directly support sporting events.

The marketing fund component of the program was repealed by 2025 Iowa Acts, Senate File 660.

Analysis of Impact

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

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

The rescission of Chapter 215 does not impose any costs.

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

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority.

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

- **Quantitative description of impact:**

The rescission of Chapter 215 does not impose any costs.

- **Qualitative description of impact:**

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority.

3. **Costs to the State:**

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

None.

- **Anticipated effect on State revenues:**

None.

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

The rescission of Chapter 215 does not impose any costs. Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority.

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 or less intrusive methods.

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?

The rescission of Chapter 215 does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **261—Chapter 215**.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 216
"Sports Tourism Infrastructure Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15F, subchapter IV
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15F, subchapter IV

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10:15 to 10:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 216 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the sports tourism program infrastructure fund administered by the Authority pursuant to Iowa Code chapter 15F, subchapter IV as amended by 2025 Iowa Acts, House File 975 and Senate File 660. The program provides eligible applicants with grants for infrastructure projects that actively and directly support sporting events.

The updated chapter will be more concise throughout. Unnecessary definitions, language that duplicates statute, and language that is duplicated within the chapter will be eliminated. Changes to the program in 2025 Iowa Acts, House File 975 and Senate File 660, are incorporated.

Analysis of Impact

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

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

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

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

Entities interested in applying for or receiving assistance through the program will benefit from the 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:**

Entities interested in applying for the program may require staff time to complete an application to receive financial assistance. Recipients of financial assistance may similarly incur costs to administer the award, including requests for disbursement. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a grant writer. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program supports infrastructure projects that actively and directly support sporting events.

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, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. 2022 Iowa Acts, House File 2579, appropriated $12 million for the purposes of the fund.

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 the 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 any less costly 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?

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 216 and adopt the following **new** chapter in lieu thereof:

CHAPTER 216
SPORTS TOURISM INFRASTRUCTURE PROGRAM

261—216.1(15F) Definitions. When used in this chapter unless the context otherwise requires:

"Accredited colleges and universities" means any college, university, or institution of higher learning that is accredited by the Higher Learning Commission or by an accrediting agency that is recognized by the U.S. Department of Education.

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

"Bid fees" means fees paid as part of proposing a location for an event.

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

"Convention and visitors bureau" or *"CVB"* means an organization engaged primarily in the marketing and promotion of a local community or communities to businesses and to leisure travelers interested in the area's facilities. Such organizations are typically engaged in a wide range of activities, including but not limited to assisting businesses and leisure travelers in identifying meeting locations and convention sites; providing maps and other travel information; providing information on local attractions, lodging, and restaurants; and organizing tours of local historical, recreational, and cultural attractions.

"District" means the same as defined in Iowa Code section 15F.401.

"Financial assistance" means the same as defined in Iowa Code section 15F.401.

"Infrastructure" means land acquisition and construction; major renovations of buildings; and all appurtenant structures, utilities, and site development that are related to the operation of a sporting event.

"Infrastructure fund" means the fund established pursuant to Iowa Code section 15F.404 for purposes of financing sports tourism infrastructure projects.

"Marketing" means planning for or implementing efforts to publicize a sporting event using a range of strategies, tools, and tactics.

"Organization" means the same as defined in Iowa Code section 15F.401.

"Professional sporting events" means the same as defined in Iowa Code section 15F.401.

"Program" means the sports tourism infrastructure program administered pursuant to this chapter and funded by the infrastructure fund.

"Public organization" means a nonprofit organization.

"Sporting event" means an athletic activity requiring skill or physical prowess, usually competitive in nature and governed by a set of rules provided by a nationally recognized sanctioning body. A sporting event typically includes the placing of competitors into a fixed order of finish depending upon their respective athletic performance within the rules provided for that activity.

"Sports tourism program review committee" or *"review committee"* means the committee established by Iowa Code section 15F.402(2) as amended by 2025 Iowa Acts, House File 975.

261—216.2(15F) Eligible applicants. Eligible applicants are identified in Iowa Code section 15F.401(2)*"a"* as amended by 2025 Iowa Acts, Senate File 660.

261—216.3(15F) Eligible infrastructure projects. Only projects that support sporting events occurring in Iowa are eligible for assistance.

216.3(1) When considering whether to award financial assistance for two fiscal years, the board shall evaluate metrics including the amount of revenue generated by ticket sales, the estimated economic impact, and the number of overnight stays at hotels in the city or county where the sporting event is being held. For example, economic impact may be calculated as total estimated attendance

multiplied by daily attendee spending multiplied by average length of stay. If an eligible applicant wishes to supply an alternative formula for calculating economic impact, the applicant must supply a credible source for using an alternative formula. The authority may include such metrics and estimates in a program agreement executed pursuant to Iowa Code section 15F.401.

216.3(2) A city, county, or public organization shall not use financial assistance for costs incurred prior to approval of financial assistance.

216.3(3) Financial assistance shall be provided for sports tourism infrastructure projects that draw a national and international audience and attract a significant number of visitors from outside the state. Factors the authority will consider in determining whether a project is qualified under this subrule include but are not limited to whether the likelihood of a national or international audience is validated by any available data about the anticipated audiences for the event, whether the event is nationally or internationally televised, and projected visitor information or visitor information for similar events held in the state.

261—216.4(15F) Eligible and ineligible infrastructure expenses.

216.4(1) *Eligible expenses.* Examples of eligible expenses include but are not limited to:

a. Land acquisition;
b. Construction;
c. Major renovation of buildings;
d. Site development;
e. Permanent or temporary structures; and
f. Purchase or long-term lease of equipment.

216.4(2) *Ineligible expenses.* Expenses that are not directly related to sporting events or are not considered infrastructure will be ineligible for reimbursement under the program. Examples of ineligible expenses include but are not limited to:

a. Bid fees, rights fees, solicitation efforts, or lobbying fees;
b. Travel costs or compensation of applicant staff;
c. Expenses associated with marketing or promotion;
d. Ongoing operational costs not specifically related to sporting events; and
e. Other costs that the board determines to be ineligible.

261—216.5(15F) Threshold application requirements. To be considered for funding under the program, an application must meet the following threshold application requirements:

216.5(1) There must be demonstrated local support for the proposed activity.

216.5(2) The application must contain a detailed description of the project outlining the sporting event(s) and the infrastructure expenses necessary to support it.

216.5(3) The proposed project budget must be spent on infrastructure that actively and directly supports the sporting event(s).

216.5(4) The application must contain detailed information and projections sufficient to enable the authority to accurately assess the economic impact of the sporting event(s) described in the application. Such information shall include the estimated number of spectators and estimated quality and quantity of advertising and media coverage the sporting event(s) will generate. If the applicant has previously held substantially similar events, the information shall include actual attendance figures from past events and a summary of the advertising and media coverage generated.

261—216.6(15F) Application process.

216.6(1) Applications for assistance under the program shall be submitted to the authority. For those applications that meet the threshold application requirements and the eligibility criteria, the authority shall forward the applications to the board and provide a staff review analysis and evaluation to the sports tourism program review committee and to the board.

216.6(2) When reviewing the applications, the review committee and the authority shall consider the criteria identified in Iowa Code section 15F.402(3) and the following:

a. The extent to which the project would generate additional recreational and cultural attractions or tourism opportunities.

b. The extent to which the sporting event to be supported by the infrastructure project is unique, innovative, or diverse.

216.6(3) Upon review of the recommendations of the review committee, the board shall make final funding decisions in accordance with Iowa Code section 15F.401(5).

261—216.7(15F) Administration.

216.7(1) *Administration of awards.*

a. The agreement entered into pursuant Iowa Code section 15F.401(8) will include the terms and conditions under which financial assistance must be repaid or penalties incurred in the event the applicant does not fulfill all obligations under the agreement.

b. The applicant must execute and return the agreement within 90 days of the transmittal of the final agreement. Failure to do so may be cause for the board to terminate the award.

c. Financial assistance shall not be provided until all financing for the sports tourism infrastructure project is secured and documented to the satisfaction of the authority.

d. Awards may be conditioned upon authority receipt and board approval of an implementation plan for the funded project.

216.7(2) *Reports.* The report required pursuant to Iowa Code section 15F.401(7) shall be submitted in the manner and on forms prescribed by the authority. The authority may perform any reviews or site visits necessary to ensure performance by the applicant.

216.7(3) *Requests for funds.* Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Individual requests for funds shall be made in an amount equal to or greater than $1,000 per request, except for the final draw of funds.

216.7(4) *Recordkeeping and retention.* The recipient shall retain all financial records, supporting documents, and other records pertinent to the sports tourism award for three years after contract closeout. Representatives of the authority shall have access to all recipient records that pertain to sports tourism funds.

216.7(5) *Amendments to contracts.* Any substantive change to a contract shall be considered an amendment. Substantive changes include time extensions, budget revisions, and significant alterations of the funded project that change the scope, location, objectives, or scale of the approved project. Amendments must be approved by the board. The authority may execute nonsubstantive or ministerial changes to the contract without board approval.

216.7(6) *Project closeout.* Upon expiration of the agreement, the authority shall initiate project closeout procedures.

216.7(7) *Compliance with state and local laws and regulations.* Recipients shall comply with all applicable federal, state or local laws, rules or regulations, including but not limited to these rules, any provisions of the Iowa Code governing the program or the recipient's project or operations.

216.7(8) *Remedies for noncompliance.* At any time before project closeout, the authority may, for cause, find that a recipient is not in compliance with the requirements of this program. Remedies for noncompliance may include penalties up to and including the return of program funds. Reasons for a finding of noncompliance include but are not limited to the applicant's use of funds for activities not described in the contract; the applicant's failure to complete funded projects in a timely manner; the applicant's failure to comply with applicable federal, state or local laws, rules or regulations; or the lack of a continuing capacity of the applicant to carry out the approved project in a timely manner.

These rules are intended to implement 2022 Iowa Acts, House File 2579, and Iowa Code chapter 15F, subchapter IV as amended by 2025 Iowa Acts, Senate File 660 and House File 975.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 403
"Iowa Energy Center"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.120
State or federal law(s) implemented by the rulemaking: Iowa Code section 15.120

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:15 to 9:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 403 and adopt a new chapter in lieu thereof. The chapter describes the organization of the Iowa Energy Center (IEC) and its Board. The IEC is administered by the Authority pursuant to Iowa Code section 15.120.

The proposed chapter omits language that is duplicative of statutory language and other unnecessary or inconsistent language.

Analysis of Impact

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

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

The proposed rulemaking does not impose any costs.

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

Persons interested in the organization of the IEC may benefit from the improved clarity of the 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:**

The proposed rulemaking does not impose any costs.

- **Qualitative description of impact:**

Persons interested in the organization of the IEC may benefit from the improved clarity of the chapter.

3. **Costs to the State:**

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

Authority staff time is required to provide administrative support to the IEC Board and its committees and to administer IEC programs.

- **Anticipated effect on State revenues:**

The proposed rulemaking has no anticipated effect on State revenues.

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

The proposed rulemaking does not impose any costs.

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

The Authority has not identified any less costly methods or less intrusive methods of describing the organization of the IEC.

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

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

The Authority did not consider any alternative methods.

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

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

Small Business Impact

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

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

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

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

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 403 and adopt the following **new** chapter in lieu thereof:

CHAPTER 403
IOWA ENERGY CENTER

261—403.1(15) Definitions. As used in these rules unless the context otherwise requires:

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

"Board" means the governing board of the Iowa energy center established pursuant to Iowa Code section 15.120(2) and includes the members appointed to the board by the governor.

"Committee" means a committee established by the board.

"Iowa energy center" or *"IEC"* means the Iowa energy center established pursuant to Iowa Code section 15.120 for the purposes identified therein.

261—403.2(15) Iowa energy center board.

403.2(1) *Quorum and voting requirements.* Seven or more members of the board constitute a quorum, and any board action requires an affirmative vote by a majority of the members present.

403.2(2) *Board officers.* Members of the board elect a chairperson and a vice chairperson annually and may elect other officers as necessary.

403.2(3) *Meetings.*

a. The board generally meets quarterly at the authority's offices or by electronic means. By notice of the regularly published meeting agendas, the board and its committees may hold regular or special meetings at other locations within the state. Meeting agendas are available on the authority's website at www.opportunityiowa.gov.

b. The chairperson may exclude any person disrupting the proceedings.

403.2(4) *Committees.* The board may, from time to time, establish advisory committees for purposes of overseeing the IEC, its programs, and its operations. Such committees include but are not limited to the following:

a. A grant committee is established to assist the board in making and administering awards of grants under the IEC's programs.

(1) The grant committee is an advisory body comprised of voting members of the board who are selected annually by the voting members of the board. The membership and size of the committee as well as the terms of the committee members will be established annually by the board.

(2) The members of the grant committee may elect a chairperson. The chairperson may appoint members of the grant committee to serve on a grant committee subcommittee if necessary. Such a subcommittee is advisory only and may perform such duties as may be assigned by the chairperson.

(3) The duties of the grant committee may include reviewing applications for grant awards, making recommendations to the board regarding the size and condition of grant awards, and any other duty assigned by the board in relation to the programs administered by the IEC.

(4) A majority of the committee members constitutes a quorum of the committee.

(5) Meetings of the grant committee are held at the call of the chairperson.

b. A loan committee is established to assist the board in making and administering loan awards under the IEC's programs, including the alternate energy revolving loan program and energy infrastructure revolving loan program.

(1) The loan committee is an advisory body comprised of voting members of the board who are selected annually by the voting members of the board. The membership and size of the committee as well as the terms of the committee members will be established annually by the board.

(2) The members of the loan committee may elect a chairperson. The chairperson may appoint members of the loan committee to serve on a loan committee subcommittee if necessary. Such a subcommittee is advisory only and may perform such duties as may be assigned by the chairperson.

(3) The duties of the loan committee may include reviewing applications for loans, making recommendations to the board regarding the size and condition of loans, and any other duty assigned by the board in relation to the programs administered by the IEC.

(4) A majority of the committee members constitutes a quorum of the committee.

(5) Meetings of the loan committee are held at the call of the chairperson.

These rules are intended to implement Iowa Code section 15.120.

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 405
"Alternate Energy Revolving Loan Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.120 and 476.46
State or federal law(s) implemented by the rulemaking: Iowa Code section 476.46

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:15 to 9:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 405 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Alternate Energy Revolving Loan Program. The program encouraged the development of alternate energy production facilities and small hydro facilities within the State. New applications for loans ceased as of June 30, 2021, pursuant to 2021 Iowa Acts, Senate File 619, but the chapter continues to apply to outstanding loans. The updated chapter will be clearer and more concise throughout and omits language relating to the approval of new loans.

Analysis of Impact

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

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

Entities with outstanding loans through the program will bear the costs of the rulemaking.

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

Entities with outstanding loans through the program will benefit from the 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:**

Recipients of financial assistance may incur costs to comply with reporting and monitoring requirements of the program. Some recipients may choose to rely on an external service provider to complete these tasks, such as a consultant. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program encouraged the development of alternate energy production facilities and small hydro facilities 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 administer outstanding loans and communicate with program recipients.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no anticipated effect on State revenues.

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

Only the entities that benefit from financial assistance bear the costs of the 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 any less costly 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 alternative methods.

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

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

Small Business Impact

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

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

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

The rulemaking impacts only small businesses that have received 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. Rescind 261—Chapter 405 and adopt the following **new** chapter in lieu thereof:

CHAPTER 405
ALTERNATE ENERGY REVOLVING LOAN PROGRAM

261—405.1(15) Definitions.

"Alternate energy production facility" means the same as defined in Iowa Code section 476.42.

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

"Board" means the governing board of the Iowa energy center established pursuant to Iowa Code section 15.120(2).

"Iowa energy center" or *"IEC"* means the Iowa energy center established by Iowa Code section 15.120.

"Project" means the construction of an alternate energy production facility or a small hydro facility.

"Small hydro facility" means the same as defined in Iowa Code section 476.42.

261—405.2(15) Loan amounts and terms.

405.2(1) The minimum loan amount is $25,000 per project, and the maximum loan amount shall not exceed the amount set forth in Iowa Code section 476.46(2)*"d."*

405.2(2) The board shall not lend more than 50 percent of eligible project costs.

405.2(3) Loan terms will be consistent with Iowa Code section 476.46(2)*"e."*

405.2(4) A borrower shall be eligible for not more than $1 million in loans outstanding at any time under this program.

405.2(5) The board shall not issue a loan that exceeds the value of the collateral provided.

405.2(6) The board will accept security for a loan. The following forms of collateral will be accepted:

a. Real property;

b. Dedicated certificate of deposit;

c. Irrevocable letter of credit;

d. Corporate guarantee;

e. Other forms of collateral if approved by the board and only if the forms of collateral listed in paragraphs 405.2(6)*"a"* through *"d"* are inadequate.

405.2(7) Term. The duration of the loan shall be for 20 years, the estimated useful life of the project that is financed by the loan, the terms of any other loans used to finance the project, or the estimated return on investment time period for the project, whichever is shortest.

261—405.3(15) Borrowers.

405.3(1) *Eligible borrowers.* The project shall be wholly owned by an eligible borrower. Eligible borrowers include:

a. Persons whose primary residence is in Iowa.

b. Businesses registered and domiciled in Iowa. For businesses organized as limited liability companies, each member of the limited liability company must be domiciled in Iowa and be an eligible borrower.

c. Water and wastewater utilities subject to Iowa Code chapter 388, rural water districts subject to Iowa Code chapters 357A and 504, and sanitary districts subject to Iowa Code chapter 358.

405.3(2) *Ineligible borrowers.* Ineligible borrowers include:

a. An organization that is lending to a project and also owns the project or is a member of an organization that owns the project.

b. An individual or an organization with a history of defaulted loans or compliance violations with other state programs or rules.

c. Regents institutions.

d. Community colleges.

e. State agencies.

f. Cities, but not water or wastewater utilities subject to Iowa Code chapter 388.

g. Counties.

h. School districts.

i. Nonprofit organizations.

j. Gas and electric utilities subject to Iowa Code chapter 388 or rural electric cooperatives subject to Iowa Code chapter 476.

261—405.4(15) Administration.

405.4(1) *Amendment.* Any substantive change to a project shall require an amendment to the loan agreement. The borrower shall request the amendment in writing. No substantive amendment shall be valid until approved by the board. The authority may execute nonsubstantive or corrective changes to the loan agreement without board approval.

405.4(2) *Closeout.* Upon project completion, the authority will initiate project closeout procedures.

405.4(3) *Recordkeeping and retention.* Borrowers shall retain all financial records, all supporting documents, and all other records pertinent to the loan for five years after the loan agreement is closed or the date the authority issues a written notice of default if the default is not cured.

405.4(4) *Reporting and compliance.* The authority reserves the right to conduct a site visit of all awarded projects to ensure the projects were built as proposed and to provide verification of ongoing operation. The authority will monitor all loans to ensure that loan proceeds have been spent as identified in the contract and that all other sources of financing have been committed to the project. Borrowers shall be required to notify the authority of any change in ownership.

405.4(5) *Default.*

a. At any time during the construction of a project or the repayment of the loan, the authority may find that a borrower is in default under the terms of the loan agreement. The authority will take prompt, appropriate, and aggressive debt collection action to recover any funds misspent by borrowers.

b. If the authority determines that a borrower is in default, the authority may seek recovery of the loan plus interest or other penalties as authorized pursuant to Iowa Code section 476.46, negotiate alternative payment schedules, suspend or discontinue collection efforts, and take other action as the authority deems necessary.

c. The authority shall attempt to collect the amount owed. Any negotiated settlement, write-off, or discontinuance of collection efforts is subject to final review by and approval of the board.

d. If the authority refers a defaulted loan to outside counsel for debt collection, then the terms of the contract between the authority and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

261—405.5(15) Applicability after June 30, 2021. To the extent allowed by other provisions of law, the rules adopted in this chapter shall continue to apply to agreements entered into on or before June 30, 2021.

These rules are intended to implement Iowa Code sections 15.120 and 476.46.

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 406
"Energy Infrastructure Revolving Loan Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.120 and 476.46A
State or federal law(s) implemented by the rulemaking: Iowa Code section 426.46A

Public Hearing

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

October 21, 2025	1963 Bell Avenue
9:15 to 9:30 a.m.	Des Moines, Iowa

Public Comment

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

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

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 406 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Alternate Energy Revolving Loan Program. The program provides loans for the development and construction of energy infrastructure. The updated chapter will be clearer and more concise throughout. Rule 261—406.6(15,476) currently lists feasibility studies, engineering, and final design as ineligible costs. The new rule regarding eligible and ineligible costs (261—406.5(15,476)) will not list those items as ineligible costs since they may be included as project costs under certain circumstances.

Analysis of Impact

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

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

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

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

Entities interested in applying for or receiving assistance through the program will benefit from the 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:**

Entities interested in applying for financial assistance may require staff time to complete an application for financial assistance. Entities that receive funds may similarly incur costs to administer an award, including requests for disbursement. Some applicants or recipients 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 supports the development and construction of energy infrastructure.

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, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no anticipated effect on State revenues.

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

Only the entities that will potentially benefit from financial assistance bear the costs of the 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 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 alternative methods.

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

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

Small Business Impact

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

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

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

The rulemaking impacts only small businesses seeking financial assistance or that have received 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. Rescind 261—Chapter 406 and adopt the following **new** chapter in lieu thereof:

CHAPTER 406
ENERGY INFRASTRUCTURE REVOLVING LOAN PROGRAM

261—406.1(15,476) Definitions.

"Affiliates" 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.

"Board" means the governing board of the Iowa energy center established pursuant to Iowa Code section 15.120(2).

"Borrower" means an applicant for the program that is approved for a loan.

"Energy infrastructure" means the same as defined in Iowa Code section 476.46A(3)*"a."*

"Iowa energy center" or *"IEC"* means the Iowa energy center established by Iowa Code section 15.120.

"Loan" means an award of assistance with the requirement that the award be repaid with term, interest rate, and other conditions specified as part of the conditions of the award.

"Loan committee" means the committee of the board established to review loan applications pursuant to 261—Chapter 403.

"Program" means the energy infrastructure revolving loan program administered pursuant to Iowa Code section 476.46A and this chapter.

"Project" means an activity or set of activities, proposed in an application by a borrower, that are designed to accomplish the energy infrastructure goals of the program.

261—406.2(15,476) Loan amounts and terms.

406.2(1) The minimum loan amount is $50,000 per project.

406.2(2) The board shall not lend more than 75 percent of total project costs for any project type. For purposes of determining the amount the board may lend pursuant to this subrule, total project costs include eligible costs pursuant to subrule 406.5(1) as well as other costs determined by the board to be necessary to the development of energy infrastructure.

406.2(3) The board shall not issue a loan that exceeds the value of the collateral provided.

406.2(4) The board will accept security for a loan. The following forms of collateral will be accepted:

a. Real property.

b. Dedicated certificate of deposit.

c. Irrevocable letter of credit.

d. Corporate guarantee.

e. Utility revenue or reserve funds, if applicable.

f. Other forms of collateral if approved by the board and only if the forms of collateral listed in paragraphs 406.2(4)*"a"* through *"e"* are inadequate.

406.2(5) The board may consider the borrower's credit rating in determining what form of collateral is acceptable.

406.2(6) The board may consider the projected payback date of the project in determining the duration of the loan, which shall not exceed 15 years.

406.2(7) The interest rate shall not exceed the Wall Street Journal prime rate as of the date of approval.

261—406.3(15,476) Eligible and ineligible borrowers.

406.3(1) *Eligible borrowers.* Iowa Code section 476.46A(2) describes the entities eligible for financial assistance under this program.

406.3(2) *Ineligible borrowers.* Ineligible borrowers include:

a. A business that is not located in or operating in Iowa. A business that will be located and operating in Iowa upon completion of an eligible project may be eligible.

b. An individual or an organization with a history of defaulted loans or compliance violations with other state programs or rules.

c. Regents institutions.

d. Community colleges.

e. State agencies.

f. Cities, except municipal utilities that are eligible borrowers pursuant to Iowa Code section 476.46A(2).

g. Counties.

h. School districts.

i. Nonprofit organizations.

261—406.4(15,476) Eligible and ineligible projects.

406.4(1) Only projects meeting the following criteria are eligible for a loan under this program:

a. The project shall be located in Iowa or be for the primary use or benefit of Iowans. If any portion of the project is located outside of Iowa, the applicant bears the burden of demonstrating that the project as a whole will be for the primary use or benefit of Iowans.

b. The project shall develop and construct energy infrastructure pursuant to Iowa Code section 476.46A(3)*"a."*

c. The borrower shall be the owner, contract purchaser, lessee, or other interest holder of the real property where the project is located.

406.4(2) A project that generates energy for use only at a borrower's personal residence is not an eligible project.

261—406.5(15,476) Eligible and ineligible costs.

406.5(1) *Eligible costs.* Examples of project costs that are eligible for financial assistance include but are not limited to:

a. Real and personal property comprising a project.

b. Materials and equipment required for necessary site preparation, construction, and installation.

c. Labor for site preparation, construction, and installation of a project.

d. Costs associated with maintenance, operation, or repair of a project during the term of the loan.

406.5(2) *Ineligible costs.* Examples of project costs that are not eligible for financial assistance include but are not limited to:

a. Administrative costs or employee salaries of the borrower or any affiliates that are not associated with site preparation, construction, and installation of a project.

b. Costs incurred prior to the committee's recommendation to approve a loan. Costs incurred prior to the committee's recommendation may be eligible for assistance if the borrower demonstrates the necessity to begin incurring costs sooner.

c. Permitting or regulatory costs.

d. Other costs that the board determines to be ineligible.

261—406.6(15,476) Application process.

406.6(1) Application forms are available at iowagrants.gov.

406.6(2) Applications will be accepted only during the established application periods identified by the authority on its website at www.opportunityiowa.gov.

406.6(3) The authority will review applications for completeness, eligibility, and technical and financial merit. The authority may engage outside reviewers to complete technical, financial, or other reviews of applications as needed. The authority may request additional information from applicants to complete review of applications.

406.6(4) The authority will prepare recommendations for the loan committee. The loan committee will review the applications and staff recommendations and then make recommendations to the board. The board will approve, defer, or deny applications for loans. The authority may negotiate the amount, terms, and other conditions of each loan before an award is approved.

261—406.7(15,476) Administration.

406.7(1) *Notice of approval or denial.* The authority will notify applicants in writing of the board's approval or denial of an application. If the application is approved, the notice will include any conditions and terms of the loan.

406.7(2) *Loan agreement.* A borrower shall enter into a loan agreement with the authority. The borrower will execute and return the loan agreement to the authority within 90 days of the transmittal of the final loan agreement from the authority. Failure to do so may be cause for the board to terminate the award.

406.7(3) *Disbursement of funds.* Borrowers shall submit requests for disbursement of funds in the manner proscribed by the authority.

406.7(4) *Amendment.* Any substantive change to the scope of work for a project or request to renegotiate loan terms shall require an amendment to the loan agreement. The borrower shall request amendments in writing. No substantive amendment shall be valid until approved by the board. The authority may execute nonsubstantive or ministerial changes to the loan agreement without board approval.

406.7(5) *Loan forgiveness.* The board may consider requests for loan forgiveness if the borrower demonstrates forgiveness is necessary to avoid a negative material impact on the project or potential default.

406.7(6) *Closeout.* Upon project completion, the authority will initiate project closeout procedures.

406.7(7) *Recordkeeping and retention.* Borrowers shall retain all financial records, all supporting documents, and all other records pertinent to the loan for five years after the loan agreement is closed or the date the authority issues a written notice of default if the default is not cured.

406.7(8) *Reporting and compliance.* The borrower shall complete all reports required by the loan agreement. The borrower shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general assembly or the governor's office. The authority reserves the right to conduct site visits of all awarded projects to ensure the projects were built as proposed and to provide verification of ongoing operation. The authority will monitor all loans to ensure that loan proceeds have been spent as identified in the loan agreement and that all other sources of financing have been committed to the project.

406.7(9) *Default.*

a. At any time during the project or the repayment of the loan, the authority may find that a borrower is in default under the terms of the loan agreement. The authority will take prompt, appropriate, and aggressive debt collection action to recover any funds misspent by borrowers.

b. If the authority determines that a borrower is in default, the authority may seek recovery of the loan plus interest or other penalties, negotiate alternative payment schedules, suspend or discontinue collection efforts, and take other action as the authority deems necessary.

c. The authority shall attempt to collect the amount owed. Any negotiated settlement, write-off, or discontinuance of collection efforts is subject to final review by and approval of the board.

d. If the authority refers a defaulted loan to outside counsel for debt collection, then the terms of the contract between the authority and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

These rules are intended to implement Iowa Code sections 15.120 and 476.46A.

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 1
"Iowa Ethics and Campaign Disclosure Board"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 1 provides organizational information regarding IECDB and the process used to issue advisory opinions. Chapter 1 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

351—1.1(68A,68B) General agency description.

1.1(1) *Board established.* The Iowa ethics and campaign disclosure board is established as an independent agency of the executive branch of state government with the authority, powers, and duties set out in Iowa Code chapters 68A and 68B.

1.1(2) *Election of officers.* On an annual basis at the board's first meeting after April 30, the members shall elect a chair and vice chair, and members may be reelected or elected to a different office.

1.1(3) *Board meetings.* Meetings of the board are held at the call of the chair or at the request of at least four board members. Minutes of meetings are available for viewing via the board's website.

1.1(4) *Voting and procedure.* Four board members constitute a quorum for conducting the business of the board. An affirmative vote of four board members is required for a motion to pass. The meetings shall be generally conducted according to rules of parliamentary procedure.

This rule is intended to implement Iowa Code sections 68B.32 and 68B.32A.

351—1.2(68B) Requirements for requesting board advisory opinions.

1.2(1) *Who may request opinion.* Any person subject to the board's jurisdiction may request a board advisory opinion. A governmental entity or local government official or employee not under the board's jurisdiction may request a board advisory opinion on an issue subject to the board's jurisdiction. A person requesting an opinion on the application of the ethics and lobbying laws in Iowa Code chapter 68B as applied to the legislative branch of state government shall be referred to the senate and house ethics committees. The board may on its own motion issue opinions without receiving a formal request.

1.2(2) *Form of request.* The request for an opinion shall be in writing and shall describe the specific transaction, conduct, or activity that the requesting person plans to undertake or is presently undertaking.

1.2(3) *Jurisdiction.* The board will issue opinions pertaining only to Iowa Code chapters 68A and 68B or rules adopted thereunder.

This rule is intended to implement Iowa Code section 68B.32A(12).

351—1.3(68B) Processing of advisory opinion requests; routine administrative advice.

1.3(1) Requests for board advisory opinions shall be sent to the board's legal counsel in writing.

1.3(2) After receiving a qualified opinion request, the board's legal counsel shall prepare a draft opinion for board review. Upon an affirmative vote, the board will issue an advisory opinion. Advice contained in an advisory opinion, if followed, constitutes a defense to a subsequent complaint that is based on the same facts and circumstances.

1.3(3) A person who receives an advisory opinion may, within 30 days after the issuance of the opinion, request modification or reconsideration of the opinion. A request for modification or reconsideration shall be deemed denied unless the board acts upon the request within 60 days of receipt of the request.

1.3(4) Advisory opinions are public records and shall be made available via the board's website.

1.3(5) Nothing in this rule precludes board staff from providing oral or written routine administrative advice when presented with oral or written inquiries from any person.

1.3(6) Nothing in this rule precludes a person who has received routine administrative advice from petitioning for a declaratory order. The board will refuse to issue a declaratory order to a person who has previously received a board opinion on the same question, unless the requester demonstrates a significant change in circumstances from those in the original opinion.

This rule is intended to implement Iowa Code section 68B.32A(12).

351—1.4(68B) Board member and staff code of ethics.

1.4(1) Making monetary and in-kind contributions to the committees of candidates for Iowa public office is prohibited. However, contributions to candidates for federal office are permitted.

1.4(2) Serving as an officer or member of a candidate's committee of a candidate for Iowa public office is prohibited, whether the service is volunteer or paid.

1.4(3) Making monetary or in-kind contributions to a political committee (PAC) is prohibited. However, contributions to a state party or a county central committee are permitted.

1.4(4) Running for or holding elected public office is prohibited. Running for or serving as an officer or member of any committee defined under Iowa Code chapter 68A is prohibited.

1.4(5) Public personal endorsement of a candidate or publicly taking a position in support of or opposition to a ballot issue is prohibited. This rule does not prohibit a member of the board or staff from making a public personal endorsement of a federal candidate or a federal ballot issue. Members and staff of the board may attend and participate in a presidential caucus.

1.4(6) Serving as a delegate to a county or state political party convention is prohibited.

1.4(7) Except due to service on the board, members of the board shall not be public officials or public employees.

1.4(8) Except due to service on the board, members of the board shall not be registered lobbyists in the state of Iowa.

1.4(9) The prohibitions in this rule shall not apply to the spouse or other family members of a board member or employee of the board. However, actions by a spouse or other family member may create a potential conflict of interest on the part of the board member or employee that may necessitate recusal from a matter pursuant to Iowa Code section 68B.2A.

This rule is intended to implement Iowa Code sections 68B.2A and 68B.32.

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 2
"Public Records and Fair Information Practices"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding public records and fair information practices. To satisfy these obligations, IECDB promulgated Chapter 2 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 2 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. The IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 2**.

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 4
"Campaign Disclosure Procedures"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 4 establishes procedures for campaign disclosure, including organization, requirements related to reporting and financial transactions, requirements for the production of political materials, and penalties. Chapter 4 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4
CAMPAIGN DISCLOSURE PROCEDURES

DIVISION I
ORGANIZATIONAL REQUIREMENTS

351—4.1(68A,68B) Requirement to file statement of organization (DR-1)—persons subject to requirements, financial thresholds, where to file, when due.

4.1(1) *Persons subject to requirement.* Every committee shall file a statement of organization (Form DR-1) within ten days from the date of its organization.

a. "Committee" defined. "Committee" includes the following:

(1) A "candidate's committee" that is the committee, even if the committee consists only of the candidate, designated by a candidate for a state or local office to receive contributions, make expenditures, or incur debts in excess of $1,000.

(2) A "political committee" (PAC), which is a committee that exceeds the $1,000 organizational threshold to expressly advocate the nomination, election, or defeat of candidates or to expressly advocate the passage or defeat of a ballot issue. The board shall automatically classify as a political committee any political organization that loses its status as a political party because it fails to meet the requirements of Iowa Code section 43.2 and any county central committee that operated under the former political party.

(3) A "state statutory political committee" (state central committee or state party), "county statutory political party" (county central committee), or "city statutory political committee" (city central committee).

(4) A person or entity that registers for purposes of using the short form "paid for by" attribution statement pursuant to rule 351—4.11(68A).

b. When organization occurs; financial thresholds. At the latest, organization occurs as of the date the committee first exceeded $1,000 of financial activity (aggregate of monetary and in-kind activity) in a calendar year.

c. Permanent organizations temporarily engaging in political activity. A permanent organization that makes a one-time contribution in excess of $1,000 may in lieu of filing a statement of organization follow the procedure in rule 351—4.35(68A). A permanent organization that makes loans to a candidate or committee or that is owed debts from a candidate or committee is not deemed to be engaging in political activity requiring registration.

d. Independent expenditure committee. An independent expenditure committee or a sole individual making an independent expenditure by filing either Form IE-O or Form IE-I is not required to file a statement of organization.

4.1(2) *Place of filing.* Statements of organization shall be filed through the board's electronic filing system, which can be accessed through the board's website.

4.1(3) *Time of filing.* A committee shall file the statement with the board on or before 4:30 p.m. on the due date. If the due date falls on a Saturday, Sunday, or holiday on which the board office is closed, the filing deadline is extended to the next working day when the board office is open.

4.1(4) *"Candidate" defined.* For purposes of the board's jurisdiction, "takes affirmative action" includes making a public announcement of intention to seek nomination or election, making any expenditure or accepting any contribution for nomination or election, distributing petitions for signatures for nomination, filing nomination papers or an affidavit of candidacy, or being nominated by any convention process set out by law.

This rule is intended to implement Iowa Code sections 68A.201 and 68A.401.

351—4.2(68A,68B) Information required: committee name.

4.2(1) *Committee's full name required.* The statement of organization shall include the full name of the committee. A committee using an abbreviation or acronym as part of the committee name shall provide with the statement of organization a written explanation of the full word or words that are abbreviated or that form the acronym.

4.2(2) *Duplication of name prohibited.* The committee name shall not duplicate the name of another committee organized under Iowa Code chapter 68A. A committee duplicating the name of another organized committee shall choose a new committee name upon notification from the board. A candidate who files an amended statement of organization to reflect a change in office sought shall not be required to change the name of the candidate's committee unless the committee's name duplicates the name of another organized committee. A committee shall not duplicate the name of a dissolved committee for a period of ten years after the dissolved committee is dissolved, except when the candidate for both committees is the same individual.

4.2(3) *Candidate's surname required in committee name.* A candidate filing a statement of organization shall include the candidate's surname within the committee name.

This rule is intended to implement Iowa Code section 68A.201.

351—4.3(68A,68B) Information required—committee purpose, party affiliation.

4.3(1) *Committee purpose.* An organized campaign committee shall identify the purpose of the committee on the statement of organization. The purpose shall be indicated in part by designating the committee as one of the following types of committees:

a. A candidate's committee for a statewide or legislative candidate or a judge standing for retention. This type of committee is referred to as a state candidate's committee.

b. A political committee that expressly advocates for or against candidates at the state level, referred to as a state PAC.

c. A state statutory political committee, referred to as a state central committee or state party.

d. A county statutory political committee, referred to as a county central committee.

e. A candidate's committee for a candidate seeking county office, referred to as a county candidate's committee.

f. A candidate's committee for a candidate seeking city office, referred to as a city candidate's committee.

g. A candidate's committee for a candidate seeking school board or other political subdivision office except for a county or city office. This type of committee is referred to as a school board or other political subdivision candidate's committee.

h. A political committee that expressly advocates for or against candidates for county office, referred to as a county PAC.

i. A political committee that expressly advocates for or against candidates for city office, referred to as a city PAC.

j. A political committee that expressly advocates for or against candidates for school board or other political subdivision except for county or city candidates. This type of committee is referred to as a school board or other political subdivision PAC.

k. A political committee that expressly advocates for the passage or defeat of a ballot issue, franchise election, or referendum. This type of committee is referred to as a ballot issue committee.

4.3(2) *Party affiliation.* Each candidate's committee shall designate the political affiliation of the candidate unless the candidate is running for nonpartisan office. A committee, except a candidate's committee, shall designate that it is either established to expressly advocate the election or defeat of candidates or the passage or defeat of a ballot issue.

This rule is intended to implement Iowa Code section 68A.201.

351—4.4(68A,68B) Information required—officers, committee information, signatures.

4.4(1) *Committee officers.* The committee shall disclose on the statement of organization the name, mailing address, and telephone number of each officer the committee is required to appoint. Each candidate's committee shall appoint a treasurer who shall be an Iowa resident and at least 18 years of age. Every other committee shall appoint a separate treasurer and chairperson, each of whom shall be at least 18 years of age. The committee may appoint other officers not required by statute without restriction on residency or age, and the committee is not required to disclose these officers.

Except for a candidate's committee, every committee shall either have an Iowa resident as treasurer or shall maintain all of the committee's funds in bank accounts in a financial institution in Iowa.

4.4(2) *Committee address and telephone number.* The address and telephone number of the candidate as indicated on the statement of organization shall be the official address and telephone number to be used for communication from the board to the candidate's committee. The address and telephone number of the committee chairperson as indicated on the statement of organization shall be the official address and telephone number to be used for communication from the board to every other committee except for a candidate's committee. If an electronic mail address has been provided on the statement of organization, communication from the board to a committee shall be sent by electronic mail.

4.4(3) *Signatures.* A statement of organization filed electronically using the board's electronic filing system is deemed signed when filed.

This rule is intended to implement Iowa Code section 68A.201.

351—4.5(68A,68B) Segregation and timely deposit of funds; information required—identification of financial institution, account name; notice to treasurer.

4.5(1) *Segregation and deposit of funds.* All committee funds shall be maintained in a financial institution and shall be segregated from any other funds held by a candidate, officer, member, or associate of the committee. The committee treasurer shall deposit all contributions within seven days of receipt by the treasurer in an account maintained by the committee.

4.5(2) *Exceptions from segregation of committee funds.* A candidate's committee that receives contributions only from the candidate is not required to maintain a separate account. A permanent organization temporarily engaging in activity that qualifies it as a political committee that uses existing general operating funds and does not solicit or receive funds from other sources for campaign purposes is not required to maintain a separate account.

4.5(3) *Identification of financial institution and account.* The committee shall disclose on the committee's statement of organization the name and mailing address of all financial institutions in which committee funds are maintained. The committee shall also disclose the name and type of all accounts in which committee funds are maintained, and the name of any such account shall be the same as the committee name on the statement of organization.

4.5(4) *Notice to treasurer.* Any person who receives contributions for a committee shall render the contributions to the treasurer within 15 days of receipt and provide the committee treasurer with the reporting information required by Iowa Code section 68A.203(2).

This rule is intended to implement Iowa Code sections 68A.201 and 68A.203.

351—4.6(68A,68B) Amendments to statement of organization; requirement for new statement of organization for new office sought.

4.6(1) *Amendment within 30 days.* If there is a change in any of the information disclosed on a statement of organization, the committee shall file an amended statement within 30 days of the change.

4.6(2) *New office sought.* A candidate who filed a statement of organization for one office but then seeks another office must dissolve the candidate's original committee and file a new statement of organization. A candidate filing a new statement of organization pursuant to this rule shall continue to file the required campaign reports regardless of whether the $1,000 financial filing threshold for the new office has been exceeded.

This rule is intended to implement Iowa Code section 68A.201.

DIVISION II
REPORTING AND FINANCIAL TRANSACTION REQUIREMENTS

351—4.7(68A,68B) Disclosure reporting required; information on initial report; minimum filing if no activity.

4.7(1) *Disclosure reporting required.* Every committee that has filed a statement of organization under Iowa Code section 68A.201 and rule 351—4.1(68A,68B), has exceeded the financial activity threshold set out in Iowa Code section 68A.102(5) or 68A.102(18) prior to the cutoff date for reporting campaign transactions, or has made an independent expenditure shall file a campaign disclosure report pursuant to Iowa Code section 68A.402. Form IE-O shall serve as a campaign disclosure report for an independent expenditure committee. Form IE-I shall serve as a campaign disclosure report for a sole individual making an independent expenditure.

4.7(2) *Information on initial report.* The first disclosure report filed by a committee shall include the financial information covering the period from the beginning of the committee's financial activity through the end of the current reporting period.

4.7(3) *Funds available from prior committee.* If funds are available to a candidate's committee from a prior candidacy of that candidate, or to a ballot issue committee from a prior effort on a ballot issue, and the prior candidacy or effort had not exceeded the financial reporting threshold, the carryover balance shall be disclosed by the new committee. The disclosure shall be made on Schedule A - Contributions and shall include the amount of the carryover, the date of the prior election, and the name and address of any source that made contributions to the candidacy or ballot effort that totaled more than $1,000 during the preceding three calendar years.

4.7(4) *Funds available from preballot issue activity.* Funds that are raised for an activity that is not included in the definition of a ballot issue and that are made available to a subsequent ballot issue committee shall be disclosed by the committee. The disclosure shall be made on Schedule A - Contributions and shall include the amount of the carryover balance, the date of the preballot issue activity, and the name and address of any source that made contributions to the activity that totaled more than $1,000 during the previous three calendar years.

4.7(5) *No financial activity during reporting period.* A committee that did not have any financial activity during the reporting period for which a disclosure report is due shall be required to file only Form DR-2. However, if the committee had previously disclosed debts or loans, those obligations shall again be disclosed on either Schedule D - Incurred Indebtedness or Schedule F - Loans Received and Repaid, as appropriate, and the schedule or schedules shall be included with Form DR-2. A candidate's committee that has reportable campaign property under Iowa Code section 68A.304 shall disclose the property on Schedule H - Campaign Property and the schedule shall be included with Form DR-2.

This rule is intended to implement Iowa Code section 68A.402.

351—4.8(68A,68B) Disclosure reporting required—where reports filed.

4.8(1) *Place of filing.* Disclosure reports shall be filed through the board's electronic filing system.

4.8(2) *Reports made available.* The board shall make available all statements and reports in an electronic format.

This rule is intended to implement Iowa Code sections 68A.401 and 68A.402.

351—4.9(68A) Campaign disclosure report due dates.

4.9(1) *Statewide office, general assembly, judge standing for retention.* A candidate's committee for statewide office or the general assembly or a judge standing for retention shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 or Wednesday preceding primary election* through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 or Wednesday preceding general election* through December 31 of election year

b. Supplementary report.

Report due	Covering period
Friday preceding primary election*	May 15 through Tuesday preceding primary election*
Friday preceding general election*	October 15 through Tuesday preceding general election*

*If supplementary report required. See subrule 4.9(2).

c. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

d. Special election.

Report due	Covering period
Five days preceding the election*	Date of initial activity through tenth day prior to the special election

This report is in addition to the election year reports required under paragraph 4.9(1)"a."*

4.9(2) *Statewide office or general assembly—supplementary reports.* In addition to reports required under subrule 4.9(1), a supplementary report is required if contributions received during the period beginning on the date of initial financial activity, or the day after the period covered by the last report, as applicable, through the Tuesday preceding the primary or general election equal or exceed the following thresholds:

Office sought	Contribution threshold
Governor	$10,000 or more
Other statewide office	$5,000 or more
General assembly	$1,000 or more

4.9(3) *County candidate.* A candidate's committee for county office shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

c. Special election.

Report due	Covering period
Five days preceding the election*	Date of initial activity through tenth day prior to the special election

This report is in addition to the election year reports required under paragraph 4.9(3)"a."*

4.9(4) *City candidate.* A candidate's committee for city office shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period

Five days before primary election	Date of initial activity through ten days before primary election
Five days before general election	Nine days before primary election through ten days before general election
Five days before runoff election*	Nine days before the general election through ten days before the runoff election
January 19 (next calendar year)	Cutoff date from previously filed report through December 31

*If a runoff election is held.

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

c. Special election.

Report due	Covering period
Five days preceding the election*	Date of initial activity through tenth day prior to the special election

This report is in addition to the election year reports required under paragraph 4.9(4)"a."*

4.9(5) *School board or other political subdivision.* A candidate's committee for school board or other political subdivision office, except for county office or city office, shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
Five days before election	Date of initial activity through ten days before election
January 19 (next calendar year)	Nine days before election through December 31

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

c. Special election.

Report due	Covering period
Five days preceding the election*	Date of initial activity through tenth day prior to the special election

This report is in addition to the election year reports required under paragraph 4.9(5)"a."*

4.9(6) *State statutory political committee (state political party).* A state statutory political committee shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(7) *County statutory political committee (county central committee).* A county statutory political committee shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(8) *State political committee (state PAC).* A PAC expressly advocating the nomination, election, or defeat of candidates for statewide office or the general assembly or a judge standing for retention shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

b. Nonelection year.

Report due	Covering period
July 19	January 1 through June 30
January 19 (next calendar year)	July 1 through December 31

4.9(9) *County political committee (county PAC).* A PAC expressly advocating the nomination, election, or defeat of candidates for county office shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
May 19	January 1 through May 14
July 19	May 15 through July 14
October 19	July 15 through October 14
January 19 (next calendar year)	October 15 through December 31 of election year

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(10) *City political committee (city PAC).* A PAC expressly advocating the nomination, election, or defeat of candidates for city office shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
Five days before primary election	Date of initial activity through ten days before primary election
Five days before general election	Nine days before primary election through ten days before general election
Five days before runoff election*	Nine days before the general election through ten days before runoff election
January 19 (next calendar year)	Cutoff date from previously filed report through December 31

*If a runoff election is held.

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(11) *School board or other political subdivision political committee (school board or other local PAC).* A PAC expressly advocating the nomination, election, or defeat of candidates for school board or other political subdivision office, except for county office or city office, shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
Five days before election	Date of initial activity through ten days before election

January 19 (next calendar year)	Nine days before election through December 31

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(12) *Statewide or local ballot issue committee (ballot issue PAC).* A PAC expressly advocating the passage or defeat of a statewide or local ballot issue shall file campaign disclosure reports as follows:

a. Election year.

Report due	Covering period
Five days before election	Date of initial activity or previous report through ten days before election
May 19	Date of initial activity or previous report through May 14
July 19	Date of initial activity or previous report through July 14
October 19	Date of initial activity or previous report through October 14
January 19 (next calendar year)	Cutoff date from previously filed report through December 31

b. Nonelection year.

Report due	Covering period
January 19 (next calendar year)	January 1 through December 31 of nonelection year

4.9(13) *Permanent organizations.* A permanent organization temporarily engaging in political activity shall organize a political committee and shall keep the funds relating to that political activity segregated from its operating funds. The committee shall file reports on the applicable due dates as required by this rule. The reports shall identify the source of the original funds used for a contribution made to a candidate or a candidate's committee. When the permanent organization ceases to be involved in the political activity, the permanent organization shall dissolve the political committee. "Permanent organization" means an organization that is continuing, stable, and enduring, and was originally organized for purposes other than engaging in election activities.

4.9(14) *"Election year" defined.* "Election year" means a year in which the name of the candidate or ballot issue appears on a ballot to be voted on by the electors of the state of Iowa. For state and county statutory political committees, "election year" means a year in which primary and general elections are held.

4.9(15) *Independent expenditure reporting.* An independent expenditure committee that is required to file campaign disclosure reports shall file an initial report at the same time as the committee files its original independent expenditure statement. Form IE-O shall serve as a campaign disclosure report for an independent expenditure committee. Form IE shall serve as a campaign disclosure report for an individual making an independent expenditure.

This rule is intended to implement Iowa Code section 68A.402.

351—4.10(68A) Time of filing. A report must be filed with the board on or before 4:30 p.m. on the due date. If the due date falls on a Saturday, Sunday, or holiday on which the board office is closed, the due date is extended to the first working day when the board office is open.

This rule is intended to implement Iowa Code sections 68A.401(1) and 68A.402.

351—4.11(68A) Voluntary registration—Form DR-SFA.

4.11(1) *Voluntarily registering a committee.* A committee that has not exceeded the $1,000 financial filing threshold may file Form DR-SFA for purposes of using the short form "paid for by" attribution statement prior to distributing the published material containing the short form attribution statement.

4.11(2) *Threshold later exceeded.* A person filing Form DR-SFA shall not be required to file a statement of organization or be required to file disclosure reports unless the $1,000 threshold is later

exceeded. A committee that fails to timely file a statement of organization or to timely file disclosure reports after exceeding the $1,000 threshold may be subject to board sanctions.

4.11(3) *Subsequent elections.* A person who filed Form DR-SFA for one election and then becomes involved in a subsequent election and wants to voluntarily register a committee shall file a new or amended Form DR-SFA that provides information concerning the new election.

This rule is intended to implement Iowa Code sections 68A.201 and 68A.405.

351—4.12(68A,68B) Exemption from reporting requirement—reports due within five days of one another. When two disclosure reports are due from the same committee within five days of each other, the activity may be combined into one report. A committee choosing this option shall file a report on or before the second due date that covers the extended reporting period.

This rule is intended to implement Iowa Code section 68A.402.

351—4.13(68A,68B) Report forms—summary page (DR-2) and supporting schedules.

4.13(1) *Additional information.* The board may require committees to submit relevant information not specifically delineated in Iowa Code chapter 68A where the disclosure report form asks for information.

4.13(2) *Reporting forms.* The disclosure reports shall be submitted using the forms provided in the board's electronic filing system. The forms include:

a. DR-2 — Disclosure Summary Page.
b. Schedule A — Monetary Receipts.
c. Schedule B — Monetary Expenditures.
d. Schedule C — (Reserved).
e. Schedule D — Incurred Indebtedness.
f. Schedule E — In-kind Contributions.
g. Schedule F — Loans Received and Repaid.
h. Schedule G — Consultant Activity.
i. Schedule H — Campaign Property.

4.13(3) *Special information required for city, school, or local ballot issue elections.* Committees expressly advocating the election or defeat of a candidate for city or school public office or expressly advocating the passage or defeat of a local ballot issue shall indicate in the designated spaces on the report summary page the date that the election is to be held, the period covered by the disclosure report, and the county responsible for conducting the election.

4.13(4) *Independent expenditure disclosures.* Form IE-O shall serve as a campaign disclosure report for an independent expenditure committee. Form IE shall serve as a campaign disclosure report for an individual making an independent expenditure.

This rule is intended to implement Iowa Code sections 68A.402A and 68A.404.

351—4.14(68A,68B) Schedule A - Monetary Receipts.

4.14(1) *Reporting of all monetary receipts; chronological listing.* The committee shall report the amounts of all monetary receipts that are accepted by the committee during the reporting period. If a contribution is returned to a contributor prior to the end of the reporting period and is not deposited into the committee's bank account, the contribution is deemed to have been rejected and shall not be reported. A contribution that is physically received and either deposited into the committee's account or not returned by the end of the reporting period is deemed to have been accepted. The schedule entries shall be listed in chronological order by the date on which the contribution was received.

4.14(2) *Date of contribution—date received.* The schedule shall include the month, day, and year that the contribution was physically received by a person on behalf of the committee. If the contribution is by check, the date of the contribution to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on

the check. For contributions received by mail, the date of the contribution to be reported shall be the date that the recipient physically opens the envelope.

4.14(3) *Name and address of contributor; joint accounts.* The schedule shall include the name and address of each person who has made one or more contributions of money to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds $25, except that the itemization threshold is $200 for a state statutory political committee and $50 for a county statutory political committee. In the case of a contribution by check, the contributor name on the disclosure report shall be the name shown as the account name on the account, except that if the check is on a joint account, the contribution shall be presumed to be from the person who signs the check.

4.14(4) *Unitemized contributions through freewill donations.* If the committee does not choose to itemize all contributions under the threshold provided in Iowa Code section 68A.402A, it shall aggregate these contributions, report the aggregate amount as unitemized, and affirm that all aggregated contributions do not individually exceed the threshold. The "date received" to be reported for a freewill donation is the date a representative of the committee takes possession of the proceeds of the collection.

4.14(5) *Relationship to candidate.* In the case of contributions to candidates' committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity.

4.14(6) *Relationship to candidate—definitions.* For purposes of this rule:

"Affinity" means a relative through a current marriage. A husband has the same relation, by affinity, to his wife's blood relatives as she has to them by consanguinity and vice versa.

"Consanguinity" means a relative through descent from common ancestors.

"Degree of kinship" is determined by counting upward from one of the persons in question to the nearest common ancestor, and then down to the other person, calling it one degree for each generation in the ascending as well as the descending line.

4.14(7) *Relationship to candidate—example.* Under this rule, a woman's sister is related to her by consanguinity in the second degree. The sister is thus related to the woman's husband by affinity in the second degree. Other examples of relationships within the third degree between a contributor and a candidate would be the following: children and stepchildren (first degree); siblings and half-siblings (second degree); grandparents (second degree); grandchildren (second degree); aunts and uncles (third degree); nieces and nephews (third degree); great-grandparents (third degree) and great-grandchildren (third degree), all irrespective of whether the blood relationship is to the candidate or to the candidate's spouse.

4.14(8) *ID number and check number.* If a contribution to a statewide or general assembly candidate or a judge standing for retention is from a state political committee (state PAC) or state party committee, the candidate receiving the contribution shall include on the candidate's disclosure report the board-assigned identification number of the contributing committee and the check number by which the contribution was made.

4.14(9) *Fundraiser income.* Contributions arising from the sale of goods or services at a fundraising event shall be designated by marking the indicated space on the schedule.

4.14(10) *Interest and other monetary receipts other than contributions.* If the monetary receipt is not a "contribution," the name and address of the source of the funds shall be identified in the space provided for the name and address of "contributor," with a notation as to the purpose of the payment, such as "bank interest."

4.14(11) *Reverse entries—refunds.* If a committee determines to decline or otherwise return a contribution after it has been deposited, the committee may issue a refund to the contributor, which shall be reported on Schedule A as a reverse entry, reducing the monetary receipts.

This rule is intended to implement Iowa Code section 68A.402.

351—4.15(68A,68B) Schedule B - Monetary Expenditures.

4.15(1) *Date expended.* The committee shall report the amounts of all itemized expenditures (expenditures of $5 or more) made by the committee for the reporting period chronologically by the date expended. The date of the expenditure is the date the check is issued. The month, day, and year of the expenditure shall be provided.

4.15(2) *Name and address of recipient.* The schedule shall include the name and address of each person to whom disbursements, other than loan repayments, were made during the reporting period. (Loan repayments shall be reported on Schedule F.)

4.15(3) *Purpose of expenditure.* The schedule shall include a description of the purpose of each disbursement. The description shall be a clear and concise statement that specifically describes the transaction which has occurred. The following general terms are examples of descriptions that are not acceptable: "expenses," "reimbursement," "candidate expense," "services," "supplies," and "miscellaneous expense." The following are examples of acceptable descriptions: "printing—candidate yard signs," "printing—PAC membership solicitation letter," "mailing—candidate brochures," "reimbursement for candidate lodging to attend campaign event," or "mileage reimbursement—150 miles @ 25¢ per mile." A combined description is not acceptable unless sufficient information is provided so that the cost of separate purposes can be discerned, for example, "printing and mailing of 1,000 brochures."

4.15(4) *Miscellaneous (unitemized) expenses.* Notwithstanding the other provisions of this rule, disbursements of less than $5 may be shown as "miscellaneous expenses" for the period so long as the aggregate miscellaneous disbursements to any one person during a calendar year do not exceed $100. If a committee chooses to itemize expenditures that are less than the required itemization threshold, it may do so, but shall either do so for all expenditures or none of the expenditures under the threshold.

4.15(5) *Candidate ID number and committee check number—transactions between committees registered with the board.* If a contribution is made by one Iowa-registered committee to another, the committee making the contribution shall include on the committee's disclosure report the board-assigned identification number of the recipient candidate's committee and the check number by which the contribution was made.

4.15(6) *Check transactions required.* All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check or debit card. Cash withdrawals and "petty cash" accounts are not permitted. Committees' activities that necessitate cash drawers or other cash transactions shall be conducted and reported as provided by rule 351—4.36(68A,68B).

4.15(7) *Reverse entries—refunds.* If a committee receives a refund of all or part of a disbursement previously made, the committee shall report the refund on Schedule B as a reverse entry, reducing the monetary expenditures. The purpose should include an explanation as to why the refund was made.

4.15(8) *Interest paid; bank charges.* Although repayments of loan principal are reported on Schedule F (more information can be found in rule 351—4.18(68A,68B)), interest payments on loans shall be reported on Schedule B. Bank service charges and fees (e.g., monthly service fees, costs for check printing, returned check charges) shall also be reported and identified on Schedule B.

This rule is intended to implement Iowa Code section 68A.402.

351—4.16(68A,68B) Schedule D - Incurred Indebtedness.

4.16(1) *Reporting of debts and obligations other than monetary loans.* The committee shall report all debts and obligations owed by the committee that are in excess of the thresholds in subrule 4.14(3). This applies to any unpaid debt or obligations incurred by the committee for the purchase of a good or service, either as a debt or obligation owed to the immediate provider of the good or service, or as a debt or obligation owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee. This does not include monetary loans, which shall be reported on Schedule F.

4.16(2) *Date incurred; balance owed.* The committee shall report the amounts of all indebtedness owed by the committee at the end of the reporting period chronologically by the date incurred. The date the debt or obligation is incurred is the date on which the committee committed to obtaining the good or service underlying the obligation and shall be reported using the month, day, and year. This date may be earlier than the date the provider of the good or service issues a bill to the committee. For example, if the committee places a printing order, but the printer does not issue a bill until some time after the order is placed, the date that shall be reported as the date the debt was incurred is the date the order is placed, not the date the bill was issued. If the precise amount of the final bill is not known by the time the report is due, the committee shall provide its best estimate as to what the obligation will be, with an indication "(e)" that the amount reported is an estimate. Debts and obligations incurred and reported in a prior reporting period but that remain unpaid as of the end of the current reporting period shall be included, showing the remaining balance on the obligation. Payments of all or part of a previously reported obligation shall be reported on Schedule D.

4.16(3) *Name and address of person to whom the debt or obligation is owed.* The schedule shall contain the name and address of each person to whom an obligation is owed. If the obligation is owed to an individual who initially personally paid for the good or service on behalf of the committee with the expectation of ultimately receiving reimbursement from the committee, the original nature of the obligation shall be provided; the name and address of the original provider of the good or service shall also be provided, unless the nature of the obligation indicates that the obligation is for the anticipated reimbursement for mileage or postage stamps.

4.16(4) *Nature of obligation.* The schedule shall include a description of the nature of each obligation. The description shall be a clear and concise statement that specifically describes the transaction that has occurred. Examples of general terms that are not acceptable are included in subrule 4.15(3).

This rule is intended to implement Iowa Code section 68A.402.

351—4.17(68A,68B) Schedule E - In-kind Contributions.

4.17(1) *Reporting of all in-kind contributions; chronological listing.* The committee shall report the amounts of all in-kind contributions that are accepted by the committee during the reporting period in chronological order by the date on which the contribution is received.

4.17(2) *Date of contribution—date received.* The schedule shall include the month, day, and year on which the in-kind contribution was provided to the committee.

4.17(3) *Name and address of contributor.* The schedule shall include the name and address of each person who has made one or more in-kind contributions to the committee if the aggregate amount of contributions (either monetary or in-kind) received from that person in the calendar year exceeds $25, except that the itemization threshold is $200 for a state statutory political committee and $50 for a county statutory political committee.

4.17(4) *Relationship to candidate.* In the case of in-kind contributions to candidates' committees, the schedule shall include information indicating whether the contributor is related to the candidate within the third degree of consanguinity or affinity as defined in subrule 4.14(5).

4.17(5) *Description of in-kind contribution; loaned equipment as in-kind contribution.*

a. The schedule shall include a description of the good or service contributed to the committee in kind. The description shall be a clear and concise statement that specifically describes the transaction that has occurred. Examples of general terms that are not acceptable are included in subrule 4.15(3).

b. A committee's use of equipment owned by another organization, committee, or individual is reportable as an in-kind contribution. Equipment includes but is not limited to computers, copy machines, office space, and printers.

4.17(6) *Fair market value.* The committee shall report the actual value of the good or service rendered. However, if the actual value is unknown, the committee may use the estimated fair market value.

4.17(7) *Fundraiser item.* Goods or services contributed in kind for sale at a fundraising event shall be designated by marking the indicated space on the schedule.

4.17(8) *Unitemized in-kind contributions.* Notwithstanding the other provisions of this rule, in-kind contributions with a fair market value less than the itemization threshold noted in subrule 4.17(3) may be reported as "unitemized in-kind contributions."

This rule is intended to implement Iowa Code section 68A.402.

351—4.18(68A,68B) Schedule F - Loans Received and Repaid.

4.18(1) *Reporting of monetary loans (not debts and obligations for goods and services).* The committee shall report all loan activity made to or repaid by the committee during the reporting period. This applies to any loan of money that is deposited into the committee's accounts. However, other debts and obligations owed for the provision of goods or services to the committee (that are not monetary advances) shall be reported on Schedule D.

4.18(2) *Report of lump sum of unpaid loans carried over from last report.* The schedule shall contain a beginning entry of the total unpaid loans as of the last report. Loans received and itemized on prior reports should not be re-itemized on the current report, except as necessary to indicate repayment activity.

4.18(3) *Date received.* The schedule shall include the month, day, and year the loan was physically received by a person on behalf of the committee. If the loan was by check, the date of the loan to be reported is the date the check is physically received by a person on behalf of the committee, even if this date is different from the date shown on the check.

4.18(4) *Date paid.* Full or partial loan repayments made by the committee shall be reported using the month, day, and year. The date of the repayment is the date the check is issued. Full or partial loan repayments shall be shown on this schedule and should not be reported on Schedule B. However, loan interest payments shall be reported on Schedule B (more information can be found in rule 351—4.15(68A,68B)) and not on Schedule F. Loans that are forgiven in full or in part are considered in-kind contributions and shall be itemized on Schedule E, with a cross-reference entry in the space provided on Schedule F.

4.18(5) *Name and address of lender.* The schedule shall include the name and address of each person who has made one or more loans of money to the committee during the reporting period, or to whom the committee makes a loan repayment during the reporting period. When the original source of the money is a third party (such as a bank that loans money to an individual who loans it to the committee) or if a third party has personally paid and assumed a loan from the original lender (such as an individual who pays off the loan to the bank with the expectation of receiving the loan repayment from the committee), the report shall also identify the name and address of the third party.

4.18(6) *Relationship to candidate.* In the case of monetary loans to candidates' committees, the schedule shall include information indicating whether the lender is related to the candidate within the third degree of consanguinity or affinity, as defined in subrule 4.14(5).

This rule is intended to implement Iowa Code section 68A.402.

351—4.19(68A) Schedule G - Breakdown of Monetary Expenditures by Consultants.

4.19(1) *Reporting consultant expenditures.* A committee that enters into a contract with a consultant for future or continuing performance shall be required to report expenditures made to the consultant and the nature of the performance of the consultant that is expected to be received by the committee. A committee is required to report in Part 1 of Schedule G any contracts with consultants that it has negotiated, the complete name and address of the consultant, the period of time during which the contract is in effect, and estimates of performance to be derived from the contract. Expenditures made to the consultant during a reporting period shall be reported with all other expenditures on Schedule B, and debts incurred with the consultant during the reporting period shall be reported with all other debts on Schedule D. Additionally, a detailed breakdown of the expenditures made by the consultant in furtherance of the contract with the committee shall be reported by the

committee in Part 2 of Schedule G and shall include the date, purpose, and amount of the expenditure. The description of the purpose of the expenditure shall be consistent with the provisions of subrule 4.15(3).

4.19(2) *Definitions.* For purposes of this rule:

"Contract" means an oral or written agreement between two parties for the supply or delivery of specific services in the course of the campaign.

"Estimate of performance" means a clear description of the services the committee reasonably expects to receive or the benefit the committee reasonably expects to derive during the period of the contract.

"Nature of performance" means a clear description of the specific services received or benefit derived as the result of a contract with a consultant.

"Performance" means the execution or fulfillment of the contractual agreement.

This rule is intended to implement Iowa Code sections 68A.102(9) and 68A.402A.

351—4.20(68A,68B) Schedule H - Campaign Property.

4.20(1) *Ongoing inventory.* Equipment, supplies, or other materials purchased with campaign funds or received in kind are campaign property. Campaign property, other than consumable campaign property, with a value of $500 or more when acquired by the committee shall be listed on the inventory section of Schedule H. The property shall be listed on each report until it is disposed of by the committee or its residual value falls below $100, so long as the property is listed with a value of less than $100 on the report immediately following its depreciation below that threshold. For in-kind contributions, the date received shall be the date on which the committee attained physical possession of the property. The committee shall provide the month, day, and year of the purchase or attainment of physical possession. The schedule shall include the purchase price of property purchased by the committee and the actual or estimated fair market value of property received as an in-kind contribution, as well as the actual or estimated current fair market value of the property at the end of the current reporting period.

4.20(2) *"Consumable campaign property" defined.* "Consumable campaign property" means stationery, yard signs, and other campaign materials that have been permanently imprinted to be specific to a candidate or election. For consumable campaign property purchased by the committee, the date purchased shall be the earlier of the date the committee attained physical possession of the property or the date the committee issued payment for the property.

4.20(3) *Sales or transfers of campaign property.* Schedule H shall include information regarding the sale or transfer of campaign property, other than consumable campaign property, that occurred during the current reporting period. The information shall include the month, day, and year of the transaction; the name and address of the purchaser or donee; and a description of the property. If the property is sold, the information shall include the sale price received; if the property is donated, the information shall include the fair market value of the property at the time of the transfer.

This rule is intended to implement Iowa Code sections 68A.304 and 68A.402.

351—4.21(68A) Filing of reconciled bank statement. A candidate, a committee, an independent expenditure committee, or a sole individual filing Form IE-I may be required to submit a copy of a bank statement including a reconciliation to justify outstanding checks and other discrepancies between the ending balance on the bank statement and the ending balance on a statement or report when requested to do so by the board. The board may impose sanctions against a person for failing to file a requested reconciled bank statement.

This rule is intended to implement Iowa Code sections 68A.402A and 68B.32A(4).

351—4.22(68A,68B) Verification of reports; incomplete reports.

4.22(1) Board staff will review and audit each disclosure report. The board may contact other parties to verify the accuracy and completeness of the reports. The board may contact a representative

of the committee and other parties to determine the authenticity of information provided on filed reports.

4.22(2) If, upon review, board staff determines that a report is incomplete because required information has been omitted or has been incorrectly reported, staff shall communicate the deficiencies. A failure to satisfactorily respond to or to remedy the error or omission may be grounds for a violation of Iowa Code section 68A.402 as a failure to file a report that conforms to the requirements of Iowa law.

This rule is intended to implement Iowa Code sections 68A.402 and 68B.32A.

351—4.23(68A,68B) Amendment—statements, disclosure reports and notices. A committee may amend a previously filed statement of organization, disclosure report, or notice of dissolution. To amend a previously filed statement, report, or notice, the committee shall file an amended document on the approved form and shall designate on the form in the space provided, if applicable, that the document being filed is an amendment to a previously filed statement, report, or notice. The term "amended document" as used in this rule shall mean a document on forms issued by the board that includes only the information that is being added, deleted, or changed.

This rule is intended to implement Iowa Code section 68A.402.

351—4.24(68A) Reporting of state party building fund transactions.

4.24(1) *Reporting requirements.* Pursuant to Federal Election Commission Advisory Opinion 2004-28, the board will permit a state statutory political committee (state party committee) to receive contributions from corporations, insurance companies, and financial institutions when those contributions are placed in the state party building fund account and used to pay for costs associated with the building, and all transactions involving the fund are disclosed pursuant to this rule.

4.24(2) *Period covered.* A state party building fund report shall cover the time period from January 1 through December 31 of the previous year.

4.24(3) *Information to be disclosed.* The following information shall be disclosed on a state party building fund report:

a. The name and address of the state party committee.

b. The name and address of each person or entity making a contribution in excess of $200, or contributions in the aggregate that exceed $200, during the period covered. If no contributions were received, the report shall disclose $0 as contributions received.

c. The month, day, year, and the amount of the contribution. If aggregate contributions from one person or entity exceed $200, the amount to be disclosed shall be the total amount received from that person or entity for the period covered, and the date shall be the date of the last contribution.

d. The total amount of all contributions of $200 or less received during the period covered, which may be disclosed as being received from "unitemized" with the date of the contribution being the last day of the reporting period. If a fund chooses to itemize contributions that are less than the required itemization threshold, it may do so but shall either do so for all contributions or none of the contributions under the threshold.

e. The name and mailing address of each person or entity to whom an expenditure that exceeds $200 is made, or expenditures in the aggregate that exceed $200 during the period covered. If no expenditures were made from the fund, the report shall disclose $0 as expenditures made.

f. The month, day, and year and the amount of the expenditure. If aggregate expenditures that exceed $200 are made to one person or entity, the amount shall be the total amount made to that person for the period covered and the date shall be the date of the last expenditure.

g. The total amount of all expenditures of $200 or less made during the period covered, which may be disclosed as being expended to "unitemized" with the date of the expenditure being the last day of the reporting period. If the fund chooses to itemize expenditures that are less than the required itemization threshold, it may do so, but shall either do so for all expenditures or none of the expenditures under the threshold.

h. The signature and date of the individual filing the state party building fund report.

4.24(4) *Time of filing.* A state party building fund report shall be filed no later than January 31 of each year. If January 31 falls on a weekend or holiday on which the board office is closed, the due date shall be extended to the next working day when the board office is open.

4.24(5) *Failure to file.* If the board determines a state party committee has failed to timely file a state party building fund report, the state party committee is subject to board sanctions.

This rule is intended to implement Iowa Code sections 68A.402A(1)*"k"* and 68A.503.

351—4.25(68A,68B) Legitimate expenditures of campaign funds.

4.25(1) Expenses that may be paid from campaign funds for campaign purposes include but are not limited to the following items, so long as the items are for the sole purpose of promoting or enhancing the candidacy of the candidate:

a. Electronic media advertising, such as radio, television, and Internet.

b. Printed advertising, such as newspaper, magazine, newsletter, and shopper advertising.

c. Printed promotional materials, such as brochures, flyers, invitations, stationery, envelopes, reply cards, return envelopes, campaign business cards, direct mailings, buttons, stickers, bumper stickers, pencils, pens, balloons, notepads, magnets, key chains, and articles of clothing that include political advertising.

d. Campaign signs, such as yard signs, car signs, and billboards.

e. Travel and lodging expenses of campaign workers for campaign purposes and political party activities. Travel and lodging expenses for a candidate to attend a national political party convention are also permitted.

f. Contributions to political party committees.

g. The purchase of tickets to a meal for the candidate and one guest. However, the purchase or rental of clothing to attend an event is not a permissible campaign expenditure.

h. General campaign expenditures, such as printing; mailing; office supplies; photographs; gambling permits; fundraiser prizes; and telephone, Internet, and computer services.

i. Purchase or lease of campaign equipment, such as copy machines, telephones, computer hardware, software, and printers.

j. Purchase or lease of campaign office space, parking lots, or storage space and payment for campaign office utilities and maintenance.

k. Payment of salaries, fringe benefits, bonuses, and payroll taxes of paid campaign staff. Family members who perform actual work or services for a campaign and are not the candidate, candidate's spouse, or candidate's dependent children may be compensated for such work or services.

l. Payment for check printing and financial institution banking service charges. Banking service charges include but are not limited to the costs of maintaining a committee bank account.

m. Lease or rental of a campaign vehicle, provided that a detailed trip log that provides dates, miles driven, destination, and purpose is maintained. Noncampaign miles shall be reimbursed to the committee at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code. The purchase of a campaign vehicle is prohibited.

n. Reimbursement to candidates and campaign workers for mileage driven for campaign purposes in a personal vehicle, provided that a detailed trip log that provides dates, miles driven, destination and purpose is maintained. Reimbursement shall be paid at an amount not to exceed the current rate of reimbursement allowed under the standard mileage rate for computations of business expenses pursuant to the Internal Revenue Code.

o. Payment for food expenses and supplies for campaign-related activities, such as the purchase of food, beverages, and table service for fundraising events or campaign volunteers. However, except as provided in paragraph 4.25(1)*"h,"* the purchase of tickets for meals or fundraising events for other candidates is prohibited, and the purchase of groceries for the candidate or candidate's family is also

prohibited. Payment for meals for the candidate is permitted as an allowable expenditure for campaign purposes if the meal was associated with campaign-related activities.

p. Payment of civil penalties and hearing costs assessed by the board.

q. Payment for the services of attorneys, accountants, consultants, or other professional persons when those services relate to campaign activities.

r. Subscriptions to newspapers and periodicals that circulate within the area represented by the office that a candidate is seeking or holds that contain information of a general nature about the state or political subdivision, and subscriptions that contain information useful to all candidates, such as those to national news outlets.

s. Membership in service organizations, including a local chamber of commerce.

t. Repayment of loans made to the committee. Candidates who make loans to their own committees shall not charge interest on the loans.

u. Purchase of reports of other candidates and political committees so long as the reports' contents are not used for solicitation or commercial purposes.

v. Donations to charitable organizations unless the candidate or the candidate's spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent is employed by the charitable organization and will receive a direct financial benefit from the donation.

w. Contributions to federal, state, county, and city political party committees.

x. Refunds to contributors when a contribution has been accepted in error or when a committee chooses to dispose of leftover funds by refunding them in prorated shares to contributors.

y. Payment for items with a purchase price not to exceed $250 per person that are presented to committee workers in recognition of services to the committee.

z. Expenses incurred with respect to an election recount as provided in Iowa Code section 50.48.

aa. The sharing of information in any format, such as yard sign locations, email lists, or lists of registered voters, with another candidate's committee.

4.25(2) Expenses that may be paid from campaign funds for educational and other expenses associated with the duties of office include but are not limited to the following items:

a. Purchase or lease of office supplies and equipment, such as paper, copy machines, telephones, facsimile machines, computer hardware, software, and printers.

b. Travel, lodging, and registration expenses associated with attendance at an educational conference of a state, national, or regional organization whose memberships and officers are primarily composed of state or local government officials or employees.

c. Meals and other expenses incurred in connection with attending a local meeting to which the officeholder is invited and attends due to the officeholder's official position as an elected official.

d. Purchases of small, incidental items such as pencils, pens, rulers, and bookmarks provided to members of the public touring the offices of the state or a political subdivision. Such items, if intended for distribution on public property, shall not expressly advocate the election or defeat of a candidate or the adoption or defeat of a ballot issue as prohibited in Iowa Code section 68A.505. For example, a bookmark bearing the state seal could be distributed on public property, while a bookmark that identified the donor as a candidate for office could not.

e. Gifts purchased for foreign dignitaries when the officeholder is part of an official trip out of the country, such as a trade mission or exchange program.

f. Printing of additional stationery and supplies above the standard allotment of the state or political subdivision.

4.25(3) Expenses that may be paid from campaign funds for constituency services include but are not limited to the following items:

a. Mailings and newsletters sent to constituents, including holiday and other greeting cards.

b. Polls and surveys conducted to determine constituent opinions.

c. Travel expenses incurred in communicating with members of an elected official's constituency, provided that a detailed trip log with dates, miles driven, destination, and purpose is maintained. Mileage reimbursement shall be paid at an amount not to exceed the current rate of reimbursement allowed under the standard rate for computations of business expenses pursuant to the Internal Revenue Code. However, meal expenses are not allowable as expenses associated with constituency services under any circumstances.

This rule is intended to implement Iowa Code sections 68A.301, 68A.302, and 68A.303.

351—4.26(68A) Transfers between candidates.

4.26(1) *Transfer of assets between different candidates.* A candidate's committee may transfer an asset to a candidate's committee established by a different candidate so long as the recipient committee pays the transferring committee the fair market value of the asset and the transaction is properly disclosed on each committee's disclosure report.

4.26(2) *Transfer of assets for same candidate.* A candidate's committee may transfer funds, assets, loans, and debts to a committee established for a different office when the same candidate established both committees. A candidate seeking to transfer funds, assets, loans, or debts under this rule shall file either an amended statement of organization disclosing information for the new office sought or register a new committee regardless of whether the $1,000 financial filing threshold for the new office will be exceeded.

This rule is intended to implement Iowa Code section 68A.303.

351—4.27(68A) Independent expenditure requirements.

4.27(1) *Filing of independent expenditure statement.* Any person except a candidate, a committee filing a statement of organization, a federal committee, or an out-of-state committee that makes one or more independent expenditures in excess of $1,000 in the aggregate shall file Form IE-O. A sole individual making one or more independent expenditures in excess of $1,000 in the aggregate shall file Form IE-I. A committee that has registered by filing a statement of organization shall disclose an independent expenditure on the appropriate campaign disclosure report.

4.27(2) *Independent expenditure reporting.* When applicable under Iowa Code section 68A.404 and this rule, Form IE-O shall be filed by a person and Form IE-I shall be filed by a sole individual. Both forms shall be filed electronically within 48 hours of making the independent expenditure exceeding $1,000 in the aggregate or within 48 hours of disseminating the communication, whichever is earlier. An independent expenditure is deemed made at the time the cost is incurred regardless of whether or not the costs have been billed.

4.27(3) *Failure to file.* Failure to timely file either independent expenditure form shall be subject to the imposition of civil penalties pursuant to subrule 4.59(7).

4.27(4) *Attribution statement applicable.* Any person who makes an independent expenditure in any amount shall comply with the appropriate "paid for by" attribution statement requirements pursuant to Iowa Code section 68A.405 and rule 351—4.38(68A).

This rule is intended to implement Iowa Code section 68A.404.

351—4.28(68A) Contributions and independent expenditures by foreign nationals.

4.28(1) *Prohibition.* A foreign national shall not, directly or indirectly, make a contribution to a candidate or to a campaign committee organized under Iowa Code chapter 68A. Foreign nationals are also prohibited from making independent expenditures in relation to any state or local election in Iowa.

4.28(2) *Acceptance of campaign contributions and donations from foreign nationals.* No person shall knowingly accept or receive a campaign contribution from a foreign national. No person shall knowingly accept a monetary donation from a foreign national for purposes of making an independent expenditure.

4.28(3) *Participation by foreign nationals in decisions involving election-related activity.* A foreign national shall not, directly or indirectly, participate in the decision-making process of any person with regard to such person's campaign-related activities, including making contributions, donations, or expenditures in connection with elections for state or local office, ballot issues, or decisions involving the administration of a committee.

This rule is intended to implement Iowa Code section 68A.404(2)*"c."*

351—4.29(68A,68B) Contributions by minors. Persons under 18 years of age may make contributions to a candidate or political committee if all of the following conditions exist:

4.29(1) The decision to contribute is made knowingly and voluntarily by the minor;

4.29(2) The funds, goods, or services contributed are owned or controlled exclusively by the minor, such as income earned by the minor, the proceeds of a trust for which the minor is the beneficiary, or a savings account opened and maintained exclusively in the minor's name; and

4.29(3) The contribution is not made from the proceeds of a gift, the purpose of which was to provide funds to be contributed, or is not in any other way controlled by another person.

This rule is intended to implement Iowa Code section 68A.404.

351—4.30(68A,68B) Funds from unknown source prohibited; subsequent identification of source; notice to contributors.

4.30(1) *Anonymous contributions in excess of $25 prohibited.* No person shall make a contribution in excess of $25 to a committee without providing the person's name and address to the committee.

4.30(2) *Escheat to the state.* Any contribution in excess of $25 from an unknown source or campaign funds in excess of $25 that cannot be accounted for and reconciled shall escheat to the state of Iowa. A committee required to escheat shall do so by depositing the funds into the committee's campaign account and issuing a committee check to "State of Iowa" in the same amount. The committee check shall be sent to the board office for processing and transfer to the office of the treasurer of state, which shall deposit the check into the general fund.

4.30(3) *Subsequent identification of source.* A committee discovering the source of any funds that have been escheated to the state may make an application to the board for a return of the funds if the following requirements are met:

a. The committee has not dissolved;

b. Documentation of the name and address of the source is provided;

c. The amount requested to be returned is in excess of $100; and

d. The application is made within 90 days of the date of the deposit in the general fund of the state of Iowa.

4.30(4) *Notice at fundraising event.* A person requested to make a contribution at a fundraising event shall be advised that it is illegal to make a contribution in excess of $25 unless the person making the contribution also provides the person's name and address. Notice may be made orally or in a written statement that is displayed at the fundraising event.

This rule is intended to implement Iowa Code section 68A.501.

351—4.31(68A) Information required for contributions from a trust.

4.31(1) *Prohibition on contributions in the name of another.* A contribution to a committee by a trustee solely in the name of the trust constitutes a contribution in the name of another person prohibited by Iowa Code section 68A.502 unless the recipient committee publicly discloses the contribution as provided in this rule.

4.31(2) *Living or revocable trust.* If the contribution involves a trust identified as a revocable trust or a living trust that does not file a separate trust tax return and whose federal tax ID number is the same as the social security number of the grantor who creates the trust and who is also a trustee,

the contribution shall be reported by the recipient committee as being made by the "(name) revocable (or living) trust."

4.31(3) *Other trusts.* For a contribution involving a trust that does not qualify under subrule 4.31(2), the recipient committee shall identify the trust, the trustee, and the trustor.

4.31(4) *Registering a committee.* A trust, except for a living or revocable trust, that raises or spends more than $1,000 for campaign activities shall register a PAC and shall file disclosure reports. A trust, except for a living or revocable trust, that makes a one-time contribution in excess of $1,000 may file Form DR-OTC in lieu of filing a statement of organization and filing disclosure reports.

This rule is intended to implement Iowa Code sections 68A.402(6) and 68A.502.

351—4.32(68A) Contributions from political committees not organized in Iowa.

4.32(1) *Definition.* Iowa committees may receive contributions from committees organized outside Iowa provided the out-of-state committee complies with either subrule 4.32(2) or 4.32(3). For purposes of this rule, "out-of-state committee" means a committee that is registered with the campaign enforcement agency of another state or is registered with the Federal Election Commission. For purposes of this rule, "contribution" does not include an item purchased at fair market value from an Iowa committee.

4.32(2) *Regular filings.* Out-of-state committees may choose to comply with the regular disclosure filing requirements in Iowa Code sections 68A.201 and 68A.402 by filing a statement of organization and periodic disclosure reports.

4.32(3) *Verified statement of registration.* In lieu of regular filings referenced in subrule 4.32(1), the out-of-state committee shall file with the board a verified statement registration form (VSR) for each contribution in excess of $50. The VSR shall contain the following information:

a. The complete name, mailing address, email address, and telephone number of the out-of-state committee;

b. The state or federal agency with which the out-of-state committee is registered;

c. All parent entities or other affiliates or sponsors of the out-of-state committee;

d. The purpose of the out-of-state committee;

e. The name, mailing address, email address, and telephone number of an Iowa resident authorized to receive service on behalf of the out-of-state committee;

f. The name and mailing address of the Iowa recipient committee;

g. The date and amount of the contribution, including description if the contribution is in-kind; and

h. An attested statement that the jurisdiction with which the out-of-state committee is registered has reporting requirements substantially similar to those of Iowa Code chapter 68A. The statement shall include confirmation that the contribution is made from an account that does not accept contributions prohibited by Iowa Code section 68A.503 unless the contribution from the out-of-state committee is made to an Iowa ballot issue committee.

4.32(4) *When filed.* The VSR shall be filed with the board on or before the fifteenth day after the date of the contribution. For purposes of this rule, "date of the contribution" means the day, month, and year the contribution check is dated. If the board deems it necessary, a copy of any contribution check may be required to be filed within ten days after notice by the board.

4.32(5) *Enhanced filing.* An out-of-state committee determining that the jurisdiction under which the committee is registered does not have reporting requirements substantially similar to those of Iowa Code chapter 68A may choose to comply by enhancing the committee's filing in the other jurisdiction. The enhanced filing shall meet the reporting requirements of Iowa Code chapter 68A for the reporting period during which contributions to Iowa committees are made. The report shall cover a period of at least one month. An out-of-state committee choosing this option shall comply with the VSR procedures in subrule 4.32(3) and affirm that the report has been enhanced to satisfy the Iowa reporting requirements.

This rule is intended to implement Iowa Code section 68A.201A.

351—4.33(68A) Reporting of earmarked contributions. A political committee or a political party committee is permitted to receive a contribution that is earmarked to be donated to another committee. A political committee or political party committee receiving and transferring an earmarked contribution is required to list on its disclosure report the name of the contributor and the name of the candidate or committee for which the contribution is earmarked. The political committee or political party committee shall notify the recipient committee in writing of the name of the individual contributor and the name of the committee that originally received the contribution. The committee ultimately receiving the earmarked contribution shall disclose on its disclosure report both the name of the individual contributor and the name of the committee that originally received and then transferred the earmarked contribution. A ballot issue committee is not permitted to transfer earmarked contributions except to another ballot issue committee.

This rule is intended to implement Iowa Code section 68A.402.

351—4.34(68A) Copies of reports filed by 527 committees. If a 527 committee notifies the board that it is filing reports with the Internal Revenue Service, the 527 committee will be deemed in compliance with Iowa Code section 68A.401A. The board will then share a link on its website to the reports filed with the Internal Revenue Service or otherwise post the Internal Revenue Service reports on its website.

This rule is intended to implement Iowa Code section 68A.401A.

351—4.35(68A) Permanent organizations forming temporary political committees; one-time contributor filing Form DR-OTC.

4.35(1) *Form DR-OTC.* A permanent organization that makes a one-time contribution in excess of $1,000 to a committee may, in lieu of filing a statement of organization, disclosure reports, and a notice of dissolution, file Form DR-OTC. The following information shall be disclosed on Form DR-OTC:

a. The name and address of the organization making the contribution.

b. The name and address of a contact person for the organization.

c. The name and address of the campaign committee receiving the contribution. If the contribution is to a candidate or a candidate's committee, the source of the original funds used to make the contribution shall be disclosed.

d. The date and amount of the contribution. If the contribution is an in-kind contribution, a description of the provided goods or services must be included.

e. The date of election and the county in which the recipient committee is located if the committee is a county or local committee.

f. The date and signature of the person filing Form DR-OTC. A Form DR-OTC that is filed electronically using the board's website is deemed signed when filed.

4.35(2) *Multiple contributions.* A permanent organization that makes more than one contribution in a calendar year is not eligible to file Form DR-OTC and is required to file a statement of organization and disclosure reports if the contributions cross the financial threshold requiring committee registration.

4.35(3) *Time of filing.* Form DR-OTC shall be filed with the board on or before 11:59 p.m. on the tenth day after the one-time contribution in excess of $1,000 is made. If the tenth day falls on a day on which the board office is closed, the filing deadline is extended to the next working day when the board office is open.

4.35(4) *Failure to register.* If the board discovers that a permanent organization has become subject to the provisions of Iowa Code chapter 68A but did not timely file a statement of organization or file Form DR-OTC, as applicable, the permanent organization may be subject to board sanctions.

4.35(5) *Partial refund of contribution.* A committee that receives a contribution from a permanent organization that causes the organization to become subject to the provisions of Iowa Code

chapter 68A may refund all or part of a contribution to the organization so as to reduce the contribution to $1,000 or less and eliminate the organization's filing obligations.

This rule is intended to implement Iowa Code sections 68A.102(18) and 68A.402.

351—4.36(68A) Cash transactions. All disbursements, including all expenditures and any other withdrawals from committee funds, shall be by check, debit card, or credit card. Cash withdrawals and "petty cash" accounts are not permitted. If a fundraising activity necessitates a cash drawer, the committee may issue a check payable to the committee treasurer or chairperson registered with the board or the candidate. The purpose of the expenditure shall be reported on Schedule B as "cash advance for (describe activity, e.g., concession stand cash drawer)." Upon completion of the fundraising activity, the committee shall redeposit the same amount as that which was advanced into the committee account. The redeposit shall be reported as a reverse entry on Schedule B as a "redeposit of cash advance for (describe activity)." The proceeds of the fundraising activity (excluding the cash advance) shall be reported on Schedule A.

This rule is intended to implement Iowa Code sections 68A.203 and 68A.402A.

351—4.37(68A,68B) Recordkeeping.

4.37(1) *Copies of reports.* A committee shall preserve a copy of every report it files for at least three years following the filing of the report.

4.37(2) *Supporting documentation.*

a. The documentation that supports a committee's disclosure report shall be preserved by the committee for at least five years after the due date of the report; however, a committee is not required to preserve these records for more than three years from the certified date of dissolution of the committee. At a minimum, the supporting documentation shall consist of all of the following:

b. A ledger or similar recordkeeping device which details all contributions received by the committee. This record shall include the name and address of each person making a contribution in excess of $25 with the corresponding date and amount of the contribution. In lieu of or in addition to a ledger, the committee may record contributions received through a receipt book or other method of individually documenting the contributions, such as by making and keeping copies of the contribution checks.

c. The check register for the committee's account(s).

d. Bank statements for the committee's account(s).

e. Copies of canceled or duplicate checks for committee expenditures, if available.

f. Copies of bills or receipts for committee expenditures.

g. For committees that pay reimbursement for committee-related mileage, copies of vehicle mileage logs, including travel dates, distance driven, and travel purpose (description of event or activity). For a candidate's committee that leases a vehicle, the mileage log shall detail all mileage driven on the vehicle, including non-committee-related mileage.

4.37(3) *Records forwarded.* An officer of a committee who is replaced by another officer shall forward within seven days any committee records to the subsequently appointed or elected committee officer. The board may grant an extension of time for good cause. Failure to forward records pursuant to this rule may subject the former officer to board sanctions.

This rule is intended to implement Iowa Code sections 68A.203, 68A.302, 68A.402, 68A.403 and 68B.32A.

DIVISION III
POLITICAL MATERIAL—ATTRIBUTION STATEMENTS

351—4.38(68A) Political attribution statement.

4.38(1) *Required content.* Published material that expressly advocates for or against a clearly identified candidate or ballot issue shall contain a statement identifying the person paying for the published material. This statement is referred to as the "attribution statement."

4.38(2) *Registered committee.* If the person paying for the published material is a committee that has filed a statement of organization, the words "paid for by" and the name of the committee shall appear on the material. An independent expenditure committee is not a registered committee.

4.38(3) *Individual, married couple, or unregistered candidate's committee.* If the person paying for the published material is an individual, the words "paid for by" and the name and address of the individual shall appear on the material. Published material that is jointly paid for by a married couple shall include the words "paid for by" and the name and address of one member of the married couple. For purposes of this rule, "individual" includes a candidate who has not filed a statement of organization to register a committee.

4.38(4) *Multiple individuals.* If more than one individual paid for the published material, the words "paid for by" and the names and addresses of the individuals shall be included.

4.38(5) *Organization or unregistered political committee.* If the person paying for the published material is an organization, the words "paid for by," the name and address of the organization, and the name of one officer of the organization shall appear on the material. For purposes of this rule, "organization" includes an organization advocating the passage or defeat of a ballot issue but that has not filed a statement of organization to register a political committee.

4.38(6) *Corporations.* If the person paying for the published material is a corporation, the words "paid for by," the name and address of the corporation, and the name and title of the corporation's chief executive officer shall appear on the material.

4.38(7) *Independent expenditures.* A person, including a sole individual, making an independent expenditure shall provide the attribution statement according to the appropriate category under this rule. The attribution statement shall also include a statement that the published material was not authorized by any candidate, candidate's committee, or ballot issue committee.

This rule is intended to implement Iowa Code section 68A.405.

351—4.39(68A) Specific items exempted from or subject to attribution statement requirement; multiple pages.

4.39(1) *Items exempted from requirement.* The requirement to place a "paid for by" attribution statement does not apply to the following:

a. Editorials or news articles of a media organization that are not paid advertisements.

b. Small items upon which the inclusion of the attribution statement would be impracticable, such as bumper stickers, pins, buttons, pens, pencils, emery boards, matchbooks and, except as set out in subrule 4.39(2), other items that are smaller than 2 inches by 4 inches.

c. T-shirts, caps, and other articles of clothing that expressly advocate for or against a candidate or ballot issue.

d. Radio advertisements, live telephone calls, or autogenerated telephone messages.

e. Published material placed by an individual who acts independently and spends $100 or less of the individual's own resources to expressly advocate the passage or defeat of a ballot issue.

4.39(2) *Items subject to requirement.* The requirement to place a "paid for by" attribution statement applies to published material. The term "published material" means any newspaper, magazine, shopper, outdoor advertising facility, poster, direct mailing, brochure, website, campaign sign, television, video, or motion picture advertising. "Published material" includes all of the following:

a. Advertising in a newspaper, magazine, shopper, or other periodical. An attribution statement shall be included regardless of the size of the material.

b. Mailings and handouts. Direct mailings, flyers, brochures, postcards, or any other form of published material that is physically distributed and that is larger than 2 inches by 4 inches and not otherwise exempt in this rule shall include an attribution statement.

c. Campaign websites. A blog that is not owned or controlled by a candidate or committee is not required to include an attribution statement disclosing who paid for the costs of the blog, but a political advertisement on a blog is required to include the appropriate attribution statement disclosing who paid for the advertisement.

d. Campaign signs. Campaign signs smaller than 32 square feet on one side shall be exempt from the attribution statement requirement. However, a campaign sign placed on a building or vehicle shall contain the appropriate attribution statement regardless of the size of the sign.

e. Television, video, and motion picture advertising. The attribution statement shall be displayed on the advertisement in a clearly readable manner for at least four seconds.

f. Printed or electronic general public political advertising. For purposes of this rule, "printed or electronic general public political advertising" means a communication that is distributed by a candidate, candidate's committee, PAC, state or county statutory political committee, or a person making an independent expenditure that:

(1) Includes express advocacy,

(2) Is distributed to 100 or more individuals, and

(3) Costs more than $1,000 in the aggregate.

4.39(3) *Multiple pages.* If the published material consists of more than one page, the "paid for by" attribution statement need only appear on one page of the material. For a campaign website, the attribution statement need only appear on the homepage of the site. A notepad need only include the attribution statement on the pad and not on each individual page of the pad.

This rule is intended to implement Iowa Code section 68A.405.

351—4.40(68A,68B) Newspaper or magazine. "Newspaper or magazine" means a regularly scheduled publication of news, articles of opinion, and features available to the general public, including by paid subscription, that does not require membership in or employment by a specific organization.

This rule is intended to implement Iowa Code section 68A.405.

351—4.41(68A,68B) Apparent violations; remedial action.

4.41(1) *Administrative resolution.* In an effort to informally resolve apparent violations of the requirement to place a "paid for by" attribution statement, the board may order administrative resolution of the matter. The board may direct the person responsible for placing the original published political material that did not include the attribution statement to place a correction notice in a local newspaper that reaches the same or substantially the same portion of the public that received the original published political material. A person may also resolve a violation of the "paid for by" attribution statement by resending corrected published political material to the same portion of the public that received the original published political material and by filing a copy of the corrected material with the board.

4.41(2) *Form of correction notice.* The correction notice shall be in substantially the following form: "On (date) (describe the type of published political material) was distributed that did not state who paid for it. The (describe the type of published political material) was paid for by (insert name)."

4.41(3) *Refusal to place correction notice.* The board may initiate a contested case proceeding and impose discipline against any person who refuses to place a correction notice under this rule.

This rule is intended to implement Iowa Code sections 68A.405 and 68B.32A(8).

351—4.42 and **4.43** Reserved.

DIVISION IV
CORPORATE POLITICAL ACTIVITY

351—4.44(68A,68B) Prohibited corporate activity.

4.44(1) The prohibition on corporate political activity does not apply to any of the following:

a. An LLC, LLP, or any other organization that does not file articles of incorporation and is not owned in whole or in part by a corporation.

b. Monetary or in-kind campaign contributions to a ballot issue committee.

c. Independent expenditure communications.

d. A campaign committee using a corporate entity computer to generate and file a campaign disclosure statement or report.

4.44(2) For purposes of this rule, prohibited corporate activity shall include but not be limited to the following:

a. The physical placement of campaign materials on corporate property except as permitted under Iowa Code sections 68A.406 and 68A.503.

b. The use of motor vehicles, telephone equipment, computers, office space, duplicating equipment and supplies, stationery, envelopes, labels, postage, postage meters, or other communication systems of corporate entities.

c. The use of corporate entity facilities, premises, recreational facilities, and housing that are not ordinarily available to the general public.

d. The furnishing of beverages and other refreshments that cost in excess of $50 and that are not ordinarily available to the general public.

e. Contributing money of the corporate entity.

f. Any other transaction conducted between a corporate entity and a candidate, candidate's committee, political committee that expressly advocates for or against candidates, or a political party committee. Such transaction is presumed to be a corporate contribution unless it is sufficiently demonstrated to the board that the transaction should not be considered a prohibited contribution under Iowa Code section 68A.503.

This rule is intended to implement Iowa Code section 68A.503.

351—4.45(68A,68B) Corporate-sponsored political committee. These rules do not prevent a corporate entity from soliciting eligible members to join or contribute to its own corporate-sponsored PAC.

This rule is intended to implement Iowa Code section 68A.503.

351—4.46 Reserved.

351—4.47(68A,68B) Permitted corporate activity—reimbursement required. Notwithstanding subrule 4.44(2), the following are permissible political activities by corporations.

4.47(1) *Purchase or rental of office facility.* A candidate's committee or any other committee that expressly advocates the election or defeat of a candidate may purchase or rent property belonging to a corporate entity, so long as the purchase or rental is at fair market value. For the purpose of this rule, "fair market value" means the amount that a member of the general public would expect to pay to purchase or rent a similar property within the community in which the property is located.

4.47(2) *Use or rental of corporate facilities by other persons.* Persons other than stockholders, administrative officers, or employees of a corporate entity who make any use of corporate facilities, such as using telephones, computers, printers and copy machines, or office furniture, for activity in connection with a candidate election are required to reimburse the corporate entity within a commercially reasonable time in the amount of the normal and usual rental charge. This rule includes the use of corporate equipment to produce and mail published materials.

4.47(3) *Use of airplanes and other means of transportation.*

a. Air travel. A candidate, candidate's agent, or person traveling on behalf of a candidate who uses noncommercial air transportation made available by a corporate entity shall, in advance, reimburse the corporate entity as follows:

(1) Where the destination is served by regularly scheduled commercial service, the coach class airfare (without discounts).

(2) Where the destination is not served by a regularly scheduled commercial service, the usual charter rate.

b. Other transportation. A candidate, candidate's agent, or person traveling on behalf of a candidate who uses other means of transportation made available by a corporate entity shall, within a commercially reasonable time, reimburse the corporate entity at the normal and usual rental charge.

4.47(4) *Equal access not required.* For the purpose of this rule, it is not necessary that the corporate entity be in the business of selling or renting the property, good, or service to the general public; further, it is not necessary that the corporate entity provide access to the same property, good, or service to other candidates or committees.

4.47(5) *Reimbursement to a corporate entity.* The reimbursement shall be for the actual costs of the corporate resource or be for the same amount charged to a person using the corporate resource for any other purpose. For the purpose of this rule, a rebuttable presumption is established that reimbursement to the corporate entity within ten business days is within a commercially reasonable time.

4.47(6) *Loans and debts.* A financial institution may make a loan to a candidate or candidate's committee so long as the loan is repaid and all proper public disclosure of the transaction is made pursuant to rule 351—4.18(68A,68B). A candidate or candidate's committee may owe a debt to an insurance company, financial institution, or corporation so long as the debt is repaid and all proper public disclosure of the transaction is made pursuant to rule 351—4.16(68A,68B). The repayment of a loan or debt under this rule shall be made prior to the dissolution of the committee pursuant to rule 351—4.54(68A).

This rule is intended to implement Iowa Code section 68A.503.

351—4.48(68A) Sham newspapers subject to campaign laws.

4.48(1) *Media exception inapplicable.* The owner, publisher, or editor of a sham newspaper is not entitled to the exceptions for media organizations provided in Iowa Code chapter 68A.

4.48(2) *Factors.* In determining whether or not a publication is entitled to the press exception, the board will consider the following factors:

a. Whether the publication is published and made available on a regular schedule or interval;

b. The proximity to the election in which the candidates and public affairs are discussed;

c. Whether the publication contains news items and articles of opinion of a general character separate from discussions concerning candidates and public affairs;

d. How widely the publication is circulated or is otherwise made available to the public in comparison to a targeted audience for potential campaign purposes;

e. Whether the publication discusses all candidates for a particular election or otherwise gives all candidates equal space; and

f. Whether the publication expressly advocates for the candidacy of any person.

This rule is intended to implement Iowa Code section 68A.503(5)*"b."*

351—4.49(68A,68B) Individual property. These rules do not apply to the personal or real property of corporate officers or of individuals employed or associated with a corporate entity and shall not abridge the free-speech rights and privileges of individuals.

This rule is intended to implement Iowa Code section 68A.503.

351—4.50 Reserved.

351—4.51(68A) Candidate debate—media organization, debate structure, debate funding, contribution reporting inapplicable.

4.51(1) *Exception to corporate contribution ban.* The prohibition on corporate campaign contributions does not apply to incorporated media organizations that host candidate debates as described in this rule.

4.51(2) *"Media organization" defined.* "Media organization" means a broadcaster, cable television operator, television programmer, television producer, bona fide newspaper, magazine, or any other periodical publication. The media organization shall not be owned or controlled by a political party, political committee, or candidate.

4.51(3) *Debate structure.* The structure of the debate shall be left to the discretion of the media organization provided that at least two or more candidates for the particular office are invited to participate. The debate shall not be structured to promote or advance one candidate over another. In choosing which candidates to invite to a debate, the media organization shall use good faith editorial judgment that is reasonable and viewpoint-neutral.

4.51(4) *Funding debates.* A media organization may use its own funds and may accept funds donated by corporations to defray costs incurred in staging a candidate debate under this rule.

4.51(5) *Contribution reporting inapplicable.* The costs of a debate under this rule are not reportable monetary or in-kind contributions.

This rule is intended to implement Iowa Code sections 68A.402 and 68A.503.

351—4.52(68A,68B) Corporate involvement with political committee funds.

4.52(1) *Corporate payroll deductions.* For purposes of Iowa Code section 68A.503, the administrative functions performed by a corporation (profit or nonprofit corporation, including but not limited to a bank, savings and loan institution, credit union, or insurance company) to make payroll deductions for an employee organization's political committee and to transmit the deductions in lump sum to the treasurer of the political committee shall not be a prohibited corporate activity, so long as the corporate entity is serving only as a conduit for the contributions.

4.52(2) *Electronic transfer of deposits.* A corporation, financial institution, or insurance company may receive and deposit checks that include both dues and PAC contributions. Contributions for the PAC shall be transferred as soon as possible into the PAC checking account and all disclosure, recordkeeping, and record-retention requirements shall be followed.

4.52(3) *Allowable costs of administration.* For the purposes of interpreting Iowa Code section 68A.503(3), the following are considered to be allowable costs of administration:

a. Full or partial compensation for political committee staff, which may include both wages and benefits.

b. Expenses of transportation and travel incurred by political committee staff; however, this does not include expenses of transportation or travel if provided by a political committee or a staff member to a candidate, nor does this include expenses of meals or events held on behalf of a candidate.

c. Printing and office supplies related to routine office administration so long as the printing and supplies are not used to expressly advocate for or against any candidate.

d. Postage and stationery, including that necessary for mailing contributions to specific candidates. Postage and stationery necessary for distributing political material expressly advocating a specific candidate to persons other than committee membership are not permitted.

e. Expenses of maintaining committee records and preparing financial disclosure reports, including costs associated with services provided by an accountant or other professional.

f. Promotional materials, such as stickers, pens, and coffee cups, so long as the items promote the political committee itself, but not a specific candidate.

g. An item which is excluded by this rule from being an allowable cost of administration may still be provided by the committee, so long as that cost is paid for from contributions or other sources of funds other than the parent entity.

This rule is intended to implement Iowa Code section 68A.503.

DIVISION V
INDEPENDENT EXPENDITURES AND IN-KIND CONTRIBUTIONS

351—4.53(68A,68B) In-kind contributions, independent expenditures—definitions. For the purposes of Iowa Code chapter 68A, the following definitions apply.

4.53(1) *In-kind contribution.* "In-kind contribution" means the provision of any good or service to a committee without charge or at a charge that is less than the usual and normal charge for such good or service. If a good or service is provided at less than the usual and normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the good or service at the time of the contribution and the amount charged to the committee. An in-kind contribution also includes any expenditure that meets the definition of a coordinated expenditure in subrule 4.53(2).

4.53(2) *Coordinated expenditure.*

a. "Coordinated expenditure" means an expenditure made with the knowledge and approval of a candidate, candidate's committee, political party committee, or political committee. "Coordinated expenditure" also means that there has been arrangement, coordination, or direction by the candidate, candidate's committee, political party committee, or political committee, or an agent or officer of the candidate's committee or a ballot issue committee prior to the procurement or purchase of the good or service, or the publication, distribution, display, or broadcast of an express advocacy communication.

b. An expenditure will be presumed to be coordinated when it is:

(1) Based on information provided to the expending person by the candidate, the candidate's committee, or the ballot issue committee with a view toward having an expenditure made; or

(2) Made by or through any person who is or has been authorized to raise or expend funds; who is or has been an officer of the candidate's committee or the ballot issue committee; or who is or has been receiving any form of compensation or reimbursement from the candidate, the candidate's committee, or the ballot issue committee.

c. Pursuant to Iowa Code section 68A.404(7), a person making an independent expenditure shall not engage or retain an advertising firm or consultant that has also been engaged or retained within the prior six months by the candidate, candidate's committee, or ballot issue PAC that is benefited by the independent expenditure. "Engage or retain" shall not include the purchase of goods or products from an advertising firm or consultant when the advertising firm or consultant does not provide guidance, assistance, or advice to the person making the purchase concerning the good or product.

This rule is intended to implement Iowa Code section 68A.404.

DIVISION VI
COMMITTEE DISSOLUTION

351—4.54(68A) Committee dissolution; disposition of property; resolution of loans or debts.

4.54(1) *Conditions to dissolve.* A committee shall not dissolve until all loans and debts are paid, forgiven, or transferred, and the remaining funds in the committee's campaign account are distributed according to Iowa Code sections 68A.302 and 68A.303 and rule 351—4.25(68A,68B).

4.54(2) *Manner of disposition—candidates' committees.* In the case of a candidate's committee, all campaign property with a residual value of $100 or more shall be disposed of through a sale of the property at fair market value, with proceeds treated as any other campaign funds, or through donation of the property as set out in Iowa Code section 68A.303(1). The candidate's committee shall disclose on the committee's campaign report the manner of disposition.

4.54(3) *Resolution of loans and debts.* The loans and debts of a committee may be transferred, assumed, or forgiven except that a loan or debt owed to a financial institution, insurance company, or corporation may not be forgiven unless the committee is a ballot issue committee. The committee shall disclose on the committee's campaign report the transfer, assumption, or forgiveness of a loan or debt on the appropriate reporting schedules.

4.54(4) *Settlement of disputed loans and debts.* A dispute concerning a loan or debt may be resolved for less than the original amount if the committee discloses on the committee's campaign report the resolution of the dispute. If the dispute is between a candidate's committee and a financial institution, insurance company, or corporation, the candidate's committee shall submit a written statement to the board describing the loan or debt, the controversy, and the steps taken to settle or collect the loan or debt. The board will review the statement and determine whether to permit the candidate's committee to report the loan or debt as discharged.

4.54(5) *Unavailable creditor.* If the committee cannot locate a person to whom it owes a loan or debt, the committee shall provide the board with a written statement describing the steps the committee has taken to locate the creditor and request direction from the board as to what additional steps, if any, should be taken. If a candidate's committee owes a loan or debt to a financial institution, insurance company, or corporation, resolution of the matter shall include payment to a charitable organization or the general fund of the state of Iowa.

This rule is intended to implement Iowa Code section 68A.402B.

351—4.55(68A) Statement of dissolution; final report; final bank statement.

4.55(1) *Statement of dissolution.* A statement of dissolution (Form DR-3) shall be filed after the committee terminates its activity, disposes of its funds and assets, and has discharged all of its loans and debts.

4.55(2) *Time of filing.* A committee seeking to dissolve shall file a statement of dissolution within 30 days of terminating activity, disposing of funds and assets, and discharging all loans and debts. A statement must be submitted at or before 11:59 p.m. on the required due date. If the due date falls on a Saturday, Sunday, or holiday on which the board office is closed, the due date is extended to the next working day.

4.55(3) *Final report.* The committee shall file a final report disclosing the committee's closing transactions. Once the board staff reviews the report and determines that the committee has complied with all of the requirements of Iowa Code chapter 68A, the committee is no longer required to file campaign reports. The committee shall be required to resolve all inconsistencies with Iowa Code chapter 68A before dissolving.

4.55(4) *Final bank statement.* A copy of the committee's final bank statement showing the committee's closing transactions and a zero balance shall be attached to or submitted with the committee's final report. A committee participating in an election at the county, city, school, or other political subdivision level, an independent expenditure committee, or a sole individual making an independent expenditure is not required to file a final bank statement unless requested to do so by the board. A committee seeking a waiver from the requirements of this rule may do so in accordance with Iowa Code section 17A.9A.

This rule is intended to implement Iowa Code section 68A.402B.

351—4.56 to **4.58** Reserved.

DIVISION VII
CIVIL PENALTIES FOR LATE REPORTS

351—4.59(68B) Routine civil penalty assessment for late-filed disclosure reports.

4.59(1) *Administrative resolution.* In administrative resolution of violations for late-filed disclosure reports, the board shall assess and collect monetary penalties. The board shall notify any

person assessed a penalty of the amount of the assessment and the person's ability to request a waiver under rule 351—4.60(68B). A person shall not be assessed a civil penalty if the board's electronic filing system is not properly functioning and causes the person to be unable to timely file the report.

4.59(2) *County and local committee assessments.* County, county statutory, city, school, other political subdivision, and local ballot issue committees shall be assessed civil penalties for late-filed reports in accordance with the following schedule:

Date report received	First-time delinquency	Repeat delinquency by same committee in 12-month period
1 to 14 consecutive days delinquent	$20	$100
15 to 30 consecutive days delinquent	$50	$200
31 to 45 consecutive days delinquent	$100	$400

4.59(3) *State committee assessments.* Statewide, general assembly, state statutory, and state political committees and a judge standing for retention shall be assessed civil penalties for late-filed reports, except for supplementary and special election reports, in accordance with the following schedule:

Date report received	First-time delinquency	Repeat delinquency by same committee in 12-month period
1 to 14 consecutive days delinquent	$50	$200
15 to 30 consecutive days delinquent	$100	$400
31 to 45 consecutive days delinquent	$200	$600

4.59(4) *Supplementary report assessments.* General assembly candidates' committees required to file supplementary disclosure reports shall be assessed a $200 civil penalty for filing a supplementary report late. Statewide committees required to file supplementary disclosure reports shall be assessed a $400 civil penalty for filing a supplementary report late.

4.59(5) *Special election assessments.* The committees of general assembly candidates to fill vacancies in special elections shall be assessed a $100 civil penalty for filing a special election report late. The committees of statewide candidates to fill vacancies in special elections shall be assessed a $200 civil penalty for filing a special election report late.

4.59(6) *Verified statement of registration assessments.* An out-of-state committee that chooses to file a VSR, but fails to do so on or before the fifteenth day after the date of the contribution, shall be assessed a $25 civil penalty per late-filed VSR. However, if there is a repeat delinquency by the committee in a 12-month period, the penalty shall be $50. For purposes of this rule, "date of the contribution" means the day, month, and year the contribution check is dated.

4.59(7) *Independent expenditure assessment.* An individual who is delinquent in timely filing Form IE-I shall be assessed a $25 civil penalty. If there is a repeat delinquency by the individual in timely filing Form IE-I within a 12-month period, the penalty shall be $50. A person that is designated by the board as an independent expenditure committee that fails to timely file Form IE-O shall be assessed a $50 civil penalty. If there is a repeat delinquency by the person in timely filing Form IE-O within a 12-month period, the penalty shall be $100.

4.59(8) *Form DR-OTC assessment.* A permanent organization that has not previously made a contribution in excess of $1,000 and that fails to file Form DR-OTC within ten days of notice to do so by the board shall be assessed a $20 civil penalty. A permanent organization that has previously made a contribution in excess of $1,000 and that fails to file Form DR-OTC within ten days of the date on which the contribution check is issued shall be assessed a $20 civil penalty.

4.59(9) *Additional sanctions.* The issuance of a civil penalty under this rule does not prohibit the board from imposing additional sanctions pursuant to the process set out in Iowa Code chapter 68B and rule 351—9.3(68B) if the board determines that there was evidence of an intentional failure to timely file the report.

This rule is intended to implement Iowa Code section 68B.32A(8).

351—4.60(68B) Requests for waiver of penalties. If a person believes that there are mitigating circumstances that prevented the timely filing of a report, the person may petition to the board for waiver of the penalty. A person seeking a waiver must submit the request to the board within 30 days of receiving a civil penalty assessment order. The board will review the petition and may waive the penalty or deny the request. If a waiver is granted, the board will determine how much of the penalty is waived based on the circumstances.

This rule is intended to implement Iowa Code section 68B.32A(8).

351—4.61(68B) Contested case challenge.

4.61(1) *Request.* If the person accepts administrative resolution of a matter through the payment of an assessed penalty, the matter shall be closed. If the person chooses to contest the board's decision to deny the request or grant a partial waiver of an assessed penalty, the person shall make a written request for a contested case proceeding within 30 days of being notified of the board's decision.

4.61(2) *Procedure.* Upon timely receipt of a request for a contested case proceeding, the board shall provide for the issuance of a statement of charges and notice of hearing. The burden shall be on the board's legal counsel to prove that a violation occurred.

4.61(3) *Failure to request hearing.* Failure to request a contested case proceeding to appeal the board's decision on a waiver request is failure to exhaust administrative remedies for purposes of seeking judicial review in accordance with Iowa Code chapter 17A and section 68B.33.

This rule is intended to implement Iowa Code section 68B.32A(8).

351—4.62(68B) Payment of penalty.

4.62(1) *Where payment made.* Checks shall be made payable to "State of Iowa" and sent to the board's office for transfer to the office of the treasurer of state, which shall deposit the check into the general fund.

4.62(2) *Who may make payment.* Payment may be made from funds of a committee or from personal funds of an officer or candidate of a committee.

This rule is intended to implement Iowa Code section 68B.32A(8).

351—4.63(68A,68B) Electronic filings.

4.63(1) *Reports filed electronically.* For purposes of the board's jurisdiction, all reports will be filed electronically using the designated electronic filing system.

4.63(2) *Accommodations.* Those who require assistance completing their electronic filings may contact the board's office.

This rule is intended to implement Iowa Code section 68B.32A.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 5
"Use of Public Resources for a Political Purpose"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 5 establishes permissible and impermissible uses of public resources for political purposes. Chapter 5 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
USE OF PUBLIC RESOURCES FOR A POLITICAL PURPOSE

351—5.1(68A) Scope of chapter. This chapter outlines the permissible and impermissible uses of public resources for a political purpose pursuant to Iowa Code section 68A.505 and board interpretations of the statute. For the purposes of this chapter, the board will construe the phrase "expenditure of public moneys for political purposes" broadly to include the use of public resources generally.

This rule is intended to implement Iowa Code section 68A.505.

351—5.2(68A) General prohibition and applicability. The public officials and employees of the executive branch of state government, a county, a city, a public school, or other political subdivision shall not permit public resources to be used to expressly advocate the nomination, election, or defeat of a candidate or to expressly advocate the passage or defeat of a ballot issue. This chapter applies to the use of resources that belong to those political subdivisions by state and local campaigns in Iowa. This chapter does not apply to property belonging to the federal government or to the use of the executive branch of state government, a county, a city, a public school, or other political subdivision by a federal campaign.

This rule is intended to implement Iowa Code section 68A.505.

351—5.3(68A) Definitions. For purposes of this chapter, the following definitions apply:

"Ballot issue" means a question that has been approved to be placed before the voters or is otherwise required by law to be placed before the voters. "Ballot issue" does not include the nomination or election of a candidate.

"Campaign" means the organized effort to expressly advocate the nomination, election, or defeat of a candidate for state or local office in Iowa. "Campaign" also means the organized effort to expressly advocate the passage or defeat of a ballot issue.

"Candidate" means any individual who has taken affirmative action to seek nomination or election to a state or local office in Iowa.

"Expressly advocate" means "express advocacy" as defined in Iowa Code section 68A.102(14). "Express advocacy" includes a communication that uses any word, term, phrase, or symbol that exhorts an individual to vote for or against a clearly identified candidate or for the passage or defeat of a clearly identified ballot issue.

"Political purpose" means to expressly advocate the nomination, election, or defeat of a candidate or to expressly advocate the passage or defeat of a ballot issue.

"Public resources" means the moneys, time, property, facilities, equipment, and supplies of the executive branch of state government, a county, city, public school, or other political subdivision.

"Public school" includes a school designated as a charter school.

This rule is intended to implement Iowa Code sections 68A.102 and 68A.505.

351—5.4(68A) Use of public resources for a political purpose prohibited. The following specific conduct or actions are deemed to be the prohibited use of public resources for a political purpose:

5.4(1) Using public resources to solicit or accept campaign contributions.

5.4(2) Using public resources to solicit votes, engage in campaign work, or poll voters on their preferences for candidates or ballot issues. The prohibition on polling voters by using public resources does not apply to authorized research at a public university.

5.4(3) Using a publicly owned motor vehicle to transport political materials, placing campaign signs on a publicly owned motor vehicle, or traveling to campaign-related events in a publicly owned motor vehicle.

5.4(4) Using public resources to produce and distribute communications that expressly advocate for or against candidates or ballot issues.

5.4(5) Placing campaign materials on public property, including the placement of campaign signs in the public right-of-way.

This rule is intended to implement Iowa Code section 68A.505.

351—5.5(68A) Exceptions from prohibition on use of public resources for a political purpose.

5.5(1) *Expressing opinion at government meetings.* Iowa Code section 68A.505 permits the state or a governing body of a county, city, public school, or other political subdivision to express an opinion on a ballot issue through the passage of a resolution or proclamation. It is also permissible for a member of a governing body of the state, county, city, public school, or other political subdivision to express the member's opinion on a ballot issue at a public meeting of the governing body.

5.5(2) *Public forum.* Any public resource that is open to a member of the general public to use for other purposes may be used for political purposes, including the distribution of political materials on windshields of vehicles that are parked in public parking lots.

5.5(3) *Candidate debate.* The executive branch of state government, a county, city, public school, or other political subdivision may hold a candidate debate or forum and permit the accompanying distribution of campaign materials on governmental property so long as at least two candidates seeking the same office are invited to attend the debate or forum.

5.5(4) *Reimbursement to governmental body.* A person may reimburse a governmental body for the use of a public resource for a political purpose so long as it can be demonstrated to the board that the use of the resource was also for a public purpose or furthered a public interest. The reimbursement shall be for the actual costs of the public resource or be for the same amount charged to a person using the public resource for any other purpose.

5.5(5) *Use of job title.* Official job titles, such as "representative" or "commissioner," may be used for political purposes.

5.5(6) *Use of government-issued clothing.* Official clothing or uniforms issued by the state or other political subdivision in the regular course of employment may be worn by public officials or employees while participating in political activities.

5.5(7) *Residence.* It is not deemed a violation of Iowa Code section 68A.505 for a public official or public employee to use for political purposes the portion of public property that is designated as the personal residence of the public official or public employee.

5.5(8) *Clothing or paraphernalia.* While performing official duties, a public official or public employee may wear clothes or wear political paraphernalia that expressly advocate for or against candidates or that expressly advocate for or against ballot issues. However, the administrative head of a state agency or of a department of a political subdivision may enact an internal policy that would prohibit the wearing of campaign materials on the public property of that agency or subdivision.

This rule is intended to implement Iowa Code section 68A.505.

351—5.6(68B) Board advice.

5.6(1) *Advice requested.* Public officials, public employees, or other persons interested in using public funds for a political purpose may first seek advice or guidance from the board concerning the legality of the action or conduct, including the production and distribution of a communication for a determination of whether the communication contains express advocacy.

5.6(2) *Declaratory order.* Persons may also seek board guidance concerning the application of a statute or rule to a specific factual situation through the petition for declaratory order procedure set out in Iowa Code section 17A.9.

This rule is intended to implement Iowa Code section 68B.32A(12).

351—5.7(68B) Complaints. Any person may file a complaint or provide information to the board alleging a violation of Iowa Code section 68A.505 or the rules of this chapter by a public official or a public employee of the executive branch or a political subdivision of state government. The procedure for filing a complaint or providing information to the board is set out in Iowa Code section 68B.32B and 351—Chapter 9. The board may prescribe the manner for filing formal complaints, including the use of specific forms.

This rule is intended to implement Iowa Code section 68B.32B.

351—5.8(68A) Holders of certain government positions prohibited from engaging in political activities. Several statutes outside of the board's jurisdiction prohibit the holders of certain government positions from being engaged in political activities. The board does not enforce these statutory prohibitions.

This rule is intended to implement Iowa Code section 68A.505.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 6
"Executive Branch Ethics"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 6 establishes rules relating to ethical conduct for the executive branch of State government and other political subdivisions. Chapter 6 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6
EXECUTIVE BRANCH ETHICS

DIVISION I
GENERAL PROVISIONS

351—6.1(68B) Scope of chapter. Pursuant to Iowa Code section 68B.32A(13), this chapter establishes rules relating to ethical conduct for the executive branch of state government and other political subdivisions.

This rule is intended to implement Iowa Code sections 68B.32(1) and 68B.32A(13).

351—6.2(68B) Definitions. For purposes of this chapter, the following definitions apply:

"Agency of state government" or *"state agency"* includes any authority, board, bureau, commission, community college, department, division, office of a statewide elected official, or regents university within the executive branch of the State of Iowa.

"Candidate for statewide office" means a candidate for governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, secretary of agriculture, or attorney general.

"Employee" means an individual who is a paid employee of any agency of state government. "Employee" includes an individual employed in an interim or acting capacity. "Employee" does not include an official or an independent contractor.

"Official" means a statewide elected official, an executive or administrative head or heads of a state agency, a deputy executive or administrative head or heads of a state agency, a member of a board or commission as defined under Iowa Code section 7E.4, or a head of a major subunit of a state agency whose position involves a substantial exercise of administrative discretion or the expenditure of public funds. "Official" includes an individual serving in an interim or acting capacity.

"State duties" includes the official duties, responsibilities, or activities of an official or employee that are mandated by law, rule, or court order or that otherwise lawfully aid an agency of state government in carrying out the statutory functions of the agency.

This rule is intended to implement Iowa Code section 68B.2.

351—6.3(68B) Complaints or filing information alleging a violation.

6.3(1) *Who may file.* Any person may file a complaint or provide information to the board alleging a violation of Iowa Code chapter 68B or this chapter by officials, employees, and candidates for statewide office.

6.3(2) *Procedure.* The procedure for filing a complaint or providing information to the board alleging a violation of Iowa Code chapter 68B or this chapter is set out in Iowa Code section 68B.32B and 351—Chapter 9.

6.3(3) *Whistleblower protection.* A person who discharges or discriminates against an official or employee because the official or employee filed a complaint or provided information to the board will be subject to the board's complaint process if the official or employee filed the complaint or provided the information in good faith. If it is determined after a contested case proceeding that a person has impermissibly discharged or discriminated against an official or employee, the board may impose sanctions as set out in Iowa Code section 68B.32D. For purposes of this rule, "good faith" means that any statements or materials in a complaint or included as part of information provided to the board were made or provided with a reasonable belief that such statements or materials were true and accurate.

This rule is intended to implement Iowa Code sections 68B.32A(14) and 68B.32B.

351—6.4(68B) Board advice.

6.4(1) *Advice requested.* Persons subject to the authority of the board under Iowa Code chapter 68B may first seek advice or guidance from the board concerning the legality of action or conduct potentially affected by Iowa Code chapter 68B.

6.4(2) *Declaratory order.* Persons may also seek board guidance concerning the application of a statute or rule under the board's jurisdiction to a specific factual situation through the petition for declaratory order.

This rule is intended to implement Iowa Code section 68B.32A(12).

DIVISION II
CONFLICT OF INTEREST AND MISUSE OF PROPERTY

351—6.5(68B) Dual executive branch compensation prohibited.

6.5(1) *Definitions.* For purposes of Iowa Code section 68B.2B and this rule, the following definitions apply:

"Employment with a second executive branch agency" includes services provided as an independent contractor with another executive branch agency.

"Executive branch agency" means "agency of state government" or "state agency" as defined in Iowa Code section 68B.2(2). However, the legislative branch is not considered an agency of state government or state agency for purposes of Iowa Code section 68B.2B or this rule.

6.5(2) *Exceptions.* The prohibition on receiving simultaneous compensation from more than one executive branch agency does not apply to the following:

a. Employment with any governmental entity other than simultaneous employment with two or more executive branch agencies.

b. Service in the Iowa national guard.

c. An official or employee who is interchanged from one executive branch agency to another executive branch agency pursuant to Iowa Code chapter 28D unless the official or employee is simultaneously receiving compensation from both the receiving agency and the sending agency.

d. Serving on the board, commission, or authority of two or more executive branch agencies.

6.5(3) *Reporting form.* An official or employee of the executive branch who accepts simultaneous employment with another executive branch agency will file Form Dual-Comp within 20 business days of accepting employment with the second executive branch agency. The form will be filed with the board. The failure to timely file Form Dual-Comp may subject the executive branch official or employee to board sanctions.

This rule is intended to implement Iowa Code section 68B.2B.

351—6.6(68B) Misuse of public property.

6.6(1) *Definition of public property.* "Public property" means any real or personal property owned or controlled by the state of Iowa, including but not limited to buildings, facilities, equipment, supplies, funds, records, files, and materials.

6.6(2) *Prohibited uses.* The following are deemed to be the misuse of public property by an official, employee, or candidate for statewide office:

a. Using public property to engage in an outside employment or activity that leads to an unacceptable conflict of interest.

b. Using public property for personal financial gain. This prohibition does not apply to the receipt of lawful compensation for the performance of official state duties.

c. Using public property for a personal benefit to the detriment of the state.

d. Using public property to engage in political activities.

This rule is intended to implement Iowa Code section 68B.32A(13).

DIVISION III
SALES OR LEASES OF GOODS, REAL ESTATE, OR SERVICES

351—6.7(68B) Prohibition on sales; when public bids required—disclosure of income.

6.7(1) *Prohibition.* An official or employee will not sell, in any one occurrence, goods or services having a value in excess of $2,000 to a state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding and the official or employee making the sale files Form Public Bid with the board within 20 days of making the sale. This prohibition includes sales to the state agency in which the official or employee serves or is employed.

6.7(2) *Exceptions.* The prohibition in Iowa Code section 68B.3 and this rule will not apply to any of the following:

a. Sales of goods or services done as part of the official's or employee's state duties.

b. Sales of goods or services by a member of a board or commission to state executive branch agencies or subunits of departments or independent agencies that are not the subunit of the department or independent agency in which the person serves or are not a subunit of a department or independent agency with which the person has substantial and regular contact as part of the person's duties. "Board" and "commission" as used in this rule mean the same as defined in Iowa Code section 7E.4.

c. The publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated by law for the publication of such materials and for which publication rates are fixed by law.

d. Instruction at an accredited educational institution if the official or employee meets the minimum education and licensing requirements established for other instructors at the educational institution.

e. A contract for professional services that is exempt from competitive bidding requirements under any provision in the Iowa Code or Iowa Administrative Code.

6.7(3) *Sales to political subdivisions.* An official who sells goods or services to a political subdivision of the state will disclose on the official's Form PFD as provided in 351—Chapter 7 if income was received from the sale.

6.7(4) *Filing of report.* An official or employee making a sale to a state agency pursuant to Iowa Code section 68B.3 will file Form Public Bid within 20 days of making the sale. The failure to timely file Form Public Bid with the board within 20 days of making the sale may subject the official or employee to board sanctions under Iowa Code chapter 68B and rule 351—9.3(68B).

6.7(5) *Use of confidential information.* No official or employee will disclose or use confidential information, including the contents of a sealed bid acquired during the course of the official's or employee's state duties, for the personal gain or benefit of any person. This rule does not apply to the release of information that is mandated by law, rule, or court order.

This rule is intended to implement Iowa Code sections 68B.32A(13) and 68B.3.

351—6.8(68B) Sales or leases by regulatory agency officials or employees.

6.8(1) *Prohibition.* An official or employee of a regulatory agency will not directly or indirectly sell or lease any goods, real estate, or services to individuals, associations, or corporations subject to the regulatory authority of the official's or employee's agency except as provided by Iowa Code section 68B.4 and this rule. This prohibition does not apply to sales or leases that are part of the official's or employee's state duties.

6.8(2) *Definitions.* For purposes of this rule, the following definitions apply:

"Agency" means a regulatory agency.

"Employee" means an employee of an executive branch regulatory agency and does not include an independent contractor or an official.

"Official" means a statewide elected official of a regulatory agency, an executive or administrative head or heads of a regulatory agency, a deputy executive or administrative head or heads of a

regulatory agency, a member of a board or commission as defined under Iowa Code section 7E.4, or a head of a major subunit of a regulatory agency whose position involves a substantial exercise of administrative discretion or the expenditure of public funds.

"Regulatory agency" means the department of agriculture and land stewardship; department of workforce development; department of insurance and financial services; department of public safety; department of education; state board of regents; department of health and human services; department of revenue; department of inspections, appeals, and licensing; department of administrative services; public employment relations board; department of transportation; civil rights commission; department of public defense; department of homeland security and emergency management; Iowa ethics and campaign disclosure board; utilities commission; and department of natural resources.

6.8(3) *Request for consent.* An official's or employee's request for an agency's consent to the sale or lease of goods, real estate, or services will comply with all of the following:

a. The request will be in writing and will be filed with the official's or employee's agency at least 20 calendar days in advance of the proposed sale or lease of any goods, real estate, or services.

b. The request will include all of the following:

(1) The name of the individual, association, or corporation to which the goods, real estate, or services are to be sold or leased;

(2) The relationship of the individual, association, or corporation to the agency;

(3) A description of the goods, real estate, or services;

(4) The date or dates that the goods, real estate, or services will be delivered; and

(5) A statement by the official or employee explaining how the proposed sale or lease of the goods, real estate, or services will not violate the provisions of Iowa Code section 68B.4 or create a conflict of interest under Iowa Code section 68B.2A.

6.8(4) *Agency guidelines.* Iowa Code section 68B.4 and the guidelines in this subrule will be the sole legal authorities to be used by an agency in considering the granting of consent. In determining whether to grant consent, the agency will take the following guidelines into consideration:

a. The official or employee seeking consent is not the person with the authority to determine whether consent should be granted.

b. The duties and functions performed by the official or employee seeking consent are not related to the regulatory authority of the agency over the individual, association, or corporation to which the goods, real estate, or services will be sold or leased.

c. The selling or leasing of the goods, real estate, or services does not affect the official's or employee's duties or functions at the agency.

d. The selling or leasing of the goods, real estate, or services will not cause the official or employee to advocate on behalf of the individual, association, or corporation to the agency.

e. The selling or leasing of the goods, real estate, or services does not cause the official or employee to sell or lease goods, real estate, or services to the agency on behalf of the individual, association, or corporation.

f. The selling or leasing of the goods, real estate, or services will not result in a conflict of interest as provided in Iowa Code section 68B.2A.

g. The request complies with the procedural requirements of subrule 6.8(3).

h. A regulatory agency may grant blanket consent for sales or leases to classes of individuals, associations, or persons when such blanket consent is consistent with subrule 6.8(4) and the granting of single consents is impractical or impossible to determine.

These guidelines will be publicized and made known to all personnel throughout the agency.

6.8(5) *Agency decision.* The official's or employee's agency will issue a written consent or denial within 14 calendar days following the date the request was filed. The deadline may be extended by agreement of both the official or employee and the agency. If the request is denied or granted conditionally, the agency will state the reasons for the denial or conditional consent.

6.8(6) *Appeal of denial.* An official or employee who receives a denial or conditional consent may file a request with the board for a contested case proceeding pursuant to Iowa Code chapter 17A

for a determination of whether the situation described in the request complies with the requirements of Iowa Code section 68B.2A or 68B.4 and this rule. The final order of the board constitutes final agency action for purposes of seeking judicial review.

6.8(7) *Copy of consent filed with board.* Pursuant to Iowa Code section 68B.4, an agency granting consent will file a copy of the consent with the board within 20 days of the granting of consent. The board will treat the consent as a public record. The failure to provide a copy of the consent may result in the imposition of board sanctions against the individual who granted the consent.

6.8(8) *Consent not a defense.* Consent granted by an agency under this rule will not constitute a defense to a complaint alleging a violation of any law or rule. It is the responsibility of the official or employee to ensure compliance with all applicable laws and rules.

This rule is intended to implement Iowa Code section 68B.4.

351—6.9(68B) Sales or leases by members of the office of the governor.

6.9(1) *Prohibition.* A permanent full-time member of the office of the governor will not directly or indirectly sell or lease any goods or services to registered lobbyists before the general assembly or the executive branch or to individuals, associations, or corporations that employ persons who are registered lobbyists before the general assembly or the executive branch except as provided in Iowa Code section 68B.4B and this rule. This prohibition does not apply to sales or leases that are part of the member's state duties.

6.9(2) *Request for consent.* A request submitted by a member of the office of the governor for consent to sell or lease goods or services will comply with all of the following:

a. The request will be in writing and will be filed at least 20 calendar days in advance of the proposed sale or lease of any goods or services with the person responsible for hiring or approving the hiring of the member.

b. The request will include all of the following:

(1) The name of the lobbyist, individual, association, or corporation to which the goods or services are to be sold or leased;

(2) The relationship of the lobbyist, individual, association, or corporation to the office of the governor;

(3) A description of the goods or services;

(4) The date or dates that the goods or services will be delivered; and

(5) A statement by the member explaining how the proposed sale or lease of the goods or services will not violate the provisions of Iowa Code section 68B.4B or create a conflict of interest under Iowa Code section 68B.2A.

6.9(3) *Guidelines for granting consent.* In determining whether to grant consent, the person responsible for hiring or approving the hiring of the member will take the following guidelines into consideration:

a. The duties and functions performed by the member are not related to the authority of the office of the governor over the lobbyist, individual, association, or corporation.

b. The selling or leasing of goods or services by the member to the lobbyist, individual, association, or corporation does not affect the member's duties or functions at the office of the governor.

c. The selling or leasing of any goods or services by the member to a lobbyist, individual, association, or corporation does not include lobbying the office of the governor.

d. The selling or leasing of any goods or services by the member does not cause the member to sell or lease goods or services to the office of the governor on behalf of the lobbyist, individual, association, or corporation.

e. The selling or leasing of the goods or services will not result in a conflict of interest as provided in Iowa Code section 68B.2A.

f. The request complies with the procedural requirements of subrule 6.9(2).

g. A blanket consent may be granted for sales or leases to classes of lobbyists, individuals, associations, or corporations when such blanket consent is consistent with subrule 6.9(3) and the granting of single consents is impractical or impossible to determine.

These guidelines will be publicized and made known to members of the office of the governor.

6.9(4) *Decision.* The person responsible for hiring or approving the hiring of the member will issue a written consent or denial within 14 calendar days following the date the request was filed. The deadline may be extended by agreement of both the member and the person. If the request is denied, the person will state the reasons for the denial.

6.9(5) *Appeal of denial.* A member who receives a denial may file a request with the board for a contested case proceeding pursuant to Iowa Code chapter 17A for a determination of whether the situation described in the request complies with the requirements of Iowa Code chapter 68B. The final order of the board constitutes final agency action for purposes of seeking judicial review.

6.9(6) *Copy of consent filed with board.* A copy of the consent granted to a member will be filed with the board within 20 days of the granting of consent. The board will treat the consent as a public record. The failure to provide a copy of the consent may result in the imposition of board sanctions against the person who granted the consent.

6.9(7) *Consent not a defense.* Consent granted under this rule will not constitute a defense to a complaint alleging a violation of any law or rule. It is the responsibility of the member of the office of the governor to ensure compliance with all applicable laws and rules.

This rule is intended to implement Iowa Code section 68B.4B.

DIVISION IV
EMPLOYMENT RESTRICTIONS

351—6.10(68B) Engaging in services against the interest of the state.

6.10(1) *Public officials and employees.* Except for a member of a board or commission, no official or employee will receive compensation in any form, or enter into any type of agreement to receive compensation in any form, to appear on behalf of any person or otherwise render services against the interest of the state except as set out in Iowa Code section 68B.6 and this rule. This prohibition relates to any case, proceeding, application, or other matter before any federal court, federal bureau, federal agency, federal commission, federal department, any agency of state government, or any court of the state of Iowa.

6.10(2) *Definitions.* For purposes of this rule, the following definitions apply:

"Board" means a policymaking body that has the power to hear contested cases or a policymaking body that has powers for both rulemaking and hearing contested cases.

"Commission" means a policymaking body that has rulemaking powers.

6.10(3) *Member of board or commission.* No member of a board or commission will receive compensation in any form, or enter into any type of agreement to receive compensation in any form, to appear on behalf of any person or otherwise render services against the interest of the state in relation to any case, proceeding, application, or other matter before the subunit of a state agency in which the member serves or is employed, or with which the member has substantial and regular contact as part of the member's state duties.

6.10(4) *Exception for attorney general and public defender.* Officials and employees carrying out the official duties of the office of the attorney general or the office of the state public defender are not subject to the provisions of Iowa Code section 68B.6 or this rule.

This rule is intended to implement Iowa Code section 68B.6.

DIVISION V
GIFTS AND OFFERS

351—6.11(68B) Prohibition on receipt of an honorarium.

6.11(1) *Definitions.* For purposes of this rule, the following definitions apply:

"Honorarium" means a payment of compensation or the giving of anything of value to an official or employee in relation to a speaking engagement.

"Restricted donor" means the same as defined in Iowa Code section 68B.2(24).

6.11(2) *Exceptions.* An official or employee may receive and accept an honorarium provided that the honorarium consists of:

a. Payment of actual expenses for registration, food, beverages, travel, or lodging paid in return for participation on a panel or for a speaking engagement at a meeting. The expenses will relate directly to the day or days on which the official or employee has participation or speaking responsibilities.

b. Receipt of a nonmonetary item or a series of nonmonetary items that the official or employee donates within 30 days of receipt to any of the following:

(1) A public body;

(2) A bona fide educational or charitable organization; or

(3) The department of administrative services. Items donated to the department of administrative services will be disposed of by assignment to state agencies for official use or by public sale.

c. Payment to an official or employee for services rendered as part of a bona fide private business, trade, or profession in which the official or employee is engaged so long as both of the following conditions are met:

(1) The payment is commensurate with the actual services rendered; and

(2) The payment is being made due to a special expertise or other qualification the recipient possesses separate from the recipient's status as a public official or public employee.

6.11(3) *Solicitation prohibited.* An official or employee will not solicit, demand, or otherwise request an honorarium from a restricted donor.

This rule is intended to implement Iowa Code sections 68B.23 and 68B.32A(13).

351—6.12(68B) Loans from executive branch lobbyists prohibited.

6.12(1) *Definitions.* For purposes of this rule, the following definitions apply:

"Executive branch lobbyist" means an individual who is registered as a lobbyist with the board or is an executive branch lobbyist as defined in rule 351—8.2(68B).

"Loan" means a sum of money upon agreement, express or implied, to be repaid with or without interest.

6.12(2) *Offer of loan prohibited.* An executive branch lobbyist will not directly or indirectly offer or make a loan to an official, an employee, or a candidate for statewide office.

6.12(3) *Exceptions.* The prohibitions in Iowa Code section 68B.24 and this rule do not apply to a loan made in either of the following circumstances:

a. A loan made in the ordinary course of business. "Ordinary course of business" means the loan is made by a person regularly engaged in a business that makes loans to members of the public, and the finance charges and other terms of the loan are the same as or substantially similar to the finance charges and loan terms that are available to members of the public.

b. A loan made to the campaign committee of a candidate for statewide office that is subject to the campaign laws in Iowa Code chapter 68A.

This rule is intended to implement Iowa Code sections 68B.24 and 68B.32A(13).

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 7
"Personal Financial Disclosure"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 7 establishes processes for personal financial disclosure, including filing requirements and penalties. Chapter 7 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 7 and adopt the following **new** chapter in lieu thereof:

CHAPTER 7
PERSONAL FINANCIAL DISCLOSURE

351—7.1(68B) Filing requirements and procedures.

7.1(1) *Period covered.* All persons who are required to file a personal financial disclosure will file the statement with the board no later than April 30 of each year following a year during which the person holds a designated position, without regard to the length of time the position was occupied by the person. A person who held a designated position who left that position or state employment will

have a continuing obligation to file the statement for any year or portion of a year in which the position was held prior to termination.

7.1(2) *Place and timing of filing.* A personal financial disclosure will be filed with the board electronically no later than 11:59 p.m. on the due date. If the due date falls on a weekend or holiday, the deadline will be extended to the next day the board's office is open.

7.1(3) *Persons holding more than one designated position.* A person who is required to file a personal financial disclosure for more than one position will be required to file only one statement for the reporting year. A member of the general assembly who files a form with the secretary of the senate or the chief clerk of the house will not be required to file the form with the board for any designated position held in the executive branch.

7.1(4) *Period covered.* Information will be filed on a personal financial disclosure as designated by the board and will cover the previous calendar year. However, a statement filed by a person who has left a designated position during the course of a year need only contain information covering the portion of that year that has elapsed prior to the person's leaving the position.

This rule is intended to implement Iowa Code sections 68B.32A(5), 68B.35 and 68B.35A.

351—7.2(68B) Information disclosed on form.

7.2(1) *Definitions.* For the purpose of completing a personal financial disclosure, "income sources" includes those sources that are held solely or jointly with one or more persons and that in total generate more than $1,000 of income.

7.2(2) *Spousal income.* For purposes of completing a personal financial disclosure, income earned solely by the spouse of a person subject to reporting is not income to that person and need not be reported as an income source.

This rule is intended to implement Iowa Code section 68B.35.

351—7.3(68B) Procedure for determining persons required to file with the board—distribution of forms.

7.3(1) *Persons required by statute.* In order to determine which persons in the executive branch are required to file a personal financial disclosure, the board will contact each agency on an annual basis and provide notification of the statutory requirement. This notification will include the name and position title of each person in the agency who filed the previous year. Each agency, in consultation with the board, will then determine which persons are required to file for the next filing period and will provide the board with the appropriate names and position titles. The board will have the final authority to determine whether a position requires that a personal financial disclosure be filed.

7.3(2) *Boards, commissions, or authorities not named in statute.* On an annual basis, the board will conduct a review to determine if a member of any other board, commission, or authority not specifically named in the Iowa Code should file a personal financial disclosure. If the board determines that a personal financial disclosure should be filed, the board will by rule require a personal financial disclosure to be filed.

7.3(3) *Statewide candidates.* A person who is a candidate for statewide office will file a personal financial disclosure with the board by 11:59 p.m. on April 30 of the year the candidate appears on the ballot. If the due date falls on a weekend or holiday, the filing deadline will be extended to the first working day following the deadline. Once nomination papers or an affidavit of candidacy is filed, the board will notify the person of the requirement. The notification will be sent by first-class mail or email and will include information on how to file.

7.3(4) *Statewide candidates in a special election.* A candidate for statewide office in a special election will electronically file a personal financial disclosure with the board within ten days after the certification of the candidate's name as the nominee under Iowa Code section 43.88. Notification to a statewide candidate in a special election will be sent by first-class mail or email and will include information on how to file electronically.

This rule is intended to implement Iowa Code sections 68B.32A(5) and 68B.35.

351—7.4(68B) Penalties.

7.4(1) *Penalties for late personal financial disclosure statements.* An individual holding a designated position in the executive branch who fails to timely file a personal financial disclosure will be subject to an automatic civil penalty according to the following schedule:

Days Delinquent	Penalty Amount
1 to 14	$50
15 to 30	$100
31 and over	$250

7.4(2) *Additional penalty.* If an individual holding a designated position in the executive branch fails to file a personal financial disclosure statement within 45 days of the required filing date, a contested case proceeding may be held. The board may impose any of the actions under Iowa Code section 68B.32D in addition to the automatically assessed penalty in subrule 7.4(1).

7.4(3) *Failure to file true statement.* It will be considered a violation of Iowa Code section 68B.35 for an individual holding a designated position in the executive branch to file a disclosure statement containing false or fraudulent information. Complaints concerning the filing of a false or fraudulent disclosure statement will be handled by the procedures in Iowa Code section 68B.32B. If it is determined after a contested case proceeding that a false or fraudulent disclosure statement was filed, the board may impose any of the actions under Iowa Code section 68B.32D.

This rule is intended to implement Iowa Code sections 68B.32A(9) and 68B.35.

351—7.5(68B) Requests for waiver of penalties. If an individual holding a designated position in the executive branch believes that mitigating circumstances prevented the timely filing of a personal financial disclosure, the individual may petition the board for waiver of the penalty. The petition for waiver must be received by the board within 30 days of notification to the individual of the civil penalty assessment. The board will review the petition and may waive the penalty, in whole or in part, or deny the request.

This rule is intended to implement Iowa Code section 68B.32A(5) and 68B.32A(9).

351—7.6(68B) Contested case challenge.

7.6(1) *Request.* If the individual accepts administrative resolution concerning a late-filed personal financial disclosure through the payment of the assessed penalty, the matter will be closed. If the individual chooses to contest the board's decision to deny the request or grant a partial waiver of an assessed penalty, the individual will make a written request to the executive director for a contested case proceeding within 30 days of being notified of the board's decision.

7.6(2) *Procedure.* Upon timely receipt of a request for a contested case proceeding, the board will provide for the issuance of a statement of charges and notice of hearing. The contested case will be conducted in accordance with the provisions of Iowa Code chapter 17A. The burden will be on the board's legal counsel to prove that a violation occurred.

7.6(3) *Failure to request proceeding.* The failure to request a contested case proceeding to contest the board's decision on a waiver request is a failure to exhaust administrative remedies for purposes of seeking judicial review in accordance with Iowa Code chapter 17A.

This rule is intended to implement Iowa Code sections 68B.32A(9) and 68B.33.

351—7.7(68B) Payment of penalty. Checks will be made payable to the State of Iowa and sent to the board's office for transfer to the office of the treasurer of state, which will deposit the check into the general fund.

This rule is intended to implement Iowa Code section 68B.32A(9).

351—7.8(68B) Retention and availability of filed forms.

7.8(1) *Public record.* Forms filed with the board are public records and will be available for inspection and copying.

7.8(2) *Internet access.* Pursuant to Iowa Code section 68B.35A, the board will record filed personal financial disclosure statements on the board's website. Filed forms will be accessible for a period of at least five years from the reporting due date.

This rule is intended to implement Iowa Code sections 68B.35 and 68B.35A.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 8
"Executive Branch Lobbying"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 8 establishes rules of conduct for executive branch lobbyists. Chapter 8 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
EXECUTIVE BRANCH LOBBYING

351—8.1(68B) Definitions.

8.1(1) *Definitions.*

"Executive branch lobbying" means acting directly to encourage the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order by a state agency or any statewide elected official. For purposes of this chapter, "state agency" does not include the legislative branch of state government.

"Executive branch lobbyist" means an individual who by acting directly does at least one of the following:

1. Receives compensation for engaging in executive branch lobbying.
2. Is a designated representative of an organization that has as one of its purposes engaging in executive branch lobbying.
3. Represents the position of a federal, state, or local agency in which the person serves or is employed as the representative designated to engage in executive branch lobbying.
4. Makes expenditures of more than $1,000 in a calendar year to communicate in person for the purpose of engaging in executive branch lobbying.

"Executive branch lobbyist client" means a private person or a federal, state, or local governmental entity that pays compensation to or designates an individual to be a lobbyist before the executive branch.

"Lobbyist compensation" means any money, thing of value, or financial benefit conferred in return for engaging in executive branch lobbying.

8.1(2) *Exemptions.* The following individuals are not considered to be executive branch lobbyists:

a. Officials and employees of a political party that is organized in the state of Iowa and that meets the requirements of Iowa Code section 43.2, when the officials and employees represent the political party in an official capacity.

b. Representatives of the news media only when engaged in the reporting and dissemination of news and editorials.

c. All federal, state, and local elected officials, while performing the duties and responsibilities of office.

d. Individuals whose activities are limited to appearances to give testimony or provide information or assistance at public hearings of state agencies or who are giving testimony or providing information or assistance at the request of public officials or employees.

e. Members of the staff of the United States Congress or the Iowa general assembly.

f. Agency officials and employees while they are engaged in activities within the agency in which they serve or are employed or with another agency within which an official's or employee's agency is involved in a collaborative project.

g. An individual who is a member, director, trustee, officer, or committee member of a business, trade, labor, farm, professional, religious, education, or charitable association, foundation, or organization who is not paid compensation and is not specifically designated as an executive branch lobbyist.

h. Individuals whose activities are limited to submitting data, views, or arguments in writing, or requesting an opportunity to make an oral presentation under Iowa Code section 17A.4(1).

i. Individuals whose activities are limited to monitoring or following the progress of legislation, a rule, or an executive order, but who do not engage in executive branch lobbying.

j. Individuals who represent a client in responding to a request for proposal or otherwise receiving a contract or grant from a state agency.

k. Individuals who represent a client involved in a legal dispute with the state, including a contested case proceeding.

l. Individuals advocating for or against the appointment of a particular individual to a board or commission of the state.

This rule is intended to implement Iowa Code section 68B.2.

351—8.2(68B) Individuals not considered executive branch lobbyists. Individuals uncertain as to whether they are considered executive branch lobbyists should contact the board for guidance prior to engaging in any executive branch lobbying.

This rule is intended to implement Iowa Code section 68B.2(13).

351—8.3(68B) Contingency fee lobbying prohibited. No person will offer, nor will any person accept, compensation contingent upon the outcome of executive branch lobbying services rendered or to be rendered. Complaints or information alleging a violation of this rule will be filed with the board.

This rule is intended to implement Iowa Code section 68B.2(7).

351—8.4(68B) Lobbyist registration required.

8.4(1) *Time of filing.* Any individual engaging in executive branch lobbying activity will register by electronically filing an executive branch lobbyist registration statement with the chief clerk of the house of representatives or the secretary of the senate on or before the day the lobbying activity begins. Registration expires at the end of the calendar year. Beginning December 1 of each year, a person may register to lobby for the following calendar year.

8.4(2) *Place of filing.* Executive branch lobbyist registration statements will be electronically filed with the chief clerk of the house of representatives or the secretary of the senate through the general assembly's website.

8.4(3) *Amendment.* Any change or addition to the information in an executive branch lobbyist's registration statement will be filed with the chief clerk of the house of representatives or the secretary of the senate within ten days after the change or addition is made known to the lobbyist. The lobbyist may file changes or additions by electronically filing an amended registration statement.

8.4(4) *Failure to timely file.* An individual who fails to file an executive branch lobbyist registration statement before engaging in executive branch lobbying will be subject to sanctions by the board as permitted under Iowa Code chapter 68B and rule 351—9.3(68B) separate to any sanctions imposed by the general assembly.

This rule is intended to implement Iowa Code section 68B.36.

351—8.5(68B) Executive branch lobbyist client reporting.

8.5(1) *Place of filing.* Executive branch lobbyist client reports will be electronically filed with the general assembly through its website.

8.5(2) *Time of filing.* An executive branch lobbyist client report will be filed on or before July 31 unless the due date is extended by the general assembly.

This rule is intended to implement Iowa Code section 68B.38.

351—8.6(68B) Session function registrations and reports. Pursuant to Iowa Code section 68B.22(4)*"s,"* a sponsor of a qualified function is required to file with the general assembly a registration notice prior to the function and a report within 28 days of the function. The board will deem filings with the general assembly as acceptable filings with the board. The failure of a sponsor to timely file either a registration notice or a report will subject the sponsor to sanctions by the board as permitted under Iowa Code chapter 68B and rule 351—9.3(68B) separate from any sanctions imposed by the general assembly.

This rule is intended to implement Iowa Code sections 68B.22(4)*"s"* and 68B.32A(5).

351—8.7(68B) Automatic penalties for delinquent client reports.

8.7(1) *Late client report.* An executive branch lobbyist client that fails to file an executive branch lobbyist client report on or before the required due date will be subject to an automatic civil penalty according to the following schedule:

Days Delinquent	Penalty Amount
1 to 14	$50
15 to 30	$100
31 and over	$250

8.7(2) *Additional penalty.* If an executive branch lobbyist client fails to file a required client report or fails to file an accurate client report, a contested case proceeding may be held to determine

whether a violation has occurred. If, after a contested case proceeding, it is determined that a violation occurred, the board may impose any of the actions under Iowa Code section 68B.32D. Any action so imposed would be in addition to the automatically assessed penalty in this rule.

This rule is intended to implement Iowa Code section 68B.32A(5) and 68B.32A(9).

351—8.8(68B) Request for waiver of penalty. An executive branch lobbyist client that believes there are mitigating circumstances that prevented the timely filing of a report may petition the board for waiver of the penalty. The board must receive the petition for waiver within 30 days of the executive branch lobbyist's client being notified of the civil penalty assessment. The board will review the request and issue a waiver, in whole or in part, or denial of the request. If a denial or partial waiver is issued, the person will promptly pay the assessed penalty or request a contested case proceeding pursuant to rule 351—8.9(68B) to appeal the board's decision.

This rule is intended to implement Iowa Code section 68B.32A(5) and 68B.32A(9).

351—8.9(68B) Contested case proceeding.

8.9(1) *Request.* If an executive branch lobbyist client accepts administrative resolution of a matter through the payment of a civil penalty, the matter will be closed. If the person chooses to contest the board's decision, the person will make a written request to the executive director for a contested case proceeding within 30 days of being notified of the board's decision.

8.9(2) *Procedure.* Upon timely receipt of a request for a contested case proceeding, the board will provide for the issuance of a statement of charges and notice of hearing. The burden will be on the board's legal counsel to prove that a violation occurred.

8.9(3) *Failure to request a contested case proceeding.* The failure to request a contested case proceeding to appeal the board's decision on a waiver request is the failure to exhaust administrative remedies for purposes of seeking judicial review in accordance with Iowa Code chapter 17A and section 68B.33.

This rule is intended to implement Iowa Code sections 68B.32A(5), 68B.32A(9), and 68B.33.

351—8.10(68B) Payment of penalty. Checks will be made payable to the State of Iowa and sent to the board's office for transfer to the office of the treasurer of the state, which will deposit the check into the general fund.

This rule is intended to implement Iowa Code section 68B.32A(5) and 68B.32A(9).

351—8.11(68A) Campaign contributions by lobbyists during the regular legislative session.

8.11(1) *Prohibition.* Individuals who are registered in Iowa as either executive branch or legislative branch lobbyists are prohibited from contributing to, acting as an agent or intermediary for contributions to, or arranging for the making of monetary or in-kind contributions to the campaign of an elected state official, member of the general assembly, or candidate for state office on any day during the legislative session.

8.11(2) *Mailed contributions prohibited.* This prohibition includes a contribution that is mailed during the legislative session but received by the candidate after adjournment sine die.

8.11(3) *Application to governor, lieutenant governor, and candidates.* The prohibition on contributions to the governor, lieutenant governor, or candidates for either office during the legislative session extends for 30 days following the adjournment sine die of a regular legislative session.

8.11(4) *Exceptions.* The prohibition on contributions during the legislative session does not apply to any of the following:

a. Contributions to an elected state official, member of the general assembly, or other state official who has taken affirmative action to seek nomination or election to a federal elective office so long as the lobbyist's contribution is placed into the candidate's federal account.

b. Contributions to a candidate for state office who filed nomination papers for a special election called or held during the legislative session if the candidate receives the contribution at any time during the period commencing on the date on which at least two candidates have been nominated for

the office and ending on the date on which the election is held. However, elected state officials are prohibited from soliciting lobbyists for contributions to another candidate for state office when a special election is held during the legislative session.

c. Contributions made during a special legislative session. In the case of the governor, lieutenant governor, and candidates for either office, this exception also includes the 30 days following a special legislative session unless that time period falls within 30 days of adjournment of the regular legislative session.

d. Contributions from a lobbyist's personal funds made to the lobbyist's own campaign for public office.

8.11(5) *Complaints.* Complaints or information provided to the board alleging a violation of Iowa Code section 68A.504 involving either executive branch lobbyists or legislative branch lobbyists will be filed with the board.

8.11(6) *Date of session.* For purposes of Iowa Code section 68A.504 and this rule, a legislative session commences at 12 a.m. of the first day of the legislative session through 11:59:59 p.m. of the day that the legislative session adjourns sine die.

This rule is intended to implement Iowa Code section 68A.504.

351—8.12(68B) Loans made by lobbyists.

8.12(1) *Prohibition.* An executive branch official or employee or a candidate for statewide office will not directly or indirectly seek or accept a loan from a person who is an executive branch lobbyist.

8.12(2) *Offer of loan prohibited.* An executive branch lobbyist will not directly or indirectly offer or make a loan to an executive branch official, executive branch employee, or a candidate for statewide office.

8.12(3) *Exception.* This prohibition does not apply to loans made in the ordinary course of business. "Ordinary course of business" means the loan is made by a person who is regularly engaged in a business that makes loans to members of the general public and the finance charges and other terms of the loan are the same or substantially similar to the finance charges and loan terms that are available to members of the general public.

8.12(4) *Complaints.* Complaints or information provided to the board alleging a violation of Iowa Code section 68B.24 by an executive branch official or employee, candidate for statewide office, or an executive branch lobbyist will be filed with the board.

This rule is intended to implement Iowa Code section 68B.24.

351—8.13(68B) Ban on certain lobbying activities by government personnel.

8.13(1) *Lobbying restrictions—statewide elected officials and executive or administrative heads.*

a. A person who serves as a statewide elected official, the executive or administrative head of an agency, or the deputy executive or administrative head of an agency will not act as a lobbyist during the time in which the person serves or is employed by the state unless the person is designated to represent the official position of the person's agency.

b. A person subject to this prohibition will not accept employment as a lobbyist for two years after leaving state government except as provided in subrule 8.13(4).

8.13(2) *Lobbying restrictions—employees of statewide elected officials and other agency employees.*

a. The head of a major subunit of an agency whose position involves substantial exercise of administrative discretion or the expenditure of public funds or a full-time employee of an office of a statewide elected official whose position involves substantial exercise of administrative discretion or the expenditure of public funds will not act as a lobbyist during the time in which the person is employed by the state before the agency that the person is employed by or before state agencies, officials, or employees with whom the person has substantial or regular contact as part of the person's duties, unless the person is designated to represent the official position of the agency.

b. A person subject to this prohibition will not accept employment as a lobbyist for two years after leaving state government if the employment involves lobbying before the agency by which the person was employed or before state agencies, officials, or employees with whom the person had substantial and regular contact as part of the person's former duties except as provided in subrule 8.13(4).

8.13(3) *Lobbying restrictions—conflicts of interest.* A state employee who is not included in subrule 8.13(1) or 8.13(2) will not act as a lobbyist in relation to any particular case, proceeding, or application with respect to which the person is directly concerned and personally participates as part of the person's employment, unless the person is designated to represent the official position of the agency by which the person is employed. Persons subject to this prohibition will not accept employment as a lobbyist for two years after leaving state government if the employment involves lobbying in relation to any particular case, proceeding, or application with respect to which the person was directly concerned and personally participated as part of the person's employment.

8.13(4) *Exception.* This prohibition does not apply to a person who, within two years of leaving state service or employment, is elected to, appointed to, or employed by another office of the state, an office of a political subdivision of the state, or the federal government and represents the position of the new office or employment.

8.13(5) *Complaints.* Complaints or information provided to the board alleging a violation of Iowa Code section 68B.5A by an executive branch official or an executive branch employee will be filed with the board.

This rule is intended to implement Iowa Code section 68B.5A.

351—8.14(68B) False communications prohibited.

8.14(1) *False material fact.* An executive branch lobbyist will not intentionally deceive or attempt to deceive any executive branch official or employee in regard to a material fact pertinent to an administrative rule, legislation, or an executive order.

8.14(2) *False communication.* An executive branch lobbyist will not cause a communication or an executive branch lobbyist registration statement to be sent to an executive branch official or an executive branch employee in the name of either of the following:

a. A fictitious person; or

b. A real person except with the consent of that person.

8.14(3) *Complaints.* Complaints or information provided to the board alleging a violation of this rule by an executive branch lobbyist will be filed with the board.

This rule is intended to implement Iowa Code section 68B.32A(13).

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 9
"Complaint, Investigation, and Resolution Procedures"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 68A and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 68A and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy, Deputy Director
Iowa Ethics and Campaign Disclosure Board
Jessie M. Parker Building
510 East 12th Street, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

This proposed rulemaking includes revised administrative rules based on the requirements of Executive Order 10. Chapter 9 establishes processes and procedures for complaints submitted to IECDB, including investigation and resolution of complaints. Chapter 9 is proposed to be rescinded and readopted with revisions to align with Executive Order 10.

Analysis of Impact

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

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

There is no expected additional cost to the State or stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. The changes to these rules will not impact the operations of IECDB, and IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind 351—Chapter 9 and adopt the following **new** chapter in lieu thereof:

CHAPTER 9
COMPLAINT, INVESTIGATION, AND RESOLUTION PROCEDURES

351—9.1(68B) Complaints.

9.1(1) *Form.* A complaint will be on forms provided by the board and will be certified under penalty of perjury. The complaint will contain all information required by Iowa Code section 68B.32B(1). The complainant may attach up to 20 pages of supporting documents to the complaint. The Board's legal counsel will review the complaint for sufficiency of form. If the complaint is deficient as to form, the complaint will be returned to the complainant with a statement of deficiency.

In addition to the requirements listed in Iowa Code section 68B.32B, the following complaints will be deemed deficient as to form:

a. Complaints not within the jurisdiction of Iowa Code chapter 68A or 68B;

b. Complaints with no foundation in law or fact; or

c. Duplicative complaints filed by the same complainant.

9.1(2) *Board acceptance.* A complaint will be deemed accepted if, after legal review by the board's legal counsel, review by the chairperson, and a vote of the board, it is determined the complaint contains the requirements as listed in Iowa Code section 68B.32B(4). If both the board's legal counsel and the board opine that the complaint does not contain a legally sufficient allegation, the complaint will be dismissed.

9.1(3) *Notice.* Notice to the subject of a complaint is made only when a complaint is accepted, subject to the conditions of Iowa Code section 68B.32B(3).

9.1(4) *Board review.* The board's review of a formal complaint for legal sufficiency is not a contested case proceeding and will be made solely on the contents of the complaint. Dismissal for lack of legal sufficiency is not subject to appeal.

9.1(5) *Information provided to board.* The board may, on its own motion and without the filing of a complaint, initiate investigations into matters that the board believes may be subject to the board's jurisdiction.

351—9.2(68B) Investigations—board action.

9.2(1) *Board-initiated investigation.* In addition to investigations of legally sufficient complaints, the board may, on its own motion, refer to staff for investigation matters that the board believes may be subject to the board's jurisdiction.

9.2(2) *Subpoenas.* Investigations may include the issuance and enforcement of investigative subpoenas requiring the production of real evidence as well as requiring the attendance and testimony of witnesses.

9.2(3) *Completion.* Upon completion of an investigation, staff will make a report to the board, and the board's legal counsel may provide a recommendation for board action.

9.2(4) *Board action.* Upon receipt and review of the investigative findings and any recommendations, the board may:

a. Redirect the matter for further investigation;

b. Dismiss the matter for lack of probable cause to believe a violation has occurred;

c. Dismiss the matter without a determination regarding probable cause as an exercise of administrative discretion;

d. Make a determination that probable cause exists to believe a violation has occurred and direct administrative resolution of the matter as provided in subrule 9.3(2); or

e. Make a determination that probable cause exists to believe a violation has occurred and direct the issuance of a statement of charges to initiate a contested case proceeding.

351—9.3(68B) Disciplinary remedies; administrative resolution of enforcement matters.

9.3(1) *Action after hearing.* If it is determined after a contested case proceeding that a violation of statute or rule under the board's jurisdiction has occurred, the board may impose any of the actions set out in Iowa Code section 68B.32D, including as a remedial action the assessment of direct costs related to the hearing for printing, postage, long-distance telephone charges, witness fees, and compensation paid to the presiding officer.

9.3(2) *Administrative resolution.* Violations may be handled by administrative resolution rather than through the full contested case proceeding process. The board may order administrative resolution by directing that the person take specified remedial action. The board may also order administrative resolution by issuing a letter of reprimand or by imposing a civil penalty as set out in subrule 9.3(7).

9.3(3) *Response to administrative resolution.* A person subject to board discipline may accept administrative resolution. If the person accepts the administrative resolution by complying with the directed remedial action or accepting a letter of reprimand, the matter will be closed. If the person wishes to appeal the administrative resolution, the person will make a written request to the executive director for a contested case proceeding and will submit the request within 30 days of the date of the correspondence informing the person of the board's decision.

9.3(4) *Statement of charges.* The board will issue a statement of charges upon timely receipt of a request for a contested case proceeding to appeal an administrative resolution. The contested case will be conducted in accordance with the provisions in Iowa Code chapter 17A. The board's legal counsel will have the burden of proving the violation. Failure to challenge the administrative resolution through a request for a contested case proceeding is a failure to exhaust administrative remedies for purposes of seeking judicial review.

9.3(5) *Automatic civil penalties.* The board may administratively resolve late-filed reports by the assessment of automatic civil penalties, subject to the civil penalty waiver process. The board may retain five dollars of any civil penalty that is ultimately not waived by the board or by a court of law as return receipts covering incidental costs such as printing and postage. The remainder of the civil penalty will be deposited in the state general fund.

9.3(6) *Admonishment.* The board may admonish any person who it believes has committed a minor violation to exercise care. An admonishment is not discipline and is not subject to a contested case proceeding appeal.

9.3(7) *Civil penalty for violation.* If the board determines that probable cause exists to believe that a violation of any statute or rule under its jurisdiction has occurred, except for a late-filed disclosure report, the board may order administrative resolution of the violation by imposing a civil penalty not to exceed $1,000. A person assessed a civil penalty may appeal the decision by requesting within 30 days of the date of the correspondence informing the person of the board's decision a contested case proceeding to be held under the process set out in subrule 9.3(4).

351—9.4(68B) Settlements. Settlements may be negotiated during an investigation or after the commencement of a contested case proceeding. Negotiations will be conducted between the board's legal counsel and any person subject to the investigation or contested case proceeding or the person's legal representatives. A settlement will be in writing and is subject to approval of the board. If the board declines to approve a proposed settlement, the settlement will be of no force or effect.

351—9.5(68B) Protections for complaints made in good faith.

9.5(1) *Good faith definition.* For purposes of Iowa Code section 68B.32A(14), "good faith" means that any statements or materials in a complaint, in information provided to the board for a possible board-initiated investigation, or provided in information during the course of a board investigation were made or provided with a reasonable belief that such statements or materials were true and accurate.

9.5(2) *Protections.* A person who discharges or discriminates against an employee because the employee filed a complaint or provided information during the course of a board investigation may be subject to the board's complaint process if the employee filed the complaint or provided the information in good faith. If it is determined after a contested case proceeding that a person has impermissibly discharged or discriminated against an employee under this rule, the board may impose sanctions as set out in Iowa Code section 68B.32D.

This rule is intended to implement Iowa Code sections 68B.32A(14) and 68B.32B.

351—9.6(68B) Providing false information to the board during an investigation. A person providing false information to the board during a board investigation of a potential violation of Iowa Code chapter 68A or 68B or rules adopted by the board will be subject to the complaint or administrative resolution process as provided under Iowa Code chapter 68B and rule 351—9.3(68B).

For purposes of this rule, "providing false information" means the intentional providing of a false material statement of fact, falsely denying knowledge of a material fact, or providing a material statement of fact with a reckless disregard for the truth of the statement.

This rule is intended to implement Iowa Code sections 68B.32A and 68B.32B.

These rules are intended to implement Iowa Code section 68B.32B.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 11
"Contested Case Procedures"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding contested case procedures. To satisfy these obligations, IECDB promulgated Chapter 11 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 11 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A, and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 11**.

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 12
"Declaratory Orders"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding procedures for declaratory orders. To satisfy these obligations, IECDB promulgated Chapter 12 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 12 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A, and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 12**.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 13
"Petitions for Rulemaking"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding the rulemaking process and petitions for rulemaking. To satisfy these obligations, IECDB promulgated Chapter 13 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 13 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A, and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 13**.

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 14
"Board Procedure for Rulemaking"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding the rulemaking process. To satisfy these obligations, IECDB promulgated Chapter 14 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 14 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A, and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 14**.

ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]

Regulatory Analysis

Notice of Intended Action to be published: 351—Chapter 15
"Waivers or Variances from Administrative Rules"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 68A, and 68B

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 68A, and 68B 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:

October 21, 2025 9 to 9:30 a.m.	Via virtual meeting/videoconference meet.google.com/def-amxu-ztg Or dial: 443.892.2873 Passcode: 459 114 569#

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Ethics and Campaign Disclosure Board (IECDB) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Kimberly Murphy
Iowa Ethics and Campaign Disclosure Board
510 East 12th Street
Jessie M. Parker Building, Suite 1A
Des Moines, Iowa 50319
Phone: 515.423.4112
Email: kim.murphy2@iowa.gov

Purpose and Summary

The Iowa Administrative Procedure Act has long required agencies to adopt rules regarding the rulemaking process and waivers from administrative rules. To satisfy these obligations, IECDB promulgated Chapter 15 consistent with the Uniform Rules on Agency Procedure.

However, 2024 Iowa Acts, Senate File 2370, sections 4 and 12, repealed related requirements and enacted a new Iowa Code section, respectively. The new section states that the Administrative Rules Coordinator, in partnership with the Iowa Attorney General's Office, may adopt a new set of uniform model rules that will automatically apply to agencies in the absence of self-promulgated rules (more information can be found in Iowa Code section 17A.24 as enacted by 2024 Iowa Acts, Senate File 2370).

Accordingly, IECDB is proposing to rescind Chapter 15 consistent with the principles of Executive Order 10 as being either unauthorized or unnecessary. IECDB will instead operate under the new model rules and other applicable laws.

Analysis of Impact

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

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

There is no expected additional cost to the State or other stakeholders governed by Iowa Code chapters 68A and 68B.

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

The State and stakeholders governed by Iowa Code chapters 68A and 68B 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:**

No quantitative impact is expected. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

- **Qualitative description of impact:**

No qualitative impact is expected.

3. **Costs to the State:**

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

No costs will be borne by any agency. IECDB will still operate consistent with Iowa Code chapters 17A, 68A, and 68B.

- **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. IECDB will still operate consistent with Iowa Code chapter 17A and the scope of authority granted pursuant to Iowa Code chapters 68A and 68B.

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?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **351—Chapter 15**.

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 86
"Healthy and Well Kids in Iowa (Hawki) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 514I
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 514I

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

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

The purpose of this proposed rulemaking is to correct an error that was made in a recent adopted filing.

The Red Tape review of Chapter 86 was done in 2024 and was Adopted and Filed in **ARC 9468C** (IAB 8/6/25). During the adopted filing process, language describing the grace period for premium payment was added back to the chapter. The language had been removed in the Regulatory Analysis and the Notice of Intended Action as being duplicative of the State Plan for the program.

Since the 2024 Red Tape Review was initiated in early 2024, a change was made to Iowa's State Plan Amendment (SPA) to comply with a federal requirement for continuous eligibility for children under the age of 19 for both Medicaid and Hawki. This change became effective April 1, 2024, and eliminated the need for a grace period for premium payment for both the Medicaid program and Hawki.

This proposed rulemaking strikes the grace period language from the chapter.

There is no substantive impact because the SPA's authority exceeds that of administrative rule. The Hawki program has not changed, and no children's coverage or eligibility has been or will be impacted.

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:**

No one will benefit from or be harmed by the 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:**

This proposed rulemaking has no quantitative impact.

- **Qualitative description of impact:**

This proposed rulemaking will bring the Iowa Administrative Code into alignment with the SPA.

3. **Costs to the State:**

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

There are no costs associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking will have no effect on State revenues.

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

The proposed rulemaking is the appropriate remedy to a previous filing error.

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

This proposed rulemaking is the appropriate remedy to a previous filing error.

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 subrule **86.8(4)**.

ITEM 2. Renumber subrules **86.8(5)** and **86.8(6)** as **86.8(4)** and **86.8(5)**.

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 156
"Payments for Foster Care"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 232.143, 234.35 and 234.38
State or federal law(s) implemented by the rulemaking: Iowa Code section 234.39

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

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:

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Purpose and Summary

This chapter underwent a fulsome review as a part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to reflect current policies and procedures. This proposed chapter establishes policies and procedures for the computation and collection of parental liability by the Department, as laid out in Iowa Code section 234.39.

In addition, this rulemaking implements, in part, 2025 Iowa Acts, House File 1049. Section 22 of the bill appropriates $308,765 to increase foster care rates by 5 percent.

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:**

This proposed rulemaking benefits Iowans by collecting the parental liability costs associated with having children in foster care.

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:**

These proposed rule changes increase financial support provided to kinship caregivers to align with the rates received by foster parents. This is an increase from $310 per month currently to approximately $555 per month. These proposed rule changes also increase the base daily foster care

maintenance payment by 5 percent and increase the lowest age tier daily rate from $17.62 to $18.50. Each additional age tier increases the daily rate by 5 percent pursuant to 2025 Iowa Acts, House File 1049, section 22.

- **Qualitative description of impact:**

The Kinship Caregiver Payment Program allows for kinship caregivers to receive financial support that begins 14 days after court-ordered placement of a child in their care due to an open child welfare case. This financial support provides the ability for the caregiver to further meet the child's needs and increase placement stability. The 5-percent increase to the daily foster care maintenance payment increases financial support to foster parents and kinship caregivers to better align with changing economic conditions, such as cost of living, to provide adequate care to meet the needs of children placed in out-of-home care.

3. **Costs to the State:**

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

The majority of implementation costs stem from the administrative work required for the computation, review, and collection of parental liability costs.

- **Anticipated effect on State revenues:**

The collection of parental liability costs helps to recover some of the costs associated with providing for children in foster care. The State recovers about $150,000 per year from parental liability in regard to the costs associated with providing for children in foster care.

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

Recovery of parental liability is required by the Iowa Code.

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:**

Recovery of parental liability costs is required by the Iowa Code.

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

Recovery of parental liability costs is required by the Iowa Code.

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 is not expected to have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 156 and adopt the following **new** chapter in lieu thereof:

CHAPTER 156
PAYMENTS FOR FOSTER CARE

441—156.1(234) Definitions.

"Child welfare services" means age-appropriate activities to maintain a child's connection to the child's family and community, to promote reunification or other permanent placement, and to facilitate a child's transition to adulthood.

"Cost of foster care" means the maintenance and supervision costs of foster family care, the maintenance costs and child welfare service costs of group care, and the maintenance and service costs of supervised apartment living and shelter care. The cost for foster family care supervision and for supervised apartment living services provided directly by the department caseworker is $250 per month. When using this average monthly charge results in unearned income or parental liability being collected in excess of the cost of foster care, the excess funds will be placed in the child's escrow account. The cost for supervised apartment living services purchased from a private provider are to be the actual costs paid by the department.

"Earned income" means income in the form of a salary, wages, tips, bonuses, commissions earned as an employee, income from job corps or profit from self-employment.

"Escrow account" means an interest-bearing account in a bank or savings and loan association that is maintained by the department in the name of a particular child.

"Family foster care supervision" means the support, assistance, and oversight provided by department caseworkers to children in family foster care and directed toward achievement of the child's permanency plan goals.

"Foster care" means substitute care furnished on a 24-hour-a-day basis to an eligible child in a licensed or approved facility by a person or agency other than the child's parent or guardian but does not include care provided in a family home through an informal arrangement for a period of 20 days or less. Child foster care includes but is not limited to the provision of food, lodging, training, education, supervision and health care.

"Foster family care" means foster care provided by a foster family licensed by the department according to 441—Chapter 113, approved by the department according to Iowa Code chapter 237, or licensed or approved by the placing state. The care includes the provision of food, lodging, clothing, transportation, recreation, and training that is appropriate for the child's age and mental and physical capacity.

"Group care maintenance" means food, clothing, shelter, school supplies, personal incidentals, daily care, general parenting, discipline, and supervision of children to ensure their well-being and safety, and administration of maintenance items provided in a group care facility.

"Income" means earned and unearned income.

"Inflation factor" means the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31 that preceded the contractor's fiscal year end.

"Intellectual disabilities professional" means a psychologist, physician, registered nurse, educator, social worker, physical or occupational therapist, speech therapist or audiologist who meets the educational requirements for the profession, as required in the state of Iowa, and has at least one year of experience working with persons with an intellectual disability.

"Kinship caregiver" means, for this chapter only, a person to whom a child is related by blood, marriage, or adoption, or a person who has a significant, committed, positive relationship with the child, who is caring for a child in foster care, pursuant to Iowa Code chapter 232.

"Kinship foster care approval" means the authorization granted to the caregiver by the department to provide child foster care through an expedited process according to Iowa Code chapter 237 and allows the kinship caregiver to receive maximum financial support and to obtain the information and

resources necessary to meet the needs of a child under a court-ordered placement with the kinship caregiver.

"Mental health professional" means a person who meets all of the following conditions:

1. Holds at least a master's degree in a mental health field, including but not limited to psychology, counseling and guidance, psychiatric nursing and social work; or is a doctor of medicine or osteopathic medicine; and

2. Holds a current Iowa license when required by the Iowa professional licensure laws (such as a psychiatrist, a psychologist, a marital and family therapist, a mental health counselor, an advanced registered nurse practitioner, a psychiatric nurse, or a social worker); and

3. Has at least two years of postdegree experience supervised by a mental health professional in assessing mental health problems, mental illness, and service needs and in providing mental health services.

"Parent" means the biological or adoptive parent of the child.

"Parental liability" means a parent's liability for the support of a child during the period of foster care placement. Liability is determined pursuant to 441—Chapter 99.

"Physician" means a licensed medical or osteopathic doctor as defined in Iowa Code section 135.1(4).

"Prevailing rate" means the maximum combined service and maintenance reimbursement rate the department pays to contracted shelter care providers as authorized by the legislature.

"Provider" means the entity that has executed a contract with the department to provide services.

"Service area manager" means the department employee or designee responsible for managing department offices and personnel within the service area and for implementing policies and procedures of the department.

"Special needs child" means a child with needs for emotional care, behavioral care, or physical and personal care that require additional skills, knowledge, or responsibility on the part of the foster parents, as measured by Form 470-4401, the Foster Child Behavioral Assessment form.

"Unearned income" means any income that is not earned income and includes supplemental security income (SSI) and other funds available to a child residing in a foster care placement.

This rule is intended to implement Iowa Code section 234.39.

441—156.2(234) Foster care recovery. The department will recover the cost of foster care provided by the department pursuant to the rules in this chapter and the rules in 441—Chapter 99, which establishes policies and procedures for the computation and collection of parental liability by child support services.

156.2(1) Funds are to be applied to the cost of foster care in the following order and each source exhausted before utilizing the next funding source:

a. Unearned income of the child.

b. Parental liability of the noncustodial parent.

c. Parental liability of custodial parent(s).

156.2(2) The department serves as payee to receive the child's unearned income. When a parent or guardian is not available or is unwilling to do so, the department is responsible for applying for benefits on behalf of a child placed in the care of the department. Until the department becomes payee, the payee shall forward benefits to the department. For voluntary foster care placements of children aged 18 and over, the child is the payee for the unearned income. The child shall forward these benefits, up to the actual cost of foster care, to the department.

156.2(3) The custodial parent shall assign child support payments to the department.

156.2(4) Unearned income of a child and parental liability of the noncustodial parent is placed in an account from whence it is applied toward the cost of the child's current foster care and the remainder placed in an escrow account.

156.2(5) When a child has funds in escrow, these funds may be used by the department to meet the current needs of the child not covered by the foster care payments and not prohibited by the source of the funds.

156.2(6) When the child leaves foster care, funds in escrow are paid to the custodial parent(s) or guardian or to the child when the child has attained the age of majority, unless a guardian has been appointed.

156.2(7) When a child who has unearned income returns home after the first day of a month, the remaining portion of the unearned income (based on the number of days in the particular month) is made available to the child and the child's parents, guardian or custodian, if the child is eligible for the unearned income while in the home of a parent, guardian or custodian.

This rule is intended to implement Iowa Code section 234.39.

441—156.3(234) Rate of maintenance payment for foster family care.

156.3(1) *Basic rate.* A monthly payment for care in a foster family home licensed in Iowa will be made to the foster family based on the following schedule:

Age of child	Daily rate
0 through 5	$18.50
6 through 11	$19.24
12 through 15	$21.06
16 or over	$21.34

156.3(2) *Out-of-state rate.* A monthly payment for care in a foster family home licensed or approved in another state will be made to the foster family based on the rate schedule in effect in Iowa, except that the service area manager or designee may authorize a payment to the foster family at the rate in effect in the other state if the child's family lives in that state and the goal is to reunite the child with the family.

156.3(3) *Mother and child in foster care.* When the child in foster care is a mother whose young child is in placement with her, the rate paid to the foster family is based on the daily rate for the mother according to the rate schedule in subrules 156.6(1) and 156.6(4) and for the child according to the rate schedule in subrule 156.6(1). The foster parents shall provide a portion of the young child's rate to the mother to meet the partial maintenance needs of the young child as defined in the case permanency plan.

156.3(4) *Kinship foster care.* When the child in foster care is court-ordered to placement with an approved kinship caregiver to provide child foster care, the rate paid to the approved kinship caregiver is based on the daily amount according to the rate schedule in subrule 156.6(1).

a. When a foster family provides care to a sibling group of three or more children, an additional payment of $1 per day per child may be authorized for each nonspecial needs child in the sibling group.

b. When the foster family's responsibilities in the case permanency plan include providing transportation related to family or preplacement visits outside the community in which the foster family lives, the department caseworker may authorize an additional maintenance payment of $1 per day. Expenses over the monthly amount may be reimbursed with prior approval by the department caseworker. Eligible expenses include the actual cost of the most reasonable passenger fare or gas.

c. A supervisor may approve an additional maintenance payment above the basic rate in subrule 156.6(1) to meet the child's special needs as identified by the child's score on Form 470-4401, Foster Child Behavioral Assessment. The department caseworker will complete Form 470-4401, Foster Child Behavioral Assessment, within 30 days of the child's initial entry into foster care.

(1) Additional maintenance payments made under this paragraph can begin no earlier than the first day of the month following the month in which Form 470-4401, Foster Child Behavioral Assessment is completed and will be awarded as follows:

1. Behavioral needs rated at level 1 qualify for a payment of $4.81 per day.

2. Behavioral needs rated at level 2 qualify for a payment of $9.62 per day.

3. Behavioral needs rated at level 3 qualify for a payment of $14.44 per day.

(2) The department will review the child's need for this difficulty of care maintenance payment using Form 470-4401, Foster Child Behavioral Assessment:

1. Whenever the child's behavior changes significantly;

2. When the child's placement changes;

3. After termination of parental rights, in preparation for negotiating an adoption subsidy or pre-subsidy payment; and

4. Before a court hearing on guardianship subsidy.

d. All maintenance payments, including difficulty of care payments, are to be documented on Form 470-0716, Foster Family Placement Contract.

156.3(5) *Payment method.* All foster family maintenance payments shall be made directly to the foster family.

156.3(6) *Return of overpayments.* When a foster family has received payments in excess of those allowed under this chapter, the department caseworker shall ask the foster family to return the overpayment. If the foster family is returning the overpayment to the department, the department caseworker shall note the monthly amount the foster family agrees to pay in the family's case file. The amount returned cannot be less than $50 per month.

This rule is intended to implement Iowa Code section 234.38 and chapter 237.

441—156.4(234) Kinship caregiver payment.

156.4(1) A kinship caregiver payment is a monthly payment to financially support the care of a child in a kinship caregiver's home. If approved by the department, kinship caregiver payment will be provided for a period of up to four months.

156.4(2) All of the following conditions apply:

a. For each eligible child living in a kinship placement, a caregiver will receive a monthly payment according to the basic rate schedule in subrule 156.6(1) as a result of a court-ordered placement.

b. The payment will begin after 14 days of the child's placement in the kinship caregiver's home. The 14-day requirement is waived if the child enters the kinship caregiver's home immediately following a paid placement for at least 30 days.

c. The payment will continue for up to four months.

d. The kinship caregiver payment will be terminated if the child no longer resides in the home.

e. Kinship caregivers who receive a foster care payment are not eligible to receive a kinship caregiver payment.

This rule is intended to implement Iowa Code section 232.102.

441—156.5(234) Additional payments.

156.5(1) *Clothing allowance.*

a. When, in the judgment of the department caseworker, clothing is needed at the time the child is removed from the child's home and placed in foster care and annually thereafter as needed based on the date the child entered foster care, an allowance may be authorized, not to exceed $500 for the child through the age of 12 and $750 for the child aged 13 and older, to purchase clothing.

b. When clothing is purchased by the foster family, the foster family shall submit receipts to the department caseworker within 30 days of purchase for auditing purposes, using Form 470-1952, Foster Care Clothing Allowance.

156.5(2) *Supervised apartment living.* When a child is initially placed in supervised apartment living, the service area manager or designee may authorize an allowance not to exceed $630 if the child does not have sufficient resources to cover initial costs.

156.5(3) *Medical care.* When a child in foster care needs medical care or examinations that are not covered by the Medicaid program and no other source of payment is available, the cost may be

paid from foster care funds with the approval of the service area manager or designee. Eligible costs include emergency room care, medical treatment by out-of-state providers who refuse to participate in the Iowa Medicaid program, and excessive expenses for nonprescription drugs or supplies. Requests for payment for out-of-state medical treatment and for nonprescription drugs or supplies shall be approved prior to the care being provided or the drugs or supplies purchased. Claims shall be submitted to the department on Form GAX, General Accounting Expenditure, within 90 days after the service is provided. The rate of payment will be the same as allowed under the Iowa Medicaid program.

156.5(4) *Transportation for medical care.* When a child in foster family care has expenses for transportation to receive medical care that cannot be covered by the Medicaid program, the expenses may be paid from foster care funds, with the approval of the service area manager. The claim for all the expenses shall be submitted to the department on Form GAX, General Accounting Expenditure, within 90 days after the trip. This payment cannot duplicate or supplement payment through the Medicaid program. The expenses may include the actual cost of meals, parking, child care, lodging, passenger fare, or mileage at the rate granted state employees.

156.5(5) *Funeral expense.* When a child under the guardianship of the department dies, the department will pay funeral expenses not covered by the child's resources, insurance or other death benefits, the child's legal parents, or the child's county of legal settlement, not to exceed $650. The claim shall be submitted by the funeral director to the department on Form GAX, General Accounting Expenditure, and approved by the service area manager. Claims shall be submitted within 90 days after the child's death.

156.5(6) *School fees.* Payment for required school fees of a child in foster family care or supervised apartment living that exceed $5 may be authorized by the department caseworker in an amount not to exceed $50 per calendar year if the child does not have sufficient escrow funds to cover the cost. Required school fees include:

a. Fees required for participation in school or extracurricular activities; and

b. Fees related to enrolling a child in preschool when a mental health professional or an intellectual disabilities professional has recommended school attendance.

156.5(7) *Respite care.* Respite care for a child in family foster care shall be for up to 24 days per calendar year per placement. Except for a certified respite provider, respite shall be provided by a licensed foster family. The payment rate to the respite foster family is the rate authorized under rule 441—156.6(234) to meet the needs of the child. Certified respite providers deliver foster child respite services in the foster family home for at least five hours a day at $20 per day.

156.5(8) *Tangible goods, child care, and ancillary services.* To the extent that a foster child's escrow funds are not available, the service area manager or designee may authorize reimbursement to foster parents for the following:

a. Tangible goods for a special needs child, including but not limited to building modifications, medical equipment not covered by Medicaid, specialized educational materials not covered by educational funds, and communication devices not covered by Medicaid.

b. Child care services when the foster parents are working, the child is not in school, and the provision of child care is identified in the child's case permanency plan.

(1) Child care services shall be provided by a licensed foster parent or a licensed or registered child care provider when available.

(2) When foster parents elect to become child care providers, they shall be registered pursuant to 441—Chapter 110.

c. Ancillary services needed by the foster parent to meet the needs of a special needs child, including but not limited to specialized classes when directed by the case permanency plan.

d. Ancillary services needed by the special needs child, including but not limited to recreation fees, in-home tutoring and specialized classes not covered by education funds.

e. Requests for tangible goods, child care, and ancillary services shall be submitted to the service area manager for approval on Form 470-3056, Request for Tangible Goods, Child Care, and

Ancillary Services. Payment rates for tangible goods and ancillary services will be comparable to prevailing community standards. Payment rates for child care are established pursuant to 441—subrule 170.4(7).

f. Prior payment authorization will be issued by the service area manager before tangible goods, child care, and ancillary services are purchased by or for foster parents.

This rule is intended to implement Iowa Code section 234.38.

441—156.6(234) Rate of payment for foster group care.

156.6(1) *In-state reimbursement.* Contracted foster group care facilities licensed or approved in the state of Iowa will be paid for group care maintenance and child welfare services in accordance with contracted terms.

a. Additional payment for group care maintenance may be authorized if a facility provides care for a mother and her young child according to subrule 156.9(4).

b. No less than annually, the department will redetermine the allocation of the combined child welfare service per diem rate between the maintenance and service portions plus the inflation factor based on review of the verified Form 470-5421, Combined Cost Report. If the new allocation differs from the current allocation, the department will:

(1) Reallocate the combined child welfare service per diem for foster group care between the maintenance and service portions plus the inflation factor of the combined rate; and

(2) Notify all providers of any change in the allocation between maintenance and service rates.

156.6(2) *Out-of-state group care payment rate.* When the department determines that appropriate care is not available in Iowa and a licensed or approved contractor outside Iowa is used, the payment rate for contracted foster group care services will be the Iowa rate unless the director grants an exception. The rate cannot exceed the rate paid for clients from that state.

156.6(3) *Out-of-state placement determination.*

a. Placement. When determining whether appropriate care is available within the state, the director will consider each of the following:

(1) Whether the child's treatment needs are exceptional.

(2) Whether appropriate in-state alternatives are available.

(3) Whether an appropriate in-state alternative could be developed by using juvenile court-ordered service funds or wrap-around funds.

(4) Whether the placement and additional payment are expected to be time-limited with anticipated outcomes identified.

(5) If the placement has been approved by the service area manager or chief juvenile court officer.

b. Procedure. The service area manager or chief juvenile court officer will submit the request for director's exception to the department. This request will be made in advance of placing the child and should allow a minimum of two weeks for a response. The request should contain documentation addressing the criteria for director's approval listed in paragraph 156.6(3)*"a."*

156.6(4) *Mother-young child rate.* When a group foster care facility provides foster care for a mother and her young child, an additional maintenance rate will cover the maintenance needs of the young child. No additional amount is allowed for service needs of the child.

a. The rate is set in the provider contract. The young child maintenance rate is limited to the costs associated with food, clothing, shelter, personal incidentals, and supervision for each young child and cannot exceed the maintenance rate for the mother. Costs for day care cannot be included in the maintenance rate.

b. Unless the court has transferred custody from the mother, the mother shall have primary responsibility for providing supervision and parenting for the young child. The facility shall provide services to the mother to assist her to meet her parenting responsibilities and monitor her care of the young child.

c. The provider shall provide services to the mother to assist her to:

(1) Obtain a high school diploma or high school equivalency.

(2) Develop preemployment skills.

(3) Establish paternity for her young child whenever appropriate.

(4) Obtain child support for the young child whenever paternity is established.

d. The provider shall maintain information in the mother's file on:

(1) The involvement of the mother's parents or of other adults.

(2) The involvement of the father of the minor's child, including steps taken to establish paternity, if appropriate.

(3) A decision of the minor to keep and raise her young child.

(4) Plan for the minor's completion of high school or a high school equivalency program.

(5) The parenting skills of the minor parent.

(6) Child care and transportation plans for education, training or employment.

(7) Ongoing health care of the mother and child.

(8) Other services as needed to address personal or family problems or to facilitate the personal growth and development toward economic self-sufficiency of the minor parent and young child.

e. The provider designates $35 of the young child rate as an allowance to the mother to meet the maintenance needs of her young child, as defined in her case permanency plan.

This rule is intended to implement Iowa Code sections 234.6 and 234.38.

441—156.7(234) Payment for reserve bed days.

156.7(1) *Group care facilities.* The department will provide payment for group care maintenance and child welfare services according to the following requirements.

a. Family visits. Reserve bed payment will be made for days a child is absent from the facility for family visits when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The facility shall notify the department caseworker of each visit and its planned length prior to the visit.

(3) The intent of the department and the facility will be for the child to return to the facility after the visit.

(4) Staff from the facility shall be available to provide support to the child and family during the visit.

(5) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(6) If the department and the facility agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(7) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(8) Payment will not exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case can payment exceed 30 consecutive days.

(9) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

b. Hospitalization. Reserve bed payment will be made for days a child is absent from the facility for hospitalization when the absence is in accord with the following:

(1) The facility shall contact the department caseworker at least 48 hours in advance of a planned hospitalization and within 24 hours after an unplanned hospitalization.

(2) The intent of the department and the facility shall be for the child to return to the facility after the hospitalization.

(3) Staff from the facility shall be available to provide support to the child and family during the hospitalization.

(4) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(5) If the department and the facility agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(6) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(7) Payment will not exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case can payment exceed 30 consecutive days.

(8) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

c. Runaways. Reserve bed payment will be made for days a child is absent from the facility after the child has run away when the absence is in accord with the following:

(1) The facility shall notify the department caseworker within 24 hours after the child runs away.

(2) The intent of the department and the facility will be for the child to return to the facility once the child is found.

(3) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(4) If the department and the facility agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(5) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(6) Payment will not exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case will payment exceed 30 consecutive days.

(7) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

d. Preplacement visits. Reserve bed payment will be made when a child is making a planned preplacement visit to another foster care placement or an adoptive placement when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The intent of the department and the facility will be for the child to return to the facility.

(3) Staff from the facility shall be available to provide support to the child and provider during the visit.

(4) Payment will be canceled and payment shall be returned if the facility refuses to accept the child back.

(5) Payment will not exceed two consecutive days.

(6) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

156.7(2) *Foster family care.*

a. Family visits. Reserve bed payment will be made for days a foster child is absent from the foster family home for family visits when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The intent of the department and the foster family will be for the child to return to the foster family home after the visit.

(3) Payment will be canceled and payments shall be returned if the foster family refuses to accept the child back.

(4) If the department and the foster family agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(5) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(6) Payment will not exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case will payment exceed 30 consecutive days.

b. Hospitalization. Reserve bed payment will be made for days a foster child is absent from the foster family home for hospitalization when the absence is in accord with the following:

(1) The intent of the department and the foster family will be for the child to return to the foster family home after the hospitalization.

(2) Payment will be canceled and payments shall be returned if the foster family refuses to accept the child back.

(3) If the department and the foster family agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(4) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(5) Payment will not exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case shall payment exceed 30 consecutive days.

c. Runaways. Reserve bed payment will be made for days a foster child is absent from the foster family home after the child has run away when the absence is in accord with the following:

(1) The foster family shall notify the department caseworker within 24 hours after the child runs away.

(2) The intent of the department and the foster family will be for the child to return to the foster family home once the child is found.

(3) Payment will be canceled and payments shall be returned if the foster family refuses to accept the child back.

(4) If the department and the foster family agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(5) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(6) Payment cannot exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case will payment exceed 30 consecutive days.

d. Preplacement visits. Reserve bed payment will be made when a foster child is making a planned preplacement visit to another foster care placement or an adoptive placement when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The intent of the department and the foster family home will be for the child to return to the foster family home.

(3) Payment will be canceled and payment shall be returned if the foster family home refuses to accept the child back.

(4) Payment cannot exceed two consecutive days.

156.7(3) *Shelter care facilities.*

a. Hospitalization. Reserve bed payment will be made for days a child is absent from the facility for hospitalization when the absence is in accord with the following:

(1) The facility shall contact the department caseworker at least 48 hours in advance of a planned hospitalization and within 24 hours after an unplanned hospitalization.

(2) The intent of the department and the facility will be for the child to return to the facility after the hospitalization.

(3) Staff from the facility shall be available to provide support to the child and family during the hospitalization.

(4) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(5) If the department and the facility agree that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(6) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(7) Payment cannot exceed 14 consecutive days, except upon prior written approval of the service area manager. In no case will payment exceed 30 consecutive days.

(8) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

b. Preplacement visits. Reserve bed payment will be made when a child is making a planned preplacement visit to another foster care placement or an adoptive placement when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The intent of the department and the facility will be for the child to return to the facility.

(3) Staff from the facility shall be available to provide support to the child and provider during the visit.

(4) Payment will be canceled and payment shall be returned if the facility refuses to accept the child back.

(5) Payment will not exceed two consecutive days.

(6) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

c. Family visits. Reserve bed payment will be made for days a child is absent from the facility for family visits when the absence is in accord with the following:

(1) The visits shall be consistent with the child's case permanency plan.

(2) The facility shall notify the department caseworker of each visit and its planned length prior to the visit.

(3) The intent of the department and the facility will be for the child to return to the facility after the visit.

(4) Staff from the facility shall be available to provide support to the child and family during the visit.

(5) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(6) If the department agrees that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(7) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(8) Payment cannot exceed seven consecutive days, except upon prior written approval of the service area manager. In no case will payment exceed 14 consecutive days.

(9) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

d. Runaways. Reserve bed payment will be made for days a child is absent from the facility after the child has run away when the absence is in accord with the following:

(1) The facility shall notify the department caseworker within 24 hours after the child runs away.

(2) The intent of the department and the facility will be for the child to return to the facility once the child is found.

(3) Payment will be canceled and payments shall be returned if the facility refuses to accept the child back.

(4) If the department agrees that the return would not be in the child's best interest, payment will be canceled effective the day after the joint decision not to return the child.

(5) Payment will be canceled effective the day after a decision is made by the court or parent in a voluntary placement not to return the child.

(6) Payment cannot exceed seven consecutive days, except upon prior written approval of the service area manager. In no case can payment exceed 14 consecutive days.

(7) The provider shall document the use of reserve bed days in the daily log and report the number of reserve bed days claimed in the quarterly report.

This rule is intended to implement Iowa Code sections 234.6 and 234.35.

441—156.8(234) Emergency juvenile shelter care payment. Contracted juvenile shelter care facilities approved or licensed in Iowa will be paid in accordance with contracted terms, not to exceed the allowable costs as permitted by Iowa Code section 232.141(8).

This rule is intended to implement Iowa Code sections 234.6 and 234.39.

441—156.9(234) Supervised apartment living.

156.9(1) *Child monthly stipend.* For each eligible child living in a supervised apartment living situation, the monthly stipend payment for the child is $787.50. This payment may be paid to the child or another payee, other than a department employee, for the child's living expenses.

156.9(2) *Service.* When services for a youth in supervised apartment living are purchased, the service components and any special provisions shall be specified by the service worker in the youth's case permanency plan.

This rule is intended to implement Iowa Code section 234.35.

441—156.10(234,252C) Voluntary placements. When placement is made on a voluntary basis, the parent or guardian shall complete and sign Form 470-0715, Voluntary Placement Agreement.

This rule is intended to implement Iowa Code section 234.39.

441—156.11(234) Child's earnings. Earned income of a child who is in foster care shall be reported to the department, and the earned income's use shall be part of the child's plan for service, but the income cannot be used towards the cost of the child's care as established by the department.

This rule is intended to implement Iowa Code section 234.39.

441—156.12(234) Trust funds and investments.

156.12(1) When the child is a beneficiary of a trust and the proceeds therefrom are not currently available, or are not sufficient to meet the child's needs, the worker will assist the child in having a petition presented to the court requesting release of funds to help meet current requirements. When the child and responsible adult cooperate in necessary action to obtain a ruling of the court, income cannot be considered available until the decision of the court has been rendered and implemented. When the child and responsible adult do not cooperate in the action necessary to obtain a ruling of the court, the trust fund or investments will be considered as available to meet the child's needs immediately. When the child or responsible adult does not cooperate within 90 days in making the income available, the maintenance payment is terminated.

156.12(2) The department is the payee for income from any trust funds or investments unless limited by the trust.

156.12(3) Savings accounts from any income and proceeds from the liquidation of securities shall be placed in the child's account maintained by the department and any amount in excess of $1,500 is applied towards cost of the child's maintenance.

This rule is intended to implement Iowa Code section 234.39.

441—156.13(234) Preadoptive homes. Payment for a foster child placed in a preadoptive home is limited to the amount negotiated pursuant to rule 441—201.5(600) and cannot exceed the foster care maintenance amount paid in family foster care.

This rule is intended to implement Iowa Code section 234.38.

441—156.14(234) Eligibility for foster care payment.

156.14(1) *Client eligibility.* Foster care payment is limited to the following populations.

a. Youth under the age of 18 are eligible based on legal status, subject to certain limitations.

(1) Legal status. The youth's placement will be based on one of the following legal statuses:

1. The court has ordered foster care placement pursuant to Iowa Code section 232.52(2)*"d,"* 232.102(1), or 232.117.

2. The child is placed in shelter care pursuant to Iowa Code section 232.20(1) or 232.21.

3. The department has agreed to provide foster care under a voluntary placement agreement pursuant to rule 441—202.3(234).

(2) Limitations. Department payment for group care is limited to placements that have been authorized by the department and that conform to the service area group care plan developed pursuant to rule 441—202.17(232). Payment for an out-of-state group care placement shall be limited to placements approved pursuant to 441—subrule 202.8(2).

b. Youth aged 18 and older who meet the definition of child in rule 441—202.1(234) are eligible based on age, a voluntary placement agreement pursuant to 441—subrule 202.3(3), and type of placement.

(1) Except as provided in subparagraph 156.14(1)*"b"*(3), payment for a child who is 18 years of age is limited to family foster care or supervised apartment living.

(2) Except as provided in subparagraph 156.14(1)*"b"*(3), payment for a child who is 19 years of age will be limited to supervised apartment living.

(3) Exceptions. An exception to subparagraphs 156.14(1)"b"(1) and "b"(2) will be granted for all unaccompanied refugee minors. The child's eligibility for the exception will be documented in the case record. The service area manager or designee will grant an exception for other children when the child meets all of the following criteria.

1. The child does not have an intellectual disability. Funding for services for persons with an intellectual disability is the responsibility of the county or state pursuant to Iowa Code section 222.60.

2. The child is at imminent risk of becoming homeless or of failing to graduate from high school or obtain a general equivalency diploma. "At imminent risk of becoming homeless" means that a less restrictive living arrangement is not available.

3. The placement is in the child's best interests.

4. Funds are available in the service area's allocation. When the service area manager has approved payment for foster care pursuant to this subparagraph, funds that may be necessary to provide payment for the time period of the exception, not to exceed the current fiscal year, will be considered encumbered and no longer available. Each service area's funding allocation will be based on the service area's portion of the total number of children in foster care on March 31 preceding the beginning of the fiscal year, who would no longer be eligible for foster care during the fiscal year due to age, excluding unaccompanied refugee minors.

c. A young mother is eligible for the extra payment for her young child living with her in care as set forth in subrules 156.3(3) and 156.6(4) and if all of the following apply:

(1) The mother is placed in foster care.

(2) The mother's custodian determines, as documented in the mother's case permanency plan, that it is in her best interest and the best interest of the young child that the child remain with her.

(3) A placement is available.

(4) The mother agrees to refund to the department any child support payments she receives on behalf of the child and to allow the department to be made payee for any other unearned income for the child.

156.14(2) *Provider eligibility for payment.* Providers of foster care services shall have a foster care services contract under 441—Chapter 152 in force.

This rule is intended to implement Iowa Code sections 232.143, 234.35 and 234.38.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapters 22 and 84
"Health Care Facility Audits; Audits Unit"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.402

State or federal law(s) implemented by the rulemaking: Iowa Code section 10A.402 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:

October 21, 2025 1:30 p.m.	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy K. Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking rescinds Chapter 22, adopts a new Chapter 84, and implements Iowa Code section 10A.402 in accordance with the goals and directives of Executive Order 10.

Iowa Code section 10A.402 provides that the Director of the Department shall coordinate the conduct of various audits and investigations, including audits related to the administration of health care facilities.

The rulemaking implements Iowa Code section 10A.402 by setting forth the specific Iowa Administrative Code chapters with which the Department ensures compliance. The rulemaking also spells out that information compiled during the audit is confidential.

Analysis of Impact

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

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

The entities that are subject to audit bear the costs of the proposed rulemaking by maintaining the records to be audited. Those records are required to be kept by separate statute or rule.

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

The residents and their loved ones benefit from this rulemaking by ensuring that the financial resources of the residents are protected and their information is kept confidential.

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:**

According to the United States Department of Justice, $100 billion may potentially be lost each year to health care fraud. Furthermore, health care fraud undermines the quality of health care provided to patients. Health care fraud is defined as "an individual, a group of people, or a company knowingly misrepresenting or misstating something about the type, scope, or nature of the medical service provided." That definition does not include loss of funds due to theft and embezzlement. The audits performed pursuant to this proposed chapter are designed to prevent and discover health care fraud in the audited facilities.

- **Qualitative description of impact:**

The residents and their loved ones have peace of mind knowing the finances of the loved ones are protected and their information is confidential. There is no way to put a dollar amount on that impact.

3. **Costs to the State:**

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

There are five full-time employees assigned to the Human Services Audits Unit. The Unit is budgeted $321,074 yearly and receives $180,000 yearly from other agencies.

- **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:**

As described above, the potential costs of health care fraud are in the billions. The costs to the agency to implement this rulemaking are miniscule compared to the costs of health care fraud.

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

All 50 states conduct audits of care facilities, including all of Iowa's surrounding states. Minnesota, however, requires facilities to obtain a financial audit from a certified public accountant to be submitted to the state. That option would impose a financial burden on facilities. Wisconsin requires an audit from a certified public accountant, which is paid out of state funds. Iowa's audit system seems to be the most fiscally responsible for both the State and the facilities.

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

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

See response to question five above.

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

See response to question five above.

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?

Iowa Code section 10A.402 does not allow for exemptions or different standards for small businesses. The necessity for consistency and fairness in auditing is the same whether the organization is small or large. However, if a small business identifies a portion of the rulemaking that is overly burdensome and the goals can be accomplished in a manner that would reduce the impact of the rulemaking to the business, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **481—Chapter 22**.

ITEM 2. Adopt the following **new** 481—Chapter 84:

CHAPTER 84
AUDITS UNIT

481—84.1(10A) Audit occurrence. The department, acting as an agent for the Iowa department of health and human services (HHS), audits financial records of intermediate care facilities, residential care facilities, and intermediate care facilities for the intellectually disabled on a rotating basis or upon request of HHS. Audits are intended to ensure compliance with the following Iowa Administrative Code chapters:

1. 441—Chapter 52, Payment.
2. 441—Chapter 54, Facility Participation.
3. 441—Chapter 81, Nursing Facilities.
4. 441—Chapter 82, Intermediate Care Facilities for Persons with an Intellectual Disability.

If a chapter not listed is used in an audit, the auditor will notify the facility.

481—84.2(10A) Confidentiality. All information compiled during an audit is confidential according to Iowa Code sections 10A.105 and 217.30. All inquiries to release information that is confidential under Iowa Code section 217.30 will be addressed to HHS.

84.2(1) Information may be added to an audit file by the subject of the audit when the subject notifies the Audits Unit, Department of Inspections, Appeals, and Licensing, 6200 Park Avenue, Des Moines, Iowa 50321.

84.2(2) At the conclusion of the audit, when material is returned to HHS, HHS rules regarding fair information practices prevail.

These rules are intended to implement Iowa Code sections 10A.402 and 22.11.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapters 72 and 82
"Economic Fraud Bureau"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.402

State or federal law(s) implemented by the rulemaking: Iowa Code section 10A.402; 2025 Iowa Acts, House File 248; 2025 Iowa Acts, House File 249; 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:

October 21, 2025 1:30 p.m.	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's (Department's) website prior to the hearing.

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:

Amy K. Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking rescinds Chapter 72, adopts a new Chapter 82, and implements Iowa Code section 10A.402; 2025 Iowa Acts, House File 248; and 2025 Iowa Acts, House File 249, in accordance with the goals and directives of Executive Order 10.

Iowa Code section 10A.402 provides that the Director of the Department shall coordinate the conduct of various audits and investigations, including audits related to the administration and disbursing of funding under the State Supplementary Assistance program and the Medical Assistance Program; investigations and collections relative to the liquidation of overpayment debts owed to the Department of Health and Human Services; and investigations related to the administration of the State supplementary assistance program, the State medical assistance program, the Supplemental Nutrition Assistance Program, the Family Investment Program, and any other State or federal benefit assistance program.

House File 248 adds adoption to Iowa Code chapter 91A relating to wage payment collection. House File 249 allows the Department of Homeland Security and Emergency Management to assign the power to investigate fraud and recover improperly paid-out benefits for the Iowa Individual Disaster Grants Program to the Department.

The rulemaking implements Iowa Code section 10A.402 by describing the duties of the Economic Fraud Bureau (EFB) and describing the investigation procedures.

The rulemaking implements House File 248 and House File 249 by clarifying that the Department can investigate fraud if a written agreement has been entered into between the Department and an entity of the executive branch of the federal, State, or local government.

Analysis of Impact

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

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

There should be no costs to the general public, but persons or entities that have to provide documentation pursuant to subpoenas may bear some costs.

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

Iowans will benefit from the proposed rulemaking through the collection of public funds that were fraudulently received and deterring others from attempting to fraudulently obtain public funds.

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:**

In fiscal year 2024, the EFB responded to 4,986 referrals. The investigations resulted in total savings to the State of $8,691,149.

- **Qualitative description of impact:**

The rulemaking ensures that public funds are being spent wisely. If fraud is discovered during an investigation, every effort is made to recover those funds. Because of this rulemaking, citizens can be confident that every effort is made to address economic fraud.

3. **Costs to the State:**

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

The EFB has 28 full-time employees and a budget appropriation of $1,298,256 and receives $2,156,557 in revenue yearly from other agencies. There are no specific financial costs to the agency associated with implementation or enforcement outside of general operating costs, with the exception of minimal financial costs for the EFB to achieve proper service of a subpoena if it is unable to achieve service via facsimile or email.

- **Anticipated effect on State revenues:**

Moneys collected pursuant to this rulemaking are returned to the General Fund of the State.

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

The costs to the agency are more than offset by the money recovered.

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

The EFB's duties and responsibilities are mandated by State and federal law, and this proposed chapter provides no substantive requirement or restriction. The EFB does allow (and prefer) the electronic submission and receipt of subpoenaed records to reduce the costs of copying documents, mailing, etc.

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

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

See response to question five above.

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

See response to question five above.

Small Business Impact

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

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

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

There is not a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **481—Chapter 72**.

ITEM 2. Adopt the following **new** 481—Chapter 82:

CHAPTER 82
ECONOMIC FRAUD BUREAU

481—82.1(10A) Definitions.

"Client" means any person who has made an application for or is receiving state or federal public assistance from any state or federal agency.

"Collateral contact" means a reliable source other than the client who is knowledgeable about information relative to pertinent public assistance case factors.

"Department" means the department of inspections, appeals, and licensing.

"HHS" means the Iowa department of health and human services.

"Division" means the investigations division of the department.

"EBT" or *"electronic benefit transfer"* means the electronic process that allows a client to authorize the transfer of the client's benefits from a financial account to a retailer to pay for eligible items received. Clients are issued an EBT card similar to a bank ATM or debit card to receive and use their Supplemental Nutrition Assistance Program (SNAP) benefits.

"EBT trafficking" means the same as defined in 7 CFR 271.2.

"Intentional program violation" or *"IPV"* means the same as defined in 7 CFR 273.16(c)(1) and (2).

"Pertinent public assistance case factors" means information considered necessary to verify household composition, income, resources or any other potential program violation.

"Program violation" means action that is contrary to the rules of eligibility for any state or federal public assistance program.

"Public assistance" means the same as defined in rule 441—11.1(217), or any other state or federal assistance program.

481—82.2(10A) Economic fraud bureau (EFB or bureau). Generally, the EFB conducts investigations of public assistance fraud, if a written agreement has been entered into between the

department and an entity of the executive branch of the federal, state or local government, in order to maintain integrity and accountability in the administration of public assistance benefits.

481—82.3(10A) Investigation procedures.

82.3(1) *Client contact.* The bureau may but does not have to contact the client during the course of an investigation. If the bureau contacts the client and the client does not respond, the client's nonresponse will be included in the bureau's investigation findings.

82.3(2) *Evidence gathered.* The bureau may conduct record reviews and gather evidence to verify a client's employment, wages, residence, household composition, income versus expenses, property ownership or other relevant facts.

82.3(3) *Subpoenas.* Subpoenas may be issued pursuant to Iowa Code section 10A.104 and 481—subrule 1.1(4) to obtain information necessary to an investigation. Subpoenas may be served upon the respondent of the subpoena or the respondent's registered agent as follows:

a. Personally by division personnel,

b. Via USPS mail, or

c. Via facsimile or email.

Division personnel determine the appropriate method by which the respondent is to deliver information in response to a subpoena duces tecum.

82.3(4) *Collateral contacts.* The division may use collateral contacts to collect information pertinent to an investigation or verify information provided by the client.

82.3(5) *Cooperation.* The division may cooperate with local, state or federal law enforcement agencies during investigations.

481—82.4(10A) EBT trafficking investigations. In addition to the procedures outlined in rule 481—82.3(10A), the following apply to EBT trafficking investigations.

82.4(1) *Probable cause.* Probable cause must be established before an EBT trafficking investigation may be conducted.

82.4(2) *Referrals.* Referrals to the division may come from HHS, retailers, law enforcement agencies or the general public or following the identification of questionable EBT card transactions through federal or state databases. The bureau may open an investigation without an outside referral.

481—82.5(10A) Findings. At the completion of an investigation, the bureau will transmit its findings in writing to the appropriate state or federal agency and make recommendations based on the evidence obtained or provided during the investigation.

82.5(1) *Decisions about public assistance eligibility.* The appropriate state or federal agency makes all decisions about public assistance eligibility. HHS will report the case action taken and any determination of overpayment, cost avoidance, or intentional program violation to the division.

82.5(2) *Testimony and hearings.* Staff of the division may be called to testify in administrative and legal proceedings related to an investigation, in addition to conducting EBT intentional program violation hearings.

481—82.6(10A) Confidentiality. The EFB will maintain confidentiality of investigative case information in accordance with Iowa Code sections 10A.105 and 22.7(5) and any other applicable state or federal law.

These rules are intended to implement Iowa Code sections 10A.105, 10A.402, and 10A.403.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapters 73 and 83
"Medicaid Fraud Control Unit"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.104(5)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 10A.104(6), 10A.105, 10A.402(5), and 10A.403; 42 CFR §1007.11; 45 CFR §164.512(d); 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:

October 21, 2025 1:30 p.m.	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy K. Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking rescinds Chapter 73, adopts a new Chapter 83, and implements Iowa Code section 10A.402 in accordance with the goals and directives of Executive Order 10.

Iowa Code section 10A.402 provides that the director of the Department shall coordinate the conduct of various audits and investigations, including investigating Medicaid fraud.

These rules provide information as to the investigatory authority and procedures of the Medicaid Fraud Control Unit (MFCU). The MFCU is tasked with the responsibility of protecting the integrity of Iowa's Medicaid program by investigating fraud, waste, and abuse committed by Medicaid providers, as well as investigating abuse/neglect of patients in health care and noninstitutional settings. The proposed rules delineate the types of investigations that fall under the MFCU's jurisdiction within its allocated state and federal authority; clarify which statutory definitions (State, federal, or both) by which the MFCU abides in its ordinary course of business; explain State and federal legal authority to obtain records and information during an investigation, including subpoena authority and how it is implemented and the confidentiality of MFCU investigatory materials.

Analysis of Impact

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

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

There should be no costs to the general public, but persons or entities that have to provide documentation pursuant to subpoenas may bear some costs.

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

Iowans will benefit from the proposed rulemaking through the collection of Medicaid funds that were fraudulently received and deterring others from attempting to fraudulently obtain Medicaid funds.

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:**

In fiscal year 2025, the MFCU reported recoveries of $4,119,413 as a result of civil and criminal cases.

- **Qualitative description of impact:**

The rulemaking ensures that public funds are being spent wisely. If fraud is discovered during an investigation, every effort is made to recover those funds. Because of this rulemaking, citizens can be confident that every effort is made to address Medicaid fraud.

3. **Costs to the State:**

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

The MFCU has budgeted 11 full-time employee positions, 10 of which are currently filled. The MFCU's budget includes 75 percent federal funding, and there are no specific financial costs to the agency associated with implementation or enforcement outside of the MFCU's general operating costs, with the exception of minimal financial costs for the Unit to achieve proper service of a subpoena if it is unable to achieve service via facsimile or email.

- **Anticipated effect on State revenues:**

These rules do not have any effect on State revenues beyond those originating from MFCU's State-mandated and federally mandated duties and responsibilities, whether positively or negatively.

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

The MFCU is tasked with the responsibility of protecting the integrity of Iowa's Medicaid program by investigating fraud, waste, and abuse committed by Medicaid providers. Subpoenas, which are a minimal expense, are a necessary tool in any administrative, civil, or criminal investigation to legally obtain the information needed by the MFCU acting within its law enforcement capacity.

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

The MFCU's duties and responsibilities are mandated by State and federal law, and this proposed chapter provides no substantive requirement or restriction. The MFCU does allow (and prefer) the electronic submission and receipt of subpoenaed records to reduce the costs of copying documents, mailing, etc.

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

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

See response to question five above.

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

See response to question five above.

Small Business Impact

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

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

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

There is not a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **481—Chapter 73**.

ITEM 2. Adopt the following **new** 481—Chapter 83:

CHAPTER 83
MEDICAID FRAUD CONTROL UNIT

481—83.1(10A) Definitions.

"Abuse" or *"neglect"* means the same as "abuse of patients or residents" and "neglect of patients or residents" as defined in 42 CFR §1007.1 committed against:

1. A patient or resident of a health care facility as defined by 42 CFR §1007.1.
2. A resident in a board and care facility as defined by 42 CFR §1007.1.
3. A Medicaid beneficiary in a noninstitutional or other setting.

Such conduct may include but is not limited to violations under Iowa Code chapters 235B, 235E, 708, 709, 714, and 726.

"Director" means the same as defined in Iowa Code chapter 10A.

"Fraud" means the same as defined in 42 CFR §1007.1.

"Medicaid," "medical assistance program" or *"medical assistance"* means the same as defined in Iowa Code chapter 249A.

"Provider" means the same as defined in 42 CFR §1007.1.

"Unit" means the Iowa Medicaid fraud control unit.

481—83.2(10A) Investigative authority. The unit's investigative authority is found in Iowa Code chapter 10A, 42 CFR §1007.11, and 45 CFR §164.512(d).

481—83.3(10A) Access to records. The unit is authorized to request, review, and retain information and records necessary to investigate allegations within its state and federal authority. The unit is also a health oversight agency as defined by 45 CFR §164.501 and can receive protected health information pursuant to 45 CFR §164.512(d).

481—83.4(10A) Subpoenas. In addition to any subpoena provisions set forth in 481—Chapter 1, the following apply:

83.4(1) The unit may serve subpoenas during the course of an open investigation upon an individual, entity, or the individual's or entity's registered agent by:

a. Personal service.
b. U.S. mail.
c. Electronic transmission via facsimile or email.

83.4(2) The unit is authorized to determine the appropriate format and method by which the individual or entity is to provide the information in response to a subpoena duces tecum.

481—83.5(10A) Confidentiality. The unit will maintain the confidentiality of all investigative case information in accordance with Iowa Code chapters 22 and 685, 42 CFR §1007.11(f), 42 CFR Part 2, and any other applicable state or federal law.

These rules are intended to implement Iowa Code sections 10A.104(6), 10A.105, 10A.402(5), and 10A.403.

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 90
"Public Assistance Debt Recovery Unit (PADRU)"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.402

State or federal law(s) implemented by the rulemaking: Iowa Code section 10A.402 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:

October 21, 2025 1:30 p.m.	Ledges Conference Room 6200 Park Avenue Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy K. Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking rescinds and repromulgates Chapter 90 and implements Iowa Code section 10A.402 in accordance with Executive Order 10.

Iowa Code section 10A.402 provides that the Director of the Department shall coordinate the conduct of various audits and investigations and the collections regarding the liquidation of overpayment debts.

This rulemaking sets forth the recovery-of-debt process used by the Department.

Analysis of Impact

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

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

There is no cost to the general public for this proposed rulemaking.

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

Iowans will benefit from the proposed rulemaking through the collection of Medicaid funds that were fraudulently received and deterring others from attempting to fraudulently obtain Medicaid funds.

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 PADRU's duties and responsibilities are mandated by State and federal law. These rules do not impose costs that are different from or beyond any costs borne due to statutory mandates. There are no specific financial costs needed to implement/enforce the rules outside of the general operating budget. There do not appear to be any quantitative noneconomic impacts of the rules.

- **Qualitative description of impact:**

The rulemaking ensures that public funds are being spent wisely. If public assistance fraud is discovered, the Department makes every effort to recover those funds.

3. **Costs to the State:**

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

The PADRU has four full-time employees and a budget appropriation of $240,442. The Unit receives $175,239 in revenue from other agencies. These cover the PADRU's general operating costs.

- **Anticipated effect on State revenues:**

Moneys collected pursuant to this rulemaking are returned to the State.

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

The costs justify the benefits received. In fiscal year 2022, the PADRU collected $3,344,885 in overpayments for benefits issued to Iowa Department of Health and Human Services (HHS) recipients in error.

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

The PADRU's duties and responsibilities are mandated by State and federal law, and this rulemaking provides no substantive requirement or restriction.

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

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

See response to question five above.

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

See response to question five above.

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 substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 90 and adopt the following **new** chapter in lieu thereof:

CHAPTER 90
PUBLIC ASSISTANCE DEBT RECOVERY UNIT (PADRU)

PREAMBLE

More information related to this chapter can be found in 441—Chapter 11.

481—90.1(10A) Definitions. The following definitions apply:

"Active case" means a household that is receiving public assistance.

"Allotment reduction" means an amount withheld from a financial or SNAP benefit.

"Benefit reduction" refers to SNAP.

"Debt" means the dollar amount of public assistance, by program, received by or on behalf of a person or provider in excess of that allowed by law, rules, or regulations for any given month(s); or the dollar amount of public assistance unlawfully transferred or obtained in violation of program rules; or the dollar amount of unpaid IowaCare personal financial responsibility obligations.

"Debtor" means any person who has been determined by HHS or by the department to be responsible for the repayment of a particular public assistance debt.

"Department" means the department of inspections, appeals, and licensing.

"Economic fraud bureau" means the economic fraud bureau of the investigations division of the department.

"FIP" means the family investment program described in 441—Chapters 40, 41, 45 and 46.

"Grant reduction" refers to the FIP and to RCA.

"HHS" means the Iowa department of health and human services.

"Notice of debt" means a notice that informs the debtor that a debt in a public assistance program has occurred and identifies the debt amount, the dates on which the debt was incurred, the cause of the debt, and the options the debtor has to repay the debt (more information can be found in 441—Chapter 11).

"Public assistance" means any program that HHS administers that confers a financial, medical, or SNAP benefit.

"RCA" means refugee cash assistance as described in 441—Chapter 60.

"Recovery" means the repayment of a debt by direct cash or credit card payment from the debtor, by allotment reduction, by setoffs, or by garnishment of wages or assets.

"Repayment agreement" means the same as defined in rule 441—11.1(217).

"Setoffs" means the practice described in Iowa Code section 421.65 and 701—Chapter 26.

"SNAP" means the Supplemental Nutrition Assistance Program as defined in rule 441—65.1(234).

"Title XIX divestiture" means a debt against a person who receives transferred assets from a Medicaid applicant or recipient within five years prior to an application for medical assistance if the applicant is approved for medical assistance (Medicaid) or a transfer impacting the recovery or payment of a medical assistance (Medicaid) debt.

481—90.2(10A) Recovery process. The recovery process begins when data specifying which public assistance program(s) owed a debt is successfully entered on the designated overpayment recovery system and a notice of debt is issued to the debtor.

481—90.3(10A) Records. PADRU maintains an account for each debt that has occurred for a debtor filed under the debtor's name, including information maintained pursuant to rule 441—11.2(217).

481—90.4(10A) Debt repayment. A notice of debt pursuant to 441—subrule 11.2(2) or Form 470-0495, Agreement to Pay a Debt, is used to initiate payments of a debt. The minimum rate of payment is determined by each program unless set by a court order or otherwise negotiated by HHS. All recoveries are transmitted to the HHS cashier. Payments are made directly by cash, check, or

money order or through an online payment portal by the debtor except as otherwise provided in this rule. The amount of allotment reduction for a FIP overpayment caused by an agency error will be different from the amount of allotment reduction for a client error, as determined by HHS.

90.4(1) *Active cases—PROMISE JOBS program.* For payment reduction for the PROMISE JOBS program, the debtor has to provide written permission to effectuate a FIP reduction.

90.4(2) *Active cases—FIP, RCA, SNAP.* Allotment reduction will be used, except that cash payment pursuant to a repayment agreement may be used when the repayment amount exceeds the amount that may be collected by allotment reduction.

90.4(3) *SNAP with electronic benefit balances.* SNAP payments may be made by returning electronic benefits to pay the debt.

481—90.5(10A) Further collection action. If complete repayment has not been received by the methods described in rule 481—90.4(10A), or if the repayment agreement is not returned, further collection action may be taken. This action includes but is not limited to the following:

90.5(1) *For all debts.*

a. Debts of $6,500 or less, small claims court action.

b. Debts of more than $6,500, referral to the attorney general for district court action.

c. State income tax refund setoffs in accordance with 441—Chapter 11 and Iowa Code section 8A.504.

d. The filing of a claim in a debtor's estate or bankruptcy proceedings.

e. Garnishment of wages or assets.

f. Setoffs of a state warrant.

g. Distress warrants.

h. Liens.

90.5(2) *For SNAP debts.* In addition to the above actions, federal offsets may be used for the collection of SNAP debts in accordance with rule 441—11.5(234).

481—90.6(10A) Appeal rights. If a notice of debt or other notice of adverse action is received by the debtor and the debtor wishes to contest the debt, an appeal is submitted to the recovery unit or to HHS. If an appeal is submitted, the recovery process is suspended until conclusion of the appeal process outlined in 481—Chapter 9 and 441—Chapter 7.

481—90.7(10A) Data processing systems matches. The recovery unit compares information with other data processing systems to identify the location, resources, or income of a debtor. Part or all of a data processing system is used. The recovery unit uses but is not limited to using the data processing systems of the following entities:

1. Social Security Administration,
2. Department of workforce development,
3. Department of revenue,
4. Department of administrative services,
5. Department of transportation (driver's license and motor vehicle registration), and
6. Department of health and human services.

481—90.8(10A) Confidentiality. The confidentiality of records is in accordance with 441—Chapter 9.

These rules are intended to implement Iowa Code section 10A.402.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 100
"General Provisions for Social and Charitable Gambling"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B and Executive Order 10 (January 10, 2023)

Public Hearing

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

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 100, and implements Iowa Code section 99B.2, in accordance with the goals and directives of Executive Order 10. Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records, and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts, or practices.

This rulemaking implements the aforementioned Iowa Code section by setting out the licensure standards for social and charitable gambling and describing the posting of rules. The rulemaking also provides information on appropriate prizes and games that are prohibited. The rules describe recordkeeping and reporting requirements and include information on expenses and receipts. The rulemaking further sets out requirements for raffles and standards for bingo equipment and supplies, including licensure of manufacturers and distributors.

Analysis of Impact

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

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

The organizations conducting social and charitable gambling events will bear the costs of the proposed rulemaking. Those costs include costs for recordkeeping and reporting and signage for

posting rules, as well as costs for prizes. These costs, as well as other costs, are necessary to engage in social and charitable gambling events. Licensing fees are statutorily set.

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

The individuals who engage in social and charitable gambling will benefit from the rulemaking, which ensures that games are fair and honest.

Members of the industry will benefit from standards that are clear and easily understood.

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:**

Costs associated with the rulemaking are costs to ensure that social and charitable gambling complies with Iowa Code chapter 99B and this rulemaking and are necessary to ensure games are fair and honest.

- **Qualitative description of impact:**

This rulemaking promotes fair play and transparency with social and charitable gambling and ensures that there are no unfair devices or dishonest practices.

3. **Costs to the State:**

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

Costs to the Department include the costs to issue a license, educate licensees, investigate complaints, and enforce regulations. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

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

There are no less costly or intrusive methods for achieving the purpose of the proposed rulemaking. Most states regulate social and charitable gambling, including Michigan, Minnesota, Nebraska, and Wisconsin. Iowa's regulations are in line with the statutory requirements for administrative rules to ensure that the games and costs are explained to participants and the games, acts, and practices are fair and honest.

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

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

See the response to section 5 above.

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

See the response to section 5 above.

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?

Iowa Code chapter 99B does not allow for exemptions or different standards for small businesses or organizations. The statutory fees are the same no matter the size of the business or organization. Many of the businesses or organizations engaged in social and charitable gambling are small entities. The necessity for consistency and fairness in social and charitable gambling is the same whether the organization is small or large. Notwithstanding, if a small business or organization identifies a portion of the rulemaking that is overly burdensome and the goals of which can be accomplished in a manner that would reduce the impact of the rulemaking to the organization or business, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 100 and adopt the following **new** chapter in lieu thereof:

GAMES OF SKILL, CHANCE, BINGO AND RAFFLES

CHAPTER 100
GENERAL PROVISIONS FOR SOCIAL AND CHARITABLE GAMBLING

481—100.1(99B) Definitions. In addition to the definitions found in Iowa Code chapter 99B, and unless specifically defined in 481—Chapters 101 through 106, the following definitions apply to all social and charitable gambling rules.

"Bingo supplies and equipment" means a machine, display board, monitor, card, bingo paper, or any other implement or provision used in the conduct of the game of bingo licensed pursuant to Iowa Code chapter 99B.

"Department" means the department of inspections, appeals, and licensing.

"Director" means the director of the department of inspections, appeals, and licensing.

"QO" means the same as "qualified organization" as defined in Iowa Code section 99B.1(29).

481—100.2(99B) Licensure. Gambling shall only occur upon receipt of a license issued by the department that shall be prominently displayed at the gambling location.

100.2(1) *Types of gambling licenses—QOs.* A QO may apply for the six following license types, each of which permits the activities listed. A QO with a one-year or two-year license may apply for a very large raffle license.

License type/ Activity type	Two-year QO	One-year QO	180-day QO	90-day QO	14-day QO	Bingo at a fair or festival
Bingo	Three occasions per week; 15 occasions per month	No	No	No	Two occasions	One occasion per day for length of fair or festival
Games of skill and chance	Unlimited carnival-style games	No	No	No	Unlimited carnival-style games	No
Game night	One per calendar month	One per calendar month	One per calendar month	One per calendar month	One per calendar month	No

License type/ Activity type	Two-year QO	One-year QO	180-day QO	90-day QO	14-day QO	Bingo at a fair or festival
Very small and small raffles	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	No
Large raffles	One per calendar year	Eight per license period, each conducted in a different county	One per calendar year	One per calendar year	One per calendar year	No
Very large raffles	One per calendar year, requires additional very large raffle license	One per calendar year, requires additional very large raffle license	No	No	No	No
Electronic raffles	One small raffle per day; one large raffle per calendar year	No	No	No	No	No

100.2(2) *Other types of gambling licenses.* There are four other types of gambling licenses:

a. One-year license for an amusement concession.

b. Two-year license for social gambling in beer and liquor establishments.

c. Two-year license for social gambling in public places.

d. Annual license for manufacturers and distributors of bingo equipment and supplies or electronic raffle systems.

100.2(3) *Unlicensed very small raffle.* Iowa Code section 99B.24(3) allows one unlicensed very small raffle per calendar year for an organization that meets the definition of a QO. The QO shall obtain permission from the department to conduct this raffle.

100.2(4) *Political action committees.* Political action committees are not QOs and are not eligible for gambling licenses.

481—100.3(99B) License application. In addition to requirements for licensure found in Iowa Code chapter 99B, the following standards apply to gambling licenses.

100.3(1) *Applications.* Applications may be completed online by visiting dial.iowa.gov and clicking on the link for "Social and Charitable Gambling." A paper application may be requested from the Social and Charitable Gambling Unit, Iowa Department of Inspections, Appeals, and Licensing, 6200 Park Avenue, Des Moines, Iowa 50321; or by calling 515.281.6848.

100.3(2) *Receipt of application.* An application shall be submitted at least 30 days before the beginning date requested.

100.3(3) *Fees.* License fees are not refundable.

100.3(4) *Documentation.* QOs applying for a charitable gambling license must submit documentation to prove tax-exempt status with the application.

100.3(5) *Application for incorrect license.* If the applicant does not apply for the appropriate license, the license fee may be applied to the appropriate license within 30 days of notification to the applicant by the department.

100.3(6) *Incomplete application submitted.* If the applicant submits an incomplete application, the application may be completed and submitted within 30 days of notification to the applicant by the department without forfeiting the fee submitted with the incomplete application.

100.3(7) *Responsible party.* The responsible party identified on the application shall sign the application or submit the online application and be a person who is authorized to make decisions on behalf of the QO.

100.3(8) *Sales tax permit.* QOs and amusement concessions licensees shall possess a sales tax permit at the time the license application is submitted. The following gambling activities are exempt from sales and local option taxes:

a. Gambling activities conducted by county and city governments.

b. Gambling activities held by the Iowa state fair, Iowa state fair authority, or Iowa state fair foundation (organized under Iowa Code chapter 173), including gambling activities that occur outside of the annual scheduled fair event.

c. Gambling activities held by a fair (as defined in Iowa Code section 174.1(2)), including gambling activities that occur outside of scheduled fair events.

d. Raffles held by a licensed QO at a fair as defined in Iowa Code section 99B.1 and pursuant to the requirements specified in Iowa Code section 99B.24.

e. Raffles, whether or not they are conducted at a fair event, where the proceeds are used to provide educational scholarships by a qualifying organization representing veterans as defined in Iowa Code section 99B.27(1)*"b."*

100.3(9) *State tax liabilities.* The applicant must have no outstanding state tax liabilities or submit with the application a copy of a negotiated repayment plan with the department of revenue and be current in all payments.

100.3(10) *Revocation—no license issued.*

a. No one involved in an organization with a gambling license revocation action pending will be granted a license similar to the license revoked.

b. No one with a gambling license currently under revocation may be issued any gambling license during the period of revocation.

c. A license will not be issued if there is a current revocation of either a gambling or a retail alcohol license for the location named on the license application.

100.3(11) *Criminal violations.* No applicant shall have been convicted of or pled guilty to a criminal violation of Iowa gambling law. No applicant shall have been convicted of a felony, federal or state, within five years of the date of the application. For felony convictions more than five years prior to the date of the application, citizenship rights must have been restored in order for the application to be considered. The applicant may have no more than two convictions of or guilty pleas to serious or aggravated misdemeanors in the last two years.

100.3(12) *Violations of gambling law or Iowa alcoholic beverage control Act (Iowa Code chapter 123).*

a. No applicant shall have been convicted of or pled guilty to a criminal violation of Iowa gambling law.

b. No retail alcohol license shall have been suspended within the last 12 months or revoked because of a conviction of or guilty plea to a criminal violation of the Iowa alcoholic beverage control Act.

481—100.4 Reserved.

481—100.5(99B) Returned checks. If a check intended to pay for any license provided for under Iowa Code chapter 99B is not honored for payment by the bank on which the check is drafted, the department will notify the applicant of the need to provide sufficient payment before the license will be issued. An additional fee of $25 will be assessed for each dishonored check.

481—100.6(99B) Payment systems. Payment systems are authorized by Iowa Code section 99B.5 and shall comply with all applicable federal and state laws regarding payment card processing and the protection of personal information.

481—100.7(99B) Participation—game of skill, game of chance or raffle. No one who conducts a game of skill, game of chance, or raffle may participate in the game or raffle. An individual "conducts" a raffle if the individual directly participates in the mechanism of selection of the prize, such as drawing the winning entry. An individual "conducts" a game of skill or game of chance if the person is a dealer or a croupier or otherwise operates the game.

481—100.8(99B) Posted rules—games other than bingo and raffles. Rules established by the licensee shall be posted on a sign near the front of the playing area in large, easily readable print or made available electronically at each player's location before the player forfeits money to play the game and include:

1. The name and mailing address of the licensee;
2. Prices to play;
3. How winners will be determined;
4. Prize(s) or categories of prizes for each game; and
5. Description of each game, including the cost per game. For example, a game might be one opportunity to shoot and make one basket or three opportunities to shoot and make one basket.

481—100.9 Reserved.

481—100.10(99B) Rules—raffles.

100.10(1) A copy of the rules for a raffle shall be available upon request and include the following:

a. Methods of awarding a prize;

b. Prices to play, including discounts; and

c. Whether a sufficient number of entries must be sold in order for the raffle to occur, or if an alternate prize is offered when sales of entries are insufficient.

100.10(2) A licensed QO may also include in its rules items such as the policy for nonpayment of prizes.

481—100.11(99B) Prizes. Prizes are governed by the following standards.

100.11(1) *Amusement concession licensees.* The maximum prize limit for games of skill and games of chance is $950 in merchandise.

100.11(2) *QOs.* The following table provides prize limits for types of gambling conducted by QOs.

Type of gambling	Prize limits
Games of skill and games of chance	$10,000 in merchandise
Very small raffle	Cumulative value of cash prizes is $1,000 or less; or purchased merchandise is $1,000 or less; or donated merchandise is $5,000 or less
Small raffle	Cumulative value of all cash and prizes is more than $1,000 but not more than $10,000
Large raffle	Cumulative value of cash and prizes is more than $10,000 but not more than $100,000
Very large raffle	Cumulative value of cash and prizes is more than $100,000 but not more than $200,000; or the prize is real property
Single bingo game	Up to $250 cash or merchandise
Bingo jackpot	$1,000 cash or merchandise maximum on first jackpot in 24-hour period; $2,500 cash or merchandise maximum on second jackpot in 24-hour period (see Iowa Code section 99B.21(2)*"d"*)

100.11(3) *Game night.* An individual shall not spend more than $250 for entrance fees and wagers. Cash and merchandise may be awarded in an aggregate amount not to exceed $10,000. No participant shall win more than a total of $5,000.

481—100.12(99B) Games of chance—prohibited games. Slot machines and pull-tabs are unlawful for all licenses issued under Iowa Code chapter 99B. Other than during a game night, games in the following list are unlawful:

1. Punchboard,
2. Pushcard,
3. Craps,

4. Chuck-a-luck,
5. Roulette,
6. Klondike,
7. Blackjack,
8. Baccarat,
9. Equality, or
10. Three-card monte.

481—100.13(99B) Records. In addition to requirements found in Iowa Code section 99B.16, the following requirements apply.

100.13(1) *Disbursement journal.* Records of expenses and dedicated and distributed money are as follows:

a. The date of expenditure, the name of the payee, a description of the purpose of payment, the amount of payment, and the method of payment.

b. The purpose for expenditure of dedicated funds.

100.13(2) *Supporting documentation—time requirements.* Supporting documentation such as invoices or bills shall be kept for three years.

481—100.14(99B) Reports. The requirements are set forth in Iowa Code section 99B.16 and as follows.

100.14(1) A report will be submitted even if no gambling activity occurred during the reporting period.

100.14(2) Reports may be completed online by visiting dial.iowa.gov and clicking on the link for "Social and Charitable Gambling." A paper version of the annual gambling report may be obtained from the Social and Charitable Gambling Unit, Iowa Department of Inspections, Appeals, and Licensing, 6200 Park Avenue, Des Moines, Iowa 50321; or by telephone 515.281.6848.

100.14(3) When the due date is on Saturday, Sunday, or a legal holiday, the report is due the next business day.

481—100.15(10A,17A,99B) Appeal rights. Any decision of the department may be appealed in accordance with procedures set out in 481—Chapter 10 and Iowa Code chapter 17A. When an appeal is received, the status of the license is governed by the following.

100.15(1) *Denial of untimely or insufficient renewal application.* If a renewal application is not timely or sufficient, a license may not be issued until a final decision is issued and all appeal rights have been exhausted.

100.15(2) *Denial of timely and sufficient renewal application.* If a renewal application is timely and sufficient but is denied by the department, a license remains effective until a final decision is issued and all appeal rights have been exhausted.

100.15(3) *Denial of new application.* If a new application is denied, no license may be issued until a final decision is issued and all appeal rights have been exhausted.

481—100.16(99B) Raffles. The following apply to all raffles, including electronic raffles.

100.16(1) *Timing.* The license must be in effect before promotions for the raffle can begin. The gambling event begins when the first entry is sold and ends when winning numbers are drawn. If an organization obtains a temporary license to conduct a raffle, the entirety of the raffle, including promotion, sale of entries and drawing, must fall within the time period for the temporary license.

100.16(2) *Raffle entries—sales.* Any price may be charged for a raffle entry, and the price, including any discounts, shall be the same for every purchaser. Raffle entries shall not be purchased by credit card nor be sold outside the state of Iowa. Organizations shall comply with United States Postal Service regulations restricting the sale of raffle entries through the mail. The purchaser of a raffle entry shall be provided the location, date, and time of the corresponding raffle drawing at the time of purchase.

100.16(3) *Raffle entries—discount.* A licensee may offer raffle entries for sale at a discounted rate if the discount is applied in a nondiscriminatory manner. The amount paid for entries shall not be determined by any variable characteristic, such as height, weight, or wingspan. The discount must be available to all persons throughout the duration of the raffle and posted on all promotional material.

100.16(4) *Winners.* The drawing of the winning entry shall be done in a manner that allows the purchasers to observe the drawing.

a. The date by which the prize shall be claimed will be no fewer than 14 days following the drawing. The licensed QO will make a reasonable effort to inform the winner of the drawing results during that time frame.

b. If the prize is not claimed, the licensed QO may do one of the following:

(1) Continue to draw until a winner claims the prize. Each drawing will allow the time period specified in paragraph 100.16(4)*"a"* for claiming the prize.

(2) Donate the unclaimed prize to another QO to be used for an educational, civic, public, charitable, patriotic, or religious use.

100.16(5) *Prizes.* If a prize is merchandise, its value shall be determined by the purchase price paid by the organization or donor. The prize may be a single item or several items.

481—100.17(99B) Expenses. Requirements are set forth in Iowa Code section 99B.14(1).

100.17(1) *Proof of expense.* No expense item shall be allowed without a proper receipt, paid invoice, or canceled check or be paid from an outside source. The burden of proof is on the licensee to show that all expenses were incurred exclusively and directly as a result of the gambling activity. An expense will not be considered reasonable if the amount charged significantly exceeds the prevailing rate or average retail cost of the item or service purchased.

100.17(2) *Allowed expenses.* Expenses allowed within the 40 percent limit are:

a. The license fee;

b. Rent of building or equipment;

c. Taxes (other than state and local sales tax paid on gross receipts);

d. Promotion expense;

e. Major equipment purchases;

f. Overhead expenses;

g. Worker compensation; and

h. Other expenses incurred exclusively and directly as a result of the gambling activity.

481—100.18(99B) Net receipts. Requirements are set forth in Iowa Code section 99B.14.

100.18(1) *Examples.* The following examples illustrate methods to determine net receipts, allowable expenses, and the amount requested to be dedicated and distributed.

a. Example 1. When sales tax is not included in gross receipts, sales tax need not be deducted to arrive at net receipts.

Gross receipts (excluding sales tax)	$100,000
Amount awarded as prizes	$20,000
Net receipts	$80,000
Minimum dedicated and distributed (60% of net receipts)	$48,000
Maximum expenses (40% of net receipts)	$32,000

b. Example 2. When sales tax is included in gross receipts, it is deducted to arrive at net receipts.

Gross receipts (including sales tax)	$107,000
Amount awarded as prizes	$20,000
Sales tax (7%)	$7,000
Net receipts	$80,000
Minimum dedicated and distributed (60% of net receipts)	$48,000

Maximum expenses (40% of net receipts)	$32,000

100.18(2) *Time for distribution.* Net receipts received during the calendar year shall be distributed no later than 30 days following the end of each calendar year, except as pursuant to Iowa Code section 99B.14(2)*"a."*

481—100.19(99B) Licensure of manufacturers and distributors of bingo equipment and supplies and electronic raffle systems. Requirements are set forth in Iowa Code section 99B.32.

100.19(1) Reserved.

100.19(2) *Application.* The applicant shall comply with the requirements of Iowa Code chapter 99B, administrative rules of the department, and other applicable state or federal laws. The department may require detailed information concerning the business structure and operation of the applicant, including but not limited to the following:

a. All owners, officers, and board members of the business.

b. All names under which the applicant will conduct business in the state of Iowa.

100.19(3) *Manufacturers and distributors of electronic raffle systems—additional requirements.* A manufacturer or distributor of electronic raffle systems must meet the following additional requirements in order to obtain a license.

a. Approval of certifying entity by the department. In addition to licensure, manufacturers and distributors of electronic raffle systems will be certified by an entity approved by the department. "Approved by the department" means that the entity has submitted its qualifications in writing to the director for review and has received approval in writing by the director or the director's designee.

b. Certification—requirements. Entities approved by the department to certify manufacturers and distributors of electronic raffle systems will ensure all electronic raffle systems meet the requirements of Iowa Code section 99B.25 and rule 481—100.20(99B).

c. Review of contracts—notification. The applicant will submit to the department for review at the time of application the base contract intended for use with QOs. For the duration of the license, the licensee will notify the department each time the licensee enters into a contract with a QO by submitting in writing the name of the QO and the duration of the contract. The required notification will allow the department to verify that the QO holds a valid two-year QO license, which permits the conduct of an electronic raffle.

481—100.20(99B) Bingo supplies and equipment. Products sold within this state to a gambling license holder shall meet the following requirements:

100.20(1) Products will be manufactured and sold by an Iowa-licensed manufacturer or distributor.

100.20(2) Products will be supplies and equipment used in connection with the game of bingo as defined in Iowa Code section 99B.1. The following are noninclusive characteristics of the game of bingo to which products must conform:

a. Cards or playing faces will have spaces marked in horizontal and vertical rows. Each space will be designated by number, letter, symbol, or picture or a combination of numbers, letters, symbols, or pictures.

b. Balls or objects used to select spaces that are to be covered on the card or playing face will bear numbers, letters, symbols, or pictures or a combination of numbers, letters, symbols, or pictures corresponding to the system used for designating the spaces.

c. The bingo machine will contain a receptacle where objects or balls are placed and from which the objects or balls representing the space to be covered are selected. The selection of the balls or objects by the bingo machine will be by chance and may be either manual or mechanical.

100.20(3) Bingo cards sold in Iowa will have the manufacturer's name imprinted on the cards.

481—100.21(99B) Electronic raffles. In addition to the requirements found in Iowa Code section 99B.25, the following requirements apply to electronic raffles:

100.21(1) Reserved.

100.21(2) All entries will be included in the drawing.

100.21(3) The sale of raffle entries and the drawing of the winning entry will take place within the same calendar day.

These rules are intended to implement Iowa Code chapter 99B.

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 101
"Amusement Concessions"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B 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:

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 101 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10. Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts or practices.

This rulemaking implements the aforementioned Iowa Code section by setting forth licensing standards for amusement concessions and specifying that prizes must be merchandise.

Analysis of Impact

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

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

Costs of the proposed rulemaking are borne by members of the industry to comply with licensing standards to ensure that games are fair and honest. The licensing costs are set by statute.

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

The individuals who play amusement concessions will benefit from the rulemaking because the games will be fair and honest. Members of the industry will benefit from standards that are clear and easily understood.

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:**

Costs associated with the rulemaking are costs to ensure that the amusement concessions comply with Iowa Code chapter 99B and the rulemaking. The licensing fees are set by statute.

- **Qualitative description of impact:**

The rulemaking promotes fair play and transparency with amusement concessions and ensures that there are no unfair or dishonest devices or practices.

3. **Costs to the State:**

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

Costs to the Department include costs to administer this chapter, including costs to issue licenses, educate licensees, investigate complaints and enforce regulations. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B. The Social and Charitable Gambling Unit has two full-time employees who work with amusement concessions. Amusement concessions account for approximately 60 percent of licenses issued by the social and charitable gambling unit at a cost of approximately $174,746.64 annually.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties identified. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

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

There are no less costly or less intrusive methods for achieving the purpose of the proposed rulemaking. Licensing fees are set by statute. Other states regulate amusement concessions similarly, including Nebraska, North Dakota, Ohio and Idaho. Anecdotally, stakeholders indicate that Iowa's enforcement is less restrictive than that of Ohio.

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

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

See the response to section 5 above.

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

See the response to section 5 above.

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?

Iowa Code chapter 99B does not allow for exemptions or different standards for small businesses. The statutory fees are the same no matter the size of the business. The necessity for consistency and fairness in amusement concessions is the same whether the organization is small or large. Notwithstanding, if a small business identifies a portion of the rulemaking that is overly burdensome and the goals of which can be accomplished in a manner that would reduce the impact of the rulemaking to the organization, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 101 and adopt the following **new** chapter in lieu thereof:

CHAPTER 101
AMUSEMENT CONCESSIONS

481—101.1(99B) License requirements. No games shall be conducted until an application is approved and a license is issued in accordance with 481—Chapter 100.

101.1(1) A gambling license is required for each amusement concession game, with the name and description of the game attached to the application.

101.1(2) The person conducting an amusement concession, for the purposes of licensure, is the owner of the amusement concession.

481—101.2(99B) Prizes. All prizes shall be merchandise.

These rules are intended to implement Iowa Code section 99B.31.

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 104
"General Provisions for All Amusement Devices"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B 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:

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 104 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10. Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts or practices.

This rulemaking implements the aforementioned Iowa Code section by setting forth standards for devices and the prizes that can be issued. The rulemaking further sets forth games and devices that are not allowed. Finally, the rulemaking sets forth that registration is required and explains the potential violations for failure to comply.

Analysis of Impact

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

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

Costs of the proposed rulemaking are borne by members of the industry to operate in compliance with the standards and by potentially forfeiting property for violations. The registration costs for the devices are set forth statutorily.

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

The individuals who play on amusement devices will benefit from the rulemaking because the rules ensure that the devices are fair and honest. The industry will benefit from standards that are clear and easily understood.

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 costs associated with the rulemaking are those that are necessary to ensure that the amusement device complies with the standards in Iowa Code chapter 99B and the rulemaking. Further costs include costs for prizes. The registration fee is set forth in Iowa Code section 99B.53.

- **Qualitative description of impact:**

The rulemaking promotes fair play and transparency with amusement devices and that there are no unfair or dishonest devices or practices.

3. **Costs to the State:**

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

Costs to the Department include costs to administer this chapter, including costs to issue registrations, educate registrants, investigate complaints and enforce regulations. These types of registrations account for a small percentage of registrations or licenses issued by the Health and Safety Division. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties identified. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

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

There are no less costly or intrusive methods for achieving the purpose of the proposed rulemaking. The registration fees are set by statute. Other states, including Idaho, Illinois, Missouri and Tennessee, regulate amusement devices. Nebraska requires manufacturers of amusement devices to pay a licensing fee of $5,000 and $100 per device up to $5,000 for distributors.

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

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

See the response to section 5 above.

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

See the response to section 5 above.

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?

Iowa Code chapter 99B does not allow for exemptions or different standards for small businesses. The statutory fees are the same no matter the size of the business. The necessity for consistency and fairness in amusement devices is the same whether the organization is small or large. Notwithstanding, if a small business identifies a portion of the rulemaking that is overly burdensome and the goals of which can be accomplished in a manner that would reduce the impact of the rulemaking to the organization, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 104 and adopt the following **new** chapter in lieu thereof:

CHAPTER 104
GENERAL PROVISIONS FOR ALL AMUSEMENT DEVICES

481—104.1(10A,99B) Definitions. Definitions in rules 481—100.1(10A,99B) and 481—105.1(10A,99B) are incorporated by reference in this chapter, along with the following definitions:

"Amusement device" means the same as defined in Iowa Code section 99B.1(2). An amusement device is not a device that plays poker, blackjack, roulette, or keno. Devices specified in Iowa Code section 725.9 as gambling devices are not amusement devices.

"Gambling device" means the same as defined in Iowa Code section 725.9(2) and does not include devices that do not comply with Iowa Code chapter 99B.

"Knock-off switch" means a mechanism or other method that releases free games or credits accumulated toward the award of merchandise.

"Prize" means a ticket(s) or token(s) that is dispensed by an amusement device as an award for use.

"Progressive games" means games in which the value of the prizes increases an incremental amount with each game.

"Slot machine" means a mechanical, electronic, or video gambling device into which a player deposits coins, tokens or currency and from which certain credits, tickets, tokens or coins are paid out when a particular, random configuration of symbols appears on the reels, simulated reels, or screen of the device. The slot machine may have a lever, buttons, or other means to activate or stop the play.

481—104.2(99B) Device restrictions. All amusement devices shall comply with Iowa Code section 99B.52 and the following:

104.2(1) The device will be electrical, which includes both electronic and video, or mechanical, or a combination of both.

104.2(2) The device will not be designed or adapted to issue or pay coins or currency.

104.2(3) The device may be designed or adapted to award merchandise or tickets or tokens redeemable for merchandise.

104.2(4) The device may be designed or adapted to issue tickets or tokens except tickets or tokens that may be used to play any device or game.

104.2(5) The device will not have a knock-off switch. Credits may be released by the insertion of coins, currency, or tokens to activate a new game. Free games may only be utilized for playing the device and not released in any other manner.

104.2(6) The device will be designed or adapted to accept only coins, currency, or tokens to play the game.

481—104.3(99B) Prohibited games/devices.

104.3(1) The following games or devices are not permitted:

a. Gambling games permitted in Iowa Code chapter 99F.

b. Any machine that does not conform to the requirements in these rules or Iowa Code chapter 99B.

c. Any machine designed like or resembling a machine that is normally used for casino-type gambling.

d. Amusement devices designed or adapted to facilitate gambling.

e. Progressive games.

104.3(2) This rule does not prohibit the possession of antique slot machines when possessed pursuant to Iowa Code chapter 725.

481—104.4(99B) Prizes. Prizes not to exceed a retail value of $50 per play or game may be awarded for use of an amusement device.

104.4(1) Merchandise with a retail value of no more than $50 per transaction may be awarded.

104.4(2) One or more free games may be awarded by the device.

104.4(3) If the device is designed or adapted to issue tickets or tokens, the following shall apply:

a. Tickets or tokens will not be used to purchase or play a game.

b. Tickets or tokens will not be redeemed for coins or currency.

c. Tickets or tokens may be redeemed for merchandise.

d. Tickets or tokens may be accumulated to the maximum allowable prize limit per play or game to purchase merchandise.

e. Tickets or tokens may be redeemed for food and beverage.

f. If the entire amount of the ticket or token issued by the amusement device is not redeemed for merchandise, the balance will not be redeemed for cash.

g. Tickets or tokens will only be redeemed on the premises where the amusement device is located and only for merchandise sold in the normal course of business on the premises.

104.4(4) Merchandise prizes shall not be repurchased.

481—104.5(99B) Registration. An amusement device must be registered in compliance with Iowa Code section 99B.53. Registration is required if chance plays a role equal to or greater than the players' skill or knowledge in determining the outcome of the game. Additional licenses or registrations under Iowa Code chapter 99B are not required.

481—104.6(99B) Violations.

104.6(1) Failure to comply with the limitations imposed on the use and possession of amusement devices in Iowa Code chapter 99B constitutes unlawful gambling, which may result in the following consequences:

a. Conviction for illegal gambling under the provisions of Iowa Code chapter 725.

b. Forfeiture of property under the provisions of Iowa Code chapter 809.

104.6(2) Additional consequences apply for registered amusement devices pursuant to 481—Chapter 105.

481—104.7(99B,17A) Declaratory orders. In addition to the requirements for declaratory orders found in 481—Chapter 3, parties seeking a declaratory order shall file with their petition a written evaluation of the game by an independent gaming laboratory approved by the department.

104.7(1) *Approved by the department.* "Approved by the department" means that the gaming laboratory has submitted its qualifications in writing to the director for review and approval in writing by the director or the director's designee.

104.7(2) *Written evaluation—requirements.* The independent gaming laboratory's evaluation must analyze whether chance plays a role equal to or greater than the players' skill or knowledge in determining the outcome of the game. "Outcome of the game" includes both whether the player correctly solves the puzzle and what prize is awarded.

These rules are intended to implement Iowa Code sections 99B.1, 99B.2, and 99B.51 through 99B.58.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 105
"Registered Amusement Devices"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B 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:

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information on virtual participation will be posted to the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 105 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records, and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts, or practices.

This rulemaking implements the aforementioned Iowa Code section by setting forth standards for registered amusement devices to ensure that the devices are fair and honest.

Analysis of Impact

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

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

The owners of registered amusement devices will bear the costs of the proposed rulemaking by obtaining an appropriate device and then registering that device. Manufacturers, distributors, or owners must register as well. Those registration fees are set out by statute.

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

Persons who use the registered amusement devices will benefit from the proposed rulemaking because the devices will be fair and honest. The members of the industry will benefit from standards that are clear and easily understood.

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 costs related to the proposed rulemaking are related to obtaining an appropriate device and registering the device. The fee for registration is set by statute and is not directly incurred by the rulemaking.

- **Qualitative description of impact:**

The proposed rulemaking promotes fair play and transparency with registered amusement devices. The rulemaking further ensures that amusement devices are located in businesses that are appropriate to promote fair play and transparency.

3. **Costs to the State:**

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

Costs to the Department include costs to administer this chapter, including costs to issue registrations, educate registrants, investigate complaints, and enforce regulations. These types of registrations account for a small percentage of registrations or licenses issued by the division. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's statutory duties identified. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

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

There is no less costly or intrusive method for achieving the purpose of the proposed rulemaking. The registration fees are set by statute. Other states regulate amusement devices including Idaho, Missouri, Tennessee, and Texas. Nebraska requires manufacturers of amusement devices to pay a licensing fee of $5,000 and $100 per device up to $5,000 for distributors.

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

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

See response to 5, above.

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

See response to 5, above.

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?

Iowa Code chapter 99B does not allow for exemptions or different standards for small businesses. The statutory fees are the same no matter the size of the business. The necessity for consistency and fairness in amusement devices is the same whether the organization is small or large. Notwithstanding, if a small business identifies a portion of the rulemaking that is overly burdensome and the goals can be accomplished in a manner that would reduce the impact of the rulemaking to the organization, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 105 and adopt the following **new** chapter in lieu thereof:

CHAPTER 105
REGISTERED AMUSEMENT DEVICES

481—105.1(10A,99B) Definitions. The definitions in Iowa Code section 99B.51 and rule 481—104.1(10A,99B) are incorporated by reference in this chapter. In addition, the following definitions apply to the possession and use of registered amusement devices.

"Counting mechanism" means an appliance that tallies the volume of business of an individual amusement device.

"Distributes" means to deliver, to provide or to otherwise make available in Iowa amusement devices required to be registered in accordance with these rules.

"Operation" means that a registered amusement device is made available for use by the public or made available for use on the premises of a charitable organization.

"Person" means a person as defined by Iowa Code section 4.1.

"Premises" means a location where one or more registered amusement devices is available for public use.

"Registered amusement device" means an electrical or mechanical amusement device in operation subject to registration by the department pursuant to Iowa Code section 99B.53 and includes both the external and internal components.

"Responsible party" means the owner of the amusement device.

"Security mechanism" means an appliance that prevents a person from operating an electrical or mechanical amusement device by not allowing the acceptance of money until action is taken by the owner or owner's designee to allow the person to operate the device.

481—105.2(99B) Registered amusement devices. Each registered amusement device shall only be located on premises as described in Iowa Code section 99B.53.

105.2(1) Any change in the registered amusement device constitutes a new registered amusement device for which registration is required. The word "change" does not include repairs or replacement of parts that do not change or alter the operation of the device as originally registered.

105.2(2) If the amusement device needs to be repaired, the owner may repair it without losing the registration position or buying a new registration tag. A repair constitutes any change to a device as long as the type of game and the number of devices in a location is not changed. If the repairs or replacement parts alter the operation of the device as originally registered, the device must be reregistered before being made available for operation. If an amusement device needs to be replaced

because it is defective, it must be replaced with the same game in order to keep the registration position.

105.2(3) Reserved.

105.2(4) An amusement device registration position becomes available under the following circumstances:

a. When a distributor or owner:

(1) Is going out of business,

(2) Fails to renew a registration by the renewal due date, or

(3) Has an electrical or mechanical device seized by law enforcement and the seizure is upheld through a forfeiture hearing.

b. When an amusement device is replaced with a new amusement device that has a different game.

c. When any other legal order has been issued that pertains to violations of Iowa Code chapter 99B, 123, or 123A.

105.2(5) Premises with a Class "B" or Class "E" retail alcohol license shall post a sign near a registered amusement device stating that a person must be 21 years of age or older to operate the registered amusement device and the premises shall ask for ID prior to disengaging the security mechanism.

105.2(6) Reserved.

105.2(7) If the department, or the department's designee, determines that a registered amusement device is not in compliance with the requirements of this chapter or any other provision of Iowa law, the device may be subject to seizure, and any registration associated with the device, including the registration of the manufacturer, distributor, or owner, may be revoked or suspended.

105.2(8) Situations that constitute advertising and promoting as restricted by Iowa Code section 99B.53(12) include but are not limited to posted signs, newspaper/magazine advertisements, radio and television advertisements, word of mouth and Internet posting.

105.2(9) If there is no amusement device registration availability, a person may be included on a waiting list for an amusement device registration position.

a. A person shall appear on the waiting list only once for a single registration position.

b. A person may be added to the waiting list by sending an email to gmms@dia.iowa.gov or by calling or writing the department at Department of Inspections, Appeals, and Licensing, Social and Charitable Gambling Unit, 6200 Park Avenue, Des Moines, Iowa 50319-0083; 515.281.6840.

c. The department will maintain the waiting list in chronological order.

d. When a registration position becomes available, the department will notify the first person on the waiting list of the amusement device registration availability by mail or email. If multiple positions become available, the department may notify as many persons on the waiting list as there are available positions.

e. The person on the waiting list shall have ten days from the time the notification was sent to submit a registered amusement device application and the fee.

f. If the person does not submit the registration application, fee and proof of purchase within ten days, the person shall forfeit the position on the waiting list and be removed from the waiting list.

105.2(10) An initial amusement device registration shall only be allowed at a location that has a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license issued pursuant to Iowa Code chapter 123.

105.2(11) If a person purchases an amusement device that is registered with the department, the registration tag, if available, must be removed from the purchased amusement device and returned to the department or the department notified in writing within ten calendar days of the change in ownership. The purchased device will be removed from the inventory of the original owner, thus creating a registration position on the waiting list. The purchaser must apply for a registration position on the waiting list for the device.

105.2(12) An amusement device that is registered with the department and located in a warehouse may be placed in a location that has a Class "C," special Class "C," Class "D," or Class "F" retail alcohol license issued pursuant to Iowa Code chapter 123. Such a device may also be used as a replacement device.

105.2(13) The registration application for all new amusement devices must be accompanied by the receipt, invoice, or bill of sale containing the seller's name, company name, and address, transaction date, motherboard serial number, and name of the game.

105.2(14) Devices shall not allow for more than one player. Each playing position constitutes one amusement device.

481—105.3(99B) Prohibited registered amusement devices. The following devices are prohibited:

1. Amusement devices registered in violation of statutory or regulatory requirements governing such devices.
2. Registered amusement devices that are prohibited by rule 481—104.3(99B).
3. Any registered amusement device designed or adapted to facilitate gambling.

481—105.4(99B) Prizes. Prizes may be awarded for use of a registered amusement device in conformance with rule 481—104.4(99B).

481—105.5(99B) Registration by a manufacturer, distributor, or an owner that operates for profit. A person engaged in business in Iowa as a manufacturer, a distributor, or an owner that operates for profit shall be registered with the department prior to engaging in business in Iowa. A person shall register under each of the categories that applies to the business to be conducted in Iowa and pay the designated fee for each category of registration as set forth in Iowa Code section 99B.56.

105.5(1) Reserved.

105.5(2) Registration forms are available from the Department of Inspections, Appeals, and Licensing, Social and Charitable Gambling Unit, 6200 Park Avenue, Des Moines, Iowa 50321; or by telephone at 515.281.6840.

105.5(3) If registration information changes, the person shall notify the department in writing of the changes within ten calendar days.

105.5(4) Registration fees are nonrefundable.

481—105.6(99B) Registration of registered amusement devices. Each owner of an amusement device subject to registration by the department pursuant to Iowa Code section 99B.53 shall obtain a registration before the amusement device is available for operation. A registration issued pursuant to Iowa Code chapter 99B is required to offer a registered amusement device for use.

105.6(1) Reserved.

105.6(2) In the event a registration position is not open, the distributor's or owner's name may be placed on the department's waiting list. The distributor or owner will be notified by the department when a position is available. Upon the distributor's or owner's completion of the application form and payment of the required fee, the department will issue a registration tag valid for one year from the date of issuance.

a. Application forms are available from the Department of Inspections, Appeals, and Licensing, Amusement Devices, 6200 Park Avenue, Des Moines, Iowa 50321. The application form shall contain all information required by the department.

b. Prior to placement of the amusement device for public use, the registration tag shall be prominently displayed on the front of the registered amusement device in such a manner as to be clearly visible to the general public.

c. Any changes to the information provided on the application, including but not limited to changes in ownership, registered amusement device location, and the cessation of business in this state, shall be reported to the department in writing or electronically within ten calendar days of the occurrence of any of the above events.

d. Registration fees are nonrefundable.

105.6(3) A new registered amusement device must be obtained from a manufacturer that is registered with the department pursuant to Iowa Code section 99B.56. A registered amusement device that has been placed on location and used may be obtained from a manufacturer, distributor or owner that is registered with the department pursuant to Iowa Code section 99B.56. A distributor or owner that ceases, for any reason, to be registered pursuant to Iowa Code section 99B.56 may sell any registered amusement devices in the distributor's or owner's possession within 12 months from the date registration ceases. For all amusement devices new to the purchaser, proof of purchase, which includes the seller's name, company name, and address, must accompany the application for registration of the machine.

105.6(4) Reserved.

105.6(5) Each electrical or mechanical amusement device required to be registered pursuant to Iowa Code section 99B.53 shall include on the amusement device a counting mechanism.

a. The department of inspections, appeals, and licensing or the department of public safety will notify the distributor, owner, or qualified organization in advance to have access to the information provided by the counting mechanism.

b. The counting mechanism shall be at least six digits in length; and cumulatively count the total amounts inserted in the device during game play. If the mechanism being used tallies in dollars and cents, at least six digits must be used for the dollar amount. The counting mechanism shall not be able to be reset.

c. The counting mechanism shall be equipped with a battery backup, or an equivalent, and accurately maintain all required information for 30 days after power is discontinued from the device.

105.6(6) The owner of the registered amusement device shall exercise due diligence in ensuring that the amusement device complies with these rules and all laws governing such devices. Upon request by the department or the department's designee, any manufacturer or distributor registered with the department, or any owner of a registered device, shall permit the inspection of any amusement device and make available for inspection all records, documents, and agreements pertaining to the amusement device.

481—105.7(99B) Violations. Failure to comply with the limitations imposed on the use and possession of registered amusement devices in Iowa Code chapter 99B may result in the following:

1. Conviction for illegal gambling may result under the provisions of Iowa Code chapter 725.
2. Suspension or revocation of a retail alcohol license may result under the provisions of Iowa Code chapter 123.
3. Property may be forfeited under the provisions of Iowa Code chapter 809.
4. Violation of any laws pertaining to gambling may result in suspension or revocation of a registration as prescribed in Iowa Code section 99B.55.
5. Unless otherwise prescribed in Iowa Code section 99B.55, a registration may be revoked upon the violation of any gambling law, rule or regulation, including Iowa Code chapter 99B, 481—Chapter 104, or this chapter.
6. A registration may be revoked if the registrant or an agent of the registrant engages in any act or omission that would have permitted the department to refuse to issue a registration under Iowa Code chapter 99B.

481—105.8(10A,99B) Appeal rights. Decisions to refuse to issue a registration or to revoke a registration by the department may be appealed in accordance with the procedures set out in 481—Chapter 9. The refusal to issue a registration or the notice of revocation will be in writing and state the specific grounds for the action. When an appeal is received, the status of the registration is governed by the following standards:

105.8(1) No registration will be issued when a new application is denied.

105.8(2) A previously issued registration remains effective until a final agency decision is issued.

481—105.9(10A,99B) Procedure for denial, revocation, or suspension of a registration.

105.9(1) The department may revoke, suspend, or deny a registration issued pursuant to Iowa Code section 99B.56 for cause following 30 days' written notice delivered by certified mail, return receipt requested, or by personal service and an opportunity for hearing pursuant to 481—105.8(10A,99B).

105.9(2) If the registrant has not requested a hearing within the prescribed time period, the department may affirm, modify or set aside the department's proposed action in the department's final written decision.

105.9(3) The department may suspend a registration prior to a hearing if the director determines that the public integrity of the registered activity is compromised or that there is a risk to public health, safety, or welfare.

105.9(4) The department may rescind the notice of revocation, suspension, or denial at any point prior to hearing when the department becomes satisfied that the reasons for revocation, suspension, or denial have been or will be removed.

105.9(5) The department will send by certified mail, return receipt requested, or serve personally upon the applicant or registrant a copy of the department's final decision.

105.9(6) If the department finds cause for denial of a registration, the applicant shall not reapply for registration of an amusement device for two years.

105.9(7) If the department finds cause for revocation or suspension, the department shall suspend or revoke the registration for a period not to exceed two years.

105.9(8) In addition to the suspension or revocation, a registrant that allows an individual under the age of 21 to operate an electrical or mechanical amusement device may also be fined for a scheduled violation pursuant to Iowa Code section 805.8C(4) and 805.8C(5).

481—105.10(99B) Annual verification of device location. Each distributor or owner that owns amusement devices shall, with the annual distributor or owner registration, verify all device locations.

481—105.11(99B) Criteria for approval or denial of a registration.

105.11(1) The department will consider the responsible person's history of compliance with Iowa Code sections 99B.51 through 99B.58 and other gambling laws and rules in determining whether to approve or deny an application for registration of an amusement device, a manufacturer, a distributor, or an owner.

105.11(2) The department will deny a registration application if the registration does not comply with Iowa Code section 99B.52 and the following:

a. The applicant owes back taxes or fees to the state of Iowa.

b. An amusement device registration availability position is not available.

c. For any other reason, the department deems denial of the registration appropriate.

105.11(3) The period for refusal to issue a registration shall not exceed two years.

481—105.12(10A,99B) Suspension or revocation of a registration. If the responsible party violates the law, including Iowa Code chapter 99B, 481—Chapter 104, this chapter, or any other laws or administrative rules, the registrant's registration may be suspended or revoked.

These rules are intended to implement Iowa Code sections 99B.1, 99B.2 and 99B.51 through 99B.58.

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 106
"Card Game Tournaments by Veterans Organizations"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99B.2

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99B 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:

October 22, 2025 8:30 a.m.	Ledges Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Information regarding virtual participation will be posted on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

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:

Amy Oetken
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.672.4929
Email: amy.oetken@dia.iowa.gov

Purpose and Summary

This proposed rulemaking repromulgates Chapter 106 and implements Iowa Code section 99B.2 in accordance with the goals and directives of Executive Order 10 (January 10, 2023). Iowa Code section 99B.2 provides that the Department may adopt rules to carry out the provisions of the chapter and may include descriptions of books, records and accounting requirements; methods of displaying costs and explanations of games and rules; and definitions of unfair or dishonest games, acts, or practices.

This rulemaking implements the aforementioned Iowa Code sections by setting forth rules for card game tournaments and explaining where recordkeeping, application, and licensing requirements can be found.

Analysis of Impact

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

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

The veterans organizations conducting card game tournaments will bear the costs of the rulemaking by paying fees for licensing as well as operating tournaments within the parameters of the rules.

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

The persons who participate in the card game tournaments will benefit from the rulemaking, as will the recipients of the proceeds from the tournaments. The participants will benefit by playing card game tournaments that are fair with rules that are easily understood. The industry will benefit from standards for card game tournaments, recordkeeping and accounting that are clear and easily understood.

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 costs associated with the rulemaking are related to the adoption and implementation of appropriate operational policies and are not directly incurred due to the rulemaking. There are costs related to recordkeeping and the posting of tournament rules, which will vary for each occasion and are difficult to quantify.

- **Qualitative description of impact:**

The proposed rulemaking promotes fair play and transparency in card game tournaments. Veterans organizations use the tournaments to raise money for charitable or fundraising purposes. The rulemaking ensures that the proceeds are used for their intended purpose and that there are no unfair or dishonest games, acts, or practices.

3. **Costs to the State:**

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

Costs to the Department include costs to administer this chapter, including costs to issue licenses, educate licensees, investigate complaints, and enforce regulations. These types of licenses account for a very small percentage of licenses issued by the division, consisting of fewer than ten licenses yearly. These costs are statutorily required to achieve the goals of Iowa Code chapter 99B.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no specific financial costs to implement or enforce this rulemaking outside of any costs associated with the Department's identified statutory duties. The costs of this rulemaking are directly associated with the Department's general functions. This rulemaking does not add to the costs of the Department or public in excess of general functions. The benefits include clear and consistent implementation of applicable Iowa Code provisions.

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

There are no less costly or intrusive methods to achieve the purpose of the proposed rulemaking. Most other states do not have separate rules governing card game tournaments that benefit veterans organizations, so there is no less restrictive alternative to implementing Iowa Code sections 99B.2 and 99B.27.

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

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

See response to 5, above.

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

See response to 5, above.

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 organizations engaged in card game tournaments are required to be nonprofit veterans organizations that exist for other purposes outside of these tournaments. Most are small organizations. Iowa Code chapter 99B does not allow for exemptions or different standards for small organizations. The statutory fees are the same no matter the size of the nonprofit organization. The necessity for consistency and fairness in card game tournaments is the same whether the organization is small or large. Notwithstanding, if a small organization identifies a portion of the rulemaking that is overly burdensome and the goals can be accomplished in a manner that would reduce the impact of the rulemaking to the organization, the Department's established waiver process could be utilized.

Text of Proposed Rulemaking

ITEM 1. Rescind 481—Chapter 106 and adopt the following **new** chapter in lieu thereof:

CHAPTER 106
CARD GAME TOURNAMENTS BY VETERANS ORGANIZATIONS

481—106.1(99B) Definitions. In addition to definitions found in Iowa Code chapter 99B, for the purposes of this chapter, the following definitions apply:

"Card game tournament" or *"tournament"* means a series of card games held by a licensee during a consecutive period of time of not more than 24 hours and not held as part of a monthly game night licensed pursuant to Iowa Code section 99B.27.

"Licensee" means a qualified organization representing veterans that has been issued a license pursuant to Iowa Code section 99B.12 and the rules in 481—Chapter 100 and this chapter.

481—106.2(99B) Licensing. Application and license requirements are found in Iowa Code section 99B.27 and 481—Chapter 100.

481—106.3(99B) Card game tournament. In addition to the requirements found in Iowa Code section 99B.27, licensees conducting tournaments must post or distribute tournament rules to all participants before the tournament begins, including the following information:

1. Participation fees;
2. Prize(s); and
3. Any other tournament rules.

481—106.4(99B) Records. The licensee shall comply with the recordkeeping requirements found in Iowa Code sections 99B.16 and 99B.27(3) and 481—Chapter 100.

These rules are intended to implement Iowa Code sections 99B.2 and 99B.27.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 21
"Home and Community-Based Services Revolving Loan 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 sections 16.5(1)"f," 16.5(1) "m" and 16.47

Public Hearing

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

October 21, 2025 10:30 to 10:45 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:

Michael Thibodeau
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: michael.thibodeau@iowafinance.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 21 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Home and Community-Based Services Revolving Loan Program. The program provides loans to sponsor organizations that seek to assist in the development and expansion of specific community-based services, respite services, congregate meals, health and wellness, health screening, and nutritional assessments that will allow persons of low income to remain in their homes pursuant to Iowa Code section 16.47.

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 the 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 rulemaking has no fiscal impact. The Authority is authorized to issue bonds for the purposes of the program pursuant to Iowa Code section 16.131. Such bonds issued by the Authority are not debt of the State pursuant to Iowa Code section 16.131(5).

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 the 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?

The 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 21 and adopt the following **new** chapter in lieu thereof:

CHAPTER 21
HOME AND COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM

265—21.1(16) Available funds. Any unallocated or recovered funds, payments of interest and principal, or any combination thereof, may be awarded or may be carried over to the next year's cycle of loans at the discretion of the authority.

265—21.2(16) Application procedure. Applications for assistance under this program are to be made on forms and in the manner provided by the authority. Inquiries with respect to this program should be made to those persons identified on the authority's website as contacts for this program. Once contacted with an inquiry, the authority will send an application package to the potential applicant. In the event it becomes necessary to amend the application, the authority will post the amended version of the application on its website. The authority will take such applications from time to time and will analyze and award loans to applicants on an ongoing basis.

265—21.3(16) Program guidelines. For-profit and nonprofit sponsors are eligible to apply for assistance under this program based on the following program guidelines:

21.3(1) Projects meeting the following criteria are eligible for assistance:

a. In the case of adult day services:

(1) Set aside 40 percent of the admissions for those with incomes at or below 40 percent of area median income (AMI) for the county in which the property is located;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;

(3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and

(4) Become and remain certified as an adult day services provider as set forth in 481—Chapters 67 and 70.

b. In the case of respite services:

(1) Provide services to underserved people in the community;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;

(3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and

(4) Meet all local, state and federal requirements subject to health care limits of the proposed setting.

c. In the case of congregate meals, establish and maintain a contract with the area agency on aging to provide congregate meals under the standards established for such a program under the federal Older Americans Act.

d. In the case of programming space for health and wellness:

(1) Adopt research-based practices to prevent disease and improve overall wellness, resulting in measurable outcomes for participants;

(2) Provide educational opportunities on disease prevention, physical activity, and nutritional choices; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

e. In the case of programming space for health screening:

(1) Use a licensed health care professional to provide screening and assessment services within the limits of the professional's license;

(2) Provide services to underserved people in the community; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

f. In the case of programming space for nutritional assessments:

(1) Use a registered dietitian to provide assessment and counseling services;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay; and

(3) Accept third-party reimbursement for nutritional counseling, including one or both of the following:

1. Medicaid 1915(c) waiver(s) and meet the standards set forth in 441—Chapters 77 and 78;

2. The Older Americans Act, 42 U.S.C. §3001 et seq., and meet the standards set forth in 441—Chapter 228.

g. A demonstrated market need for the project and a good location, both as determined by the authority in its sole discretion.

h. Assistance provided under this program enables the project to maintain financial feasibility and affordability for at least the term of the loan.

i. Maintenance and debt service reserve funds are adequately funded, as determined by the authority in its sole discretion.

j. Comply with all applicable federal, state and local laws and rules related to the specified service or services offered by the sponsor.

21.3(2) The following types of activities are eligible for assistance:

a. Acquisition and rehabilitation.

b. New construction.

c. Rehabilitation to expand a current program.

d. Such other similar activities as may be determined by the authority to fall within the guidelines and purposes established for this program.

21.3(3) Assistance will be provided upon the following terms and conditions:

a. The minimum loan amount is $50,000, and the maximum loan amount is $1,000,000. The maximum loan term and amortization period are each 20 years.

b. The acceptable debt service ratio and loan-to-value ratio will be calculated and determined by the authority.

c. Interest rates will be set by the authority, in its sole discretion.

d. Loans shall be secured by a first mortgage; provided, however, that in limited cases the authority may consider a subordinate mortgage when the first mortgage is held by another entity.

e. Recipients of assistance must agree to observe several covenants and restrictions, including but not limited to recorded affordability and transfer restrictions, all in accordance with such loan and mortgage documents as may be required by the authority under this program.

f. Recipients shall execute such documents and instruments and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

21.3(4) Loan fees.

a. Loan fees are as follows:

(1) Commitment fee (construction period) – 1.0 percent of the loan amount.

(2) Commitment fee (permanent loan) – 2.0 percent of the loan amount.

(3) Inspection fee – 0.5 percent of construction loan amount.

(4) Application fee – 0.3 percent of total loan amount requested, payable with the submission of loan application.

b. The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.

c. The authority will refund to the borrower one-half of the permanent loan commitment fee if the borrower's loan is paid off within five years of the closing of the loan.

265—21.4(16) Authority analysis of applications. Authority staff, in cooperation with the department of inspections, appeals, and licensing or the division of aging and disability services within the Iowa department of health and human services (or both, as necessary), will analyze and underwrite each potential project and will make recommendations for funding assistance to the board of the authority. Authority staff will use such procedures and processes in its underwriting and analysis as it deems necessary and appropriate in connection with furthering the purposes of this program. In addition, the authority anticipates that, because of the complex nature of each transaction, and the particular set of circumstances attributable to each particular application/transaction, the terms and conditions of loans may vary from project to project. The authority will make available its general operating procedures and guidelines for this program.

265—21.5(16) Discretion of authority board. The authority board of directors has the sole and final discretion to award or not award assistance and to approve final loan terms.

265—21.6(16) Closing/advance of funds. If all requirements of the authority are not met in accordance with any time frames set by the authority and to the complete satisfaction of the authority, all in the sole discretion of the authority, the authority may determine to cease work on an approved project and, accordingly, not advance any funds for such project.

These rules are intended to implement Iowa Code section 16.47.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 27
"Military Service Member Home Ownership Assistance Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)"r" and 16.54
State or federal law(s) implemented by the rulemaking: Iowa Code sections 16.5(1)"r" and 16.54

Public Hearing

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

October 21, 2025 9 to 9:15 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:

Tyler W. Barnard
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: tyler.barnard@iowafinance.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 27 and adopt a new chapter in lieu thereof. The proposed chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language. The proposed chapter also specifies the amount of the annual application fee for facilitating lenders and updates an Authority website reference.

Analysis of Impact

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

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

Facilitating lenders who incur the annual application fee will bear some cost of the proposed rulemaking.

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

Lenders and eligible service members, as well as Authority staff, may benefit from the improved clarity of the 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:**

Authority staff may incur the cost of reviewing and doing due diligence regarding applications. Facilitating lenders may incur the cost of the annual application fee.

- **Qualitative description of impact:**

The proposed rulemaking will provide clarity about the Authority's processes for this program.

3. **Costs to the State:**

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

The Authority incurs staff time to administer this program, including reviewing and doing due diligence regarding applications. The Iowa Department of Veterans Affairs incurs staff time to verify service member eligibility.

- **Anticipated effect on State revenues:**

The proposed rulemaking has no anticipated effect on State revenues.

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

The proposed rulemaking does not impose any additional cost on facilitating lenders compared to the application fee such lenders have most recently paid.

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.

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?

The proposed rules do not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 265—Chapter 27 and adopt the following **new** chapter in lieu thereof:

CHAPTER 27
MILITARY SERVICE MEMBER HOME OWNERSHIP ASSISTANCE PROGRAM

265—27.1(16) Purpose. The purpose of the military service member home ownership assistance program is to help eligible members of the armed forces of the United States to purchase qualified homes in Iowa.

265—27.2(16) Definitions. As used in this chapter, unless the context otherwise requires:

"Closing agent" means the attorney, real estate firm, or closing company that is closing the qualifying purchase transaction and that prepares the cash sale settlement statement.

"Eligible service member" means the same as defined in Iowa Code section 16.54.

"Facilitating lender" means a lender that is not a participating lender but that is approved by the authority to make loans under the military home ownership assistance program pursuant to Iowa Code section 16.54(5) and subrule 27.3(7).

"Home ownership assistance" means the one-time assistance of up to $5,000 per eligible service member that may be used toward down payment or closing costs, or both, in the purchase of a qualified home.

"Manufactured home" means the same as defined in Iowa Code section 435.1.

"Participating lender" means a lender approved for participation in one or more of the authority's first mortgage financing home buyer programs. The authority maintains a list of participating lenders on its website: www.welcomehomeia.com/find-lender-realtor.

"Program," "military home ownership assistance program" or *"MHOA"* means the military service member home ownership assistance program authorized by Iowa Code section 16.54.

"Qualified home" means a home located in the state of Iowa that an eligible service member purchases, occupies, and uses as the service member's primary residence that is one of the following:

1. Single-family residence, including "stick-built" homes, modular homes, or manufactured homes;
2. Condominium;
3. Townhome;
4. A property containing two to four residential units, where one unit is to be occupied by the eligible service member as the service member's primary residence.

"Qualified mortgage" means a permanent mortgage loan made pursuant to one of the authority's home buyer mortgage programs unless the lender offers financing that is more financially advantageous for the service member.

"Status documentation" means written documentation verifying that the applicant is an eligible service member. This documentation may include but is not limited to a copy of a valid DD Form 214, showing character of service other than dishonorable, or the applicant's most recent leave and earnings statements representing 90 days of active duty.

"Title guaranty certificate" means the certificate issued by the Iowa title guaranty division of the authority pursuant to Iowa Code section 16.91 to ensure marketable title to the lender or the homeowner, or both.

265—27.3(16) Application procedure and determination of eligibility.

27.3(1) *Prior approval.* Whether the purchase of a qualified home is by mortgage financing or cash, prior approval of the assistance by the authority is required. Approval of the request will include supporting document review by the authority and a determination of the service member's eligibility by the Iowa department of veterans affairs.

27.3(2) *Financed home purchases.*

a. Where a qualified home purchase is financed, the eligible service member is to apply for assistance under the program through a participating or facilitating lender. If the service member qualifies for one of the authority's home buyer mortgage programs, the mortgage financing provided is to be a qualified mortgage. Service members who are not eligible for one of the authority's home buyer mortgage programs and are not purchasing on a cash basis may use any permanent financing available to them.

b. To apply for assistance, eligible service members provide the participating or facilitating lender with status documentation and all necessary program documents.

c. Once the lender receives all necessary information under this subrule, the lender is to transmit copies of the necessary documentation to the authority.

27.3(3) *Cash home purchases.* For a cash purchase of a qualified home, the eligible service member provides the authority with:

a. Status documentation;

b. The purchase agreement; and

c. A title guaranty commitment.

27.3(4) *Referral of status documentation to Iowa department of veterans affairs.* The authority submits status documentation to the Iowa department of veterans affairs for verification that an applicant is an eligible service member. The Iowa department of veterans affairs is the final authority on whether an applicant is an eligible service member.

27.3(5) *Notice of MHOA approval.* Once the Iowa department of veterans affairs confirms an applicant's eligibility, the authority notifies the lender, or eligible service member in the case of a cash purchase, that the MHOA application is approved.

27.3(6) *Gaps in funding.* Where military assistance funds are unavailable during the home purchase process, MHOA requests may be placed on a waiting list. When funds become available after the home purchase closed without military assistance funds being applied toward closing costs or down payment, MHOA proceeds will be paid (1) directly to the participating lender or servicing lender to be applied toward the qualified mortgage loan's principal balance, or (2) if the qualified home was purchased pursuant to a cash purchase transaction, directly to the eligible service member. The authority will notify the applicant that MHOA proceeds will be applied to the principal balance.

27.3(7) *Approval process for facilitating lender status.* Pursuant to Iowa Code section 16.54(5), an Iowa-regulated or federally regulated lender with a physical location in the state of Iowa may submit an application to the authority for approval, even if such lender does not participate in the authority's home ownership programs for home buyers. The approval to be a facilitating lender is valid for one year. Lenders are to submit an application and application fee of $1,500 annually. Application fees are not charged in part or in full to a service member or to a property seller.

265—27.4(16) MHOA award. Assistance awarded hereunder is up to $5,000 and is applied toward a qualified home purchase.

27.4(1) *MHOA reimbursement.* The lender advances funds at closing in an amount equal to the assistance on behalf of the eligible service member.

a. After closing, the lender submits copies of the following documents to the authority:

(1) An executed settlement statement;

(2) The deed conveying title;

(3) A title guaranty commitment;

(4) The promissory note; and

(5) The mortgage.

b. After closing, for cash home purchasers, the eligible service member shall submit copies of the following documents to the authority:

(1) The executed settlement statement;

(2) The deed conveying title; and

(3) The executed title guaranty certificate.

27.4(2) *MHOA assistance conditions.* All assistance under the program is subject to funding availability. Assistance will be awarded in the order in which all required documentation is received and approved by the authority. Assistance awarded pursuant to the program is personal to its recipient and nonassignable. A maximum of one assistance award is awarded per home purchase. If both homeowners are eligible service members, only one may use the MHOA per home purchase. If another home is subsequently purchased, the other eligible service member may use the MHOA on the

second home if the program exists and funds are available. An eligible service member is to receive only one award under the program. While program funds are available, the award is valid for 60 days in the case of purchases of existing or completed property and 120 days in the case of purchases of property being constructed or renovated. A reasonable extension may be granted with evidence of a purchase loan in progress that has been delayed due to circumstances beyond the service member's control.

These rules are intended to implement Iowa Code sections 16.5(1)*"r"* and 16.54.

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 43
"Community Housing and Services for Persons with Disabilities Revolving Loan 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 sections 16.5(1)"f," 16.5(1) "m" and 16.49

Public Hearing

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

October 21, 2025 10:30 to 10:45 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:

Michael K. Thibodeau
Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: michael.thibodeau@iowafinance.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 43 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Community Housing and Services for Persons with Disabilities Revolving Loan Program. The program provides loans to sponsor organizations to construct affordable permanent supportive housing or develop infrastructure in which to provide supportive services, including through new construction, acquisition and rehabilitation of existing housing or infrastructure, or conversion or adaptive reuse pursuant to Iowa Code section 16.49.

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 the 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 rulemaking has no fiscal impact. The Authority is authorized to issue bonds for the purposes of the program pursuant to Iowa Code section 16.131. Such bonds issued by the Authority are not debt of the State pursuant to Iowa Code section 16.131(5).

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 the 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?

The 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 43 and adopt the following **new** chapter in lieu thereof:

CHAPTER 43
COMMUNITY HOUSING AND SERVICES FOR PERSONS
WITH DISABILITIES REVOLVING LOAN PROGRAM

265—43.1(16) Definitions. When used in this chapter, unless the context otherwise requires:

"Authority" means the Iowa finance authority.

"Department" means the Iowa department of health and human services.

"Infrastructure" means the building and permanent improvements necessary for the support of Medicaid waiver-eligible individuals.

"Medicaid waiver-eligible" means eligible to receive 19 U.S.C. Section 1915(c) home and community-based services waivers under 441—Chapter 83.

"Permanent supportive housing" means a community-based dwelling that has supportive services for persons with disabilities. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting.

"PMIC" means psychiatric medical institutions for children.

"Program" means the community housing and services for persons with disabilities revolving loan program.

265—43.2(16) Award of loan funds. It is the authority's intent to award loans under the program to those applicants that meet all of the requirements of this chapter and the published underwriting standards of the loan program. The authority intends to award the available funds under this program each year if applicants meet all applicable requirements.

265—43.3(16) Application process. Any unallocated or recovered funds, payments of interest and principal, or any combination thereof, may be awarded or may be carried over to the next year's cycle of loans at the discretion of the authority. The authority will take such applications from time to time and will analyze and award loans to applicants on an ongoing basis.

265—43.4(16) Program guidelines. For-profit and nonprofit sponsors are eligible to apply for assistance under this program based on the following program guidelines after receiving approval of a service plan to benefit the Medicaid waiver-eligible individuals who reside in the project. The service provider may apply for the loan fund; however, the service provider does not have to be the applicant for the loan fund. If the service provider is not the loan applicant, a memorandum of understanding must exist between the loan applicant and the service provider that shows an obligation on behalf of the service provider to deliver services to the Medicaid waiver-eligible individuals residing in the project and that shows that the loan applicant is obligated to offer housing to the Medicaid waiver-eligible individuals who need the services provided by the service provider.

43.4(1) Projects meeting the following criteria are eligible for assistance:

a. Written approval from the department for the proposed project is obtained prior to application for loan funds.

b. In order to be approved by the department, the project must demonstrate all of the following components:

(1) The project serves one of the following Medicaid waiver-eligible populations:

1. Individuals who are currently underserved in community settings, including individuals who are physically aggressive or have behaviors that are difficult to manage or individuals who meet the PMIC level of care; or

2. Individuals who are currently placed out of state by the department; or

3. Individuals who are currently receiving care in an Iowa-licensed health care facility.

(2) A plan to provide each Medicaid waiver-eligible individual with crisis stabilization services to ensure that the individual's behavioral issues are appropriately addressed by the provider.

(3) Policies and procedures that prohibit discharge of the Medicaid waiver-eligible individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the individual or the individual's guardian is identified.

c. In order to be approved by the department for application for funding for development of infrastructure in which to provide supportive services under this chapter, a project shall include all of the following components:

(1) Provision of services to Medicaid waiver-eligible individuals who meet the PMIC level of care.

(2) Policies and procedures that prohibit discharge of the Medicaid waiver-eligible individual from the waiver services provided by the project provider, unless an alternative placement that is acceptable to the individual or the individual's guardian is identified.

43.4(2) The following types of activities are eligible for assistance:

a. Acquisition and rehabilitation.

b. New construction.

c. Such other similar activities as may be determined by the authority to fall within the guidelines and purposes established for this program.

43.4(3) Assistance will be provided upon the following terms and conditions:

a. The minimum loan amount is $50,000, and the maximum loan amount is $500,000. The maximum loan term and amortization period are each 30 years.

b. The acceptable debt service ratio and loan-to-value ratio will be calculated and determined by the authority.

c. Interest rates will be set by the authority, in its sole discretion.

d. Loans shall be secured by a first mortgage to the extent possible. Construction financing may be awarded to projects.

e. Recipients of assistance must agree to observe several covenants and restrictions all in accordance with such loan and mortgage documents as may be required by the authority under this program.

f. The recipient must show that its title in the real estate on which the project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards or other applicable law through a title guaranty certificate issued by the title guaranty division of the Iowa finance authority that shows the recipient as the guaranteed and that includes any endorsements required by the authority.

g. Recipients must execute such documents and instruments and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

43.4(4) Loan fees.

a. Loan fees are as follows:

(1) Application fee – 0.3 percent of loan amount.

(2) Commitment fee (construction period) – 1.0 percent of loan amount.

(3) Commitment fee (permanent loan) – 2.0 percent of loan amount.

(4) Inspection fee (construction loan) – 0.5 percent of loan amount.

b. The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.

265—43.5(16) Authority analysis of applications. Authority staff will analyze and underwrite each potential project and will make recommendations for funding assistance to the authority board of directors. Authority staff will use such procedures and processes in its underwriting and analysis as it

deems necessary and appropriate in connection with furthering the purposes of this program. In addition, the authority anticipates that, because of the complex nature of each transaction and the particular set of circumstances attributable to each particular application/transaction, the terms and conditions of loans will vary from project to project. The authority will make available its general operating procedures and guidelines for this program.

265—43.6(16) Discretion of authority board. The authority board of directors has the sole and final discretion to award or not to award assistance and to approve final loan terms.

265—43.7(16) Closing/advance of funds. If all requirements of the authority are not met in accordance with any time frames set by the authority and to the complete satisfaction of the authority, all in the sole discretion of the authority, the authority may determine to cease work on an approved project and, accordingly, not advance any funds for such project.

These rules are intended to implement Iowa Code sections 16.5(1) and 16.49.

Regulatory Analysis

Notice of Intended Action to be published: Subrule 15.10(1)
"General License Regulations"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 483A.1
State or federal law(s) implemented by the rulemaking: Iowa Code section 483A.1

Public Hearing

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

October 21, 2025	6200 Park Avenue, Suite 200
1 to 2 p.m.	Des Moines, Iowa

Free Language Assistance: If you need assistance in a language other than English, contact the Department of Natural Resources at chris.ensminger@dnr.iowa.gov or civilrights@dnr.iowa.gov or by telephone at 515.250.6886 at least seven days before the event.

Asistencia lingüística gratuita: Si necesita ayuda en un idioma que no sea inglés, comuníquese con el Departamento de Recursos Naturales al chris.ensminger@dnr.iowa.gov o civilrights@dnr.iowa.gov o por teléfono a 515.250.6886 al menos siete días antes del evento.

Public Comment

Any interested person may submit written 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:

Chris Ensminger
6200 Park Avenue, Suite 200
Des Moines, Iowa 50321
Email: chris.ensminger@dnr.iowa.gov

Free Language Access: If you speak a non-English language, language assistance services are available free of charge. Contact the Department at chris.ensminger@dnr.iowa.gov.

Asistencia lingüística gratuita: Si habla un idioma que no sea el inglés, los servicios de asistencia lingüística están disponibles de forma gratuita. Comuníquese con el Departamento al chris.ensminger@dnr.iowa.gov.

Purpose and Summary

Chapter 15 governs hunting, fishing, and trapping license sales, fees, general administration, and a framework for license revocation and suspension. One amendment is proposed to implement 2025 Iowa Acts, Senate File 253, which creates a new lifetime fur harvester permit for disabled veterans.

Analysis of Impact

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

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

Sportspersons who purchase the newly created lifetime fur harvester permit will bear the costs.

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

Sportspersons who purchase the newly created lifetime fur harvester permit will benefit.

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

- **Quantitative description of impact:**

There is no economic impact or cost beyond what was anticipated by the Iowa Code change.

- **Qualitative description of impact:**

There is no qualitative impact beyond what was anticipated by the Iowa Code change.

3. **Costs to the State:**

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

The Department currently provides management and oversight of fur harvesting in Iowa, and those services will not change due to the proposed rulemaking.

- **Anticipated effect on State revenues:**

The proposed rulemaking does not have any effect on State revenues beyond what was anticipated by the Iowa Code.

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

The public will benefit by including the cost of this newly created license in the list of other license fees. Inaction would be contrary to the Iowa Code and lack transparency to the public.

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

No less costly or less intrusive methods exist.

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

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

No alternative methods were seriously considered by the agency.

- **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?

The proposed rulemaking does not have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Reletter paragraphs **15.10(1)"aa"** to **15.10(1)"jj"** as **15.10(1)"bb"** to **15.10(1)"kk"**.

ITEM 2. Adopt the following **new** paragraph **15.10(1)"aa"**:

aa. Fur harvester license, lifetime, disabled veteran — $59.50.

Regulatory Analysis

Notice of Intended Action to be published: 571—Chapter 16
"Docks and Other Structures on Public Waters"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 461A.4 and 462A.3

State or federal law(s) implemented by the rulemaking: 2025 Iowa Acts, House File 710, and Iowa Code sections 461A.4 and 461A.18

Public Hearing

A public hearing at which persons may present their views orally will be held via virtual meeting as follows. Persons who wish to attend the virtual meeting should contact Greg Harson via email. A link will be provided prior to the hearing. Persons who wish to make oral comments at the virtual public hearing must submit a request to Greg Harson prior to the hearing to facilitate an orderly hearing.

October 21, 2025 10 a.m.	Virtual

Free Language Assistance: If you need assistance in a language other than English, contact the Department of Natural Resources at gregory.harson@dnr.iowa.gov or civilrights@dnr.iowa.gov or by telephone at 712.260.1040 at least seven days before the event.

Asistencia lingüística gratuita: Si necesita ayuda en un idioma que no sea inglés, comuníquese con el Departamento de Recursos Naturales al gregory.harson@dnr.iowa.gov o civilrights@dnr.iowa.gov o por teléfono a 712.260.1040 al menos siete días antes del evento.

Public Comment

Any interested person may submit written 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:

Greg Harson
Iowa Department of Natural Resources
122 252nd Avenue
Spirit Lake, Iowa 51360
Email: gregory.harson@dnr.iowa.gov

Free Language Access: If you speak a non-English language, language assistance services are available free of charge. Contact the Department at gregory.harson@dnr.iowa.gov.

Asistencia lingüística gratuita: Si habla un idioma que no sea el inglés, los servicios de asistencia lingüística están disponibles de forma gratuita. Comuníquese con el Departamento al gregory.harson@dnr.iowa.gov.

Purpose and Summary

Chapter 16 regulates docks on water bodies open to the public for boating and other recreational activities. It includes a permitting system and rules that seek to balance the needs of dock owners with those of the general public, and to reduce conflicts between neighboring dock owners. Among these rules are limitations on enclosing docks and hoists with sides and roofs as well as restrictions of what materials may be used for such purposes. 2025 Iowa Acts, House File 710, creates a new Iowa Code section that allows for a person with a class I or III dock permit to construct a roof over a slip or hoist, subject to a number of requirements including material requirements, size limits, limits on what

structures may be enclosed, a prohibition on habitation, and an insurance requirement. These new provisions of the Iowa Code supersede existing Chapter 16 provisions. As such, this rulemaking is necessary in order to bring the relevant Chapter 16 provisions into harmony with the Iowa Code.

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. This rulemaking modifies existing restrictions on dock and hoist roof and side materials in order to conform to a newly enacted Iowa Code section. Any private dock owner who wishes to take advantage of this new Iowa Code section must obtain insurance as required by that Iowa Code section.

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

Private dock owners may benefit from having more flexibility in choosing the materials used for hoist or slip roofs or sides as mandated by changes to the Iowa Code.

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 costs associated with this rulemaking. This rulemaking implements changes necessitated by changes to the Iowa Code.

- **Qualitative description of impact:**

There are no impacts or costs caused by this rulemaking, which amends Chapter 16 to be consistent with the Iowa Code.

3. **Costs to the State:**

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

There are no new implementation or enforcement costs borne by the Department. The Department's Law Enforcement Bureau will monitor compliance through its existing dock inspection and permitting duties.

- **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. No cost/benefit analysis has been conducted because this rulemaking is required by changes to the Iowa Code.

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

Not applicable. The purpose of this rulemaking is to ensure Chapter 16 is consistent with the underlying Iowa Code.

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

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

None were considered.

- **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 an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend subrule 16.3(7) as follows:

16.3(7) ~~*No enclosure*~~ *Enclosure of* ~~*private*~~ *docks.* ~~Private docks and docks in dock management areas shall not be enclosed by roofs or sides. Hoists may be enclosed by roofs and sides constructed of soft-sided natural fiber or synthetic fiber materials for the purpose of protecting watercraft.~~

a. Class I and Class III docks. Hoists may be enclosed by roofs and sides constructed of soft-sided natural fiber or synthetic fiber materials for the purpose of protecting watercraft, or by a roof constructed pursuant to Iowa Code section 462A.27B.

b. Class II, Class IV, and dock management area docks. Docks, hoists and slips shall not be enclosed unless authorized by the relevant dock or slip permit. Authorization may be restricted as needed to minimize adverse visual impact on owners of other property and the public or to ensure public safety, navigation, and access as appropriate.

ITEM 2. Rescind and reserve subrule **16.7(5)**.

ITEM 3. Renumber subrule **16.7(6)** as **16.7(5)**.

Regulatory Analysis

Notice of Intended Action to be published: 571—Chapter 98
"Wild Turkey Hunting"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 481A.38, 481A.39, 481A.48, 483A.1, 483A.7, and 483A.24

State or federal law(s) implemented by the rulemaking: Iowa Code sections 481A.38, 481A.39, 481A.48, 483A.1, 483A.7, and 483A.24

Public Hearing

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

October 21, 2025	6200 Park Avenue, Suite 200
1 to 2 p.m.	Des Moines, Iowa

Free Language Assistance: If you need assistance in a language other than English, contact the Department of Natural Resources at chris.ensminger@dnr.iowa.gov or civilrights@dnr.iowa.gov or by telephone at 515.250.6886 at least seven days before the event.

Asistencia lingüística gratuita: Si necesita ayuda en un idioma que no sea inglés, comuníquese con el Departamento de Recursos Naturales al chris.ensminger@dnr.iowa.gov o civilrights@dnr.iowa.gov o por teléfono a 515.250.6886 al menos siete días antes del evento.

Public Comment

Any interested person may submit written 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:

Chris Ensminger
6200 Park Avenue, Suite 200
Des Moines, Iowa 50321
Email: chris.ensminger@dnr.iowa.gov

Free Language Access: If you speak a non-English language, language assistance services are available free of charge. Contact the Department at chris.ensminger@dnr.iowa.gov.

Asistencia lingüística gratuita: Si habla un idioma que no sea el inglés, los servicios de asistencia lingüística están disponibles de forma gratuita. Comuníquese con el Departamento al chris.ensminger@dnr.iowa.gov.

Purpose and Summary

Chapter 98 governs spring and fall wild turkey hunting by residents and nonresidents in the State of Iowa. Four amendments are proposed to enact 2025 Iowa Acts, Senate File 148, which removes the requirement that the owner or the tenant select a method of take and instead makes resident turkey hunting licenses valid until filled during the applicable time of year.

Analysis of Impact

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

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

Iowa turkey hunters will bear the costs.

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

Iowa turkey hunters will benefit.

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

- **Quantitative description of impact:**

There is no economic impact or cost beyond what was anticipated by the Iowa Code change.

- **Qualitative description of impact:**

There is no qualitative impact beyond what was anticipated by the Iowa Code change.

3. **Costs to the State:**

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

The Department currently provides management and oversight of turkey hunting in Iowa, and those services will not change due to the proposed rulemaking.

- **Anticipated effect on State revenues:**

The proposed rulemaking does not have any effect on State revenues beyond what was anticipated by the Iowa Code.

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

Inaction would be contrary to the Iowa Code and lack transparency to the public.

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

No less costly or less intrusive methods exist.

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

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

No alternative methods were seriously considered by the agency.

- **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?

The proposed rulemaking does not have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend paragraph **98.1(1)"d"** as follows:

d. Number of fall licenses. No one may apply for or obtain more than two wild turkey fall hunting licenses. ~~A hunter may obtain no more than two combination shotgun-or-archery licenses, or~~

~~two archery-only licenses, or one of each. One license of either type may be free to eligible landowners or tenants.~~

ITEM 2. Amend subrule 98.2(4) as follows:

98.2(4) *Archery-only licenses.* The total number of available fall archery-only licenses shall not be limited by zones or quotas.

ITEM 3. Amend subrule 98.2(5) as follows:

98.2(5) *Landowner/tenant licenses.* The total number of available fall landowner/tenant licenses shall not be limited by zones or quotas.

ITEM 4. Amend subrule 98.3(2) as follows:

98.3(2) Landowner/tenant licenses. An eligible resident landowner or tenant may obtain ~~a combination shotgun-or-archery license or a~~ one free ~~archery-only~~ spring turkey license or one free fall turkey license that is valid until filled using an appropriate method of take as defined for the season and only on the farm unit of the landowner or tenant. One combination shotgun-or-archery license or one archery-only license may be obtained in addition to the free spring or fall license. Nonresident landowners are not eligible for resident or landowner turkey hunting licenses.

~~*a. Spring combination shotgun-or-archery licenses.* A spring combination shotgun-or-archery license will be issued by season and will be valid only on the farm unit of the landowner or tenant.~~

~~*b. Spring archery-only licenses.* A spring archery-only license will be valid for all seasons but only on the farm unit of the landowner or tenant.~~

~~*c. Number of spring licenses.* One combination shotgun-or-archery license or one archery-only license may be obtained in addition to the free shotgun-or-archery license or the free archery-only license. If an archery-only license and a combination shotgun-or-archery license are obtained, the shotgun-or-archery license must be for season 4. If a free shotgun-or-archery license and a paid shotgun-or-archery license are obtained, one of the licenses must be for season 4.~~

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 88
"Volunteer Health Care Provider Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 135.24
State or federal law(s) implemented by the rulemaking: Iowa Code section 135.24

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written 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
Lucas State Office Building
Des Moines, Iowa 50319
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed rulemaking implements Iowa Code section 135.24, which describes the Volunteer Health Care Provider Program (VHCPP). The VHCPP was established to defend and indemnify eligible individual volunteer health care providers and protected clinics providing free health care services. This proposed chapter was scheduled for a 2025 Red Tape Review as instructed in Executive Order 10.

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:**

This rulemaking benefits the qualifying health care providers and clinics that volunteer their services by implementing Iowa Code section 135.24, which allows such providers to be protected from liability under Iowa Code chapter 669.

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:**

In 2024, the program had 103 new health care professionals submit applications to enter the program. An application is good for up to five years.

- **Qualitative description of impact:**

This proposed rulemaking protects qualifying health care providers and clinics that volunteer their services from liability under Iowa Code chapter 669 by implementing Iowa Code section 135.24, which allows such providers to be protected.

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 is appropriate because the proposed chapter was scheduled for a 2025 Red Tape Review as authorized by Executive Order 10.

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 641—Chapter 88 and adopt the following **new** chapter in lieu thereof:

CHAPTER 88
VOLUNTEER HEALTH CARE PROVIDER PROGRAM

641—88.1(135) Definitions. For the purpose of these rules, the following definitions will apply:

"Charitable organization" means the same as defined in Iowa Code section 135.24.

"Defend" means that the office of the attorney general will provide the individual volunteer health care provider and protected clinic with legal representation at no cost to the individual volunteer health care provider or protected clinic.

"Field dental clinic" means the same as defined in Iowa Code section 135.24.

"Free clinic" means the same as defined in Iowa Code section 135.24.

"Health care facility" means a residential care facility, a nursing facility, or an intermediate care facility for persons with an intellectual disability.

"Health care provider" means the same as defined in Iowa Code section 135.24.

"Health care services" means services received from a health care provider at a protected clinic or sponsor entity, as provided in Iowa Code section 135.24 and these rules, and approved in a protection agreement or sponsor entity agreement. The agreement covers "health care services" that are volunteer, uncompensated services. For those services to qualify as volunteer, uncompensated services under this chapter, the individual volunteer health care provider, health care provider, protected clinic, or sponsor entity will receive no compensation for any services provided under the agreement and shall not bill or accept compensation from the person, or any public or private third-party payor, for the specific services provided.

"Indemnify" means that the state of Iowa will pay all sums that the individual volunteer health care provider or protected clinic holding a protection agreement with the VHCPP is legally obligated to pay as damages because of any claim made against the individual volunteer health care provider or protected clinic that arises out of the provision of free health care services rendered or that should have been rendered by the individual volunteer health care provider or protected clinic.

"Individual volunteer health care provider" means any one of the health care providers defined in Iowa Code section 135.24 who has a fully executed protection agreement with the VHCPP.

"License" means a license, certification or registration issued to a person by a licensing authority that evidences the granting of authority to engage in a profession or occupation.

"Major surgical procedure" means a surgical procedure not ordinarily performed in a private provider's office, free clinic, or specialty health care provider office and includes the surgery performed in a hospital as defined in Iowa Code section 135B.1(3) or an organized outpatient health facility.

"Minor surgical procedure" means a surgical procedure ordinarily performed in a private provider's office, free clinic, or specialty health care provider office.

"Organized outpatient health facility" means a facility defined in Iowa Code section 10A.711.

"Permanent site" means a site at which free health care services will be provided on a continuous basis.

"Protected clinic" means field dental clinic, free clinic, or specialty health care provider office providing free care to the uninsured and underinsured. Each protected clinic has a signed protection agreement that provides for defense and indemnification of the protected clinic. The protection agreement will allow the protected clinic to deliver health care services to uninsured and underinsured persons as an agent of the state.

"Protection agreement" means a signed contract providing for defense and indemnification between an individual volunteer health care provider or protected clinic and the VHCPP. This agreement will allow the individual health care provider or protected clinic to deliver health care services to uninsured and underinsured persons as an agent of the state. The agreement covers "health care services" that are volunteer, uncompensated services. For those services to qualify as volunteer, uncompensated services under this chapter, the individual volunteer health care provider, health care provider, and protected clinic will receive no compensation for any services provided under the agreement and will not bill or accept compensation from the person, or any public or private third-party payor, for the specific services provided by the individual volunteer health care provider covered by the agreement.

"Specialty health care provider office" means the same as defined in Iowa Code section 135.24.

"Sponsor entity" or *"sponsor entity clinic"* means a hospital, clinic, free clinic, health care facility, health care referral program, charitable organization, specialty health care provider office, organized outpatient health facility, or field dental clinic. Each sponsor entity has a fully executed sponsor entity agreement. The sponsor entity agreement will allow an individual volunteer health care provider to deliver health care services to uninsured and underinsured persons as an agent of the state.

"Sponsor entity agreement" means a signed contract between the VHCPP and a hospital, clinic, free clinic, health care facility, health care referral program, charitable organization, specialty health care provider office, organized outpatient health facility, or field dental clinic allowing an individual volunteer health care provider to deliver free health care services through the VHCPP at the sponsor entity location.

"Temporary site" means a site at which free health care services will be provided for a short period of time not to exceed three days. "Temporary site" includes but is not limited to temporary health fairs, flu shot clinics, and temporary sites that provide back-to-school physicals.

"Underinsured" means that a person does not have adequate insurance, which is determined on cost-exposure to family income with at least one of three indicators: (1) out-of-pocket medical expenses equal to or greater than 10 percent of income; (2) out-of-pocket medical expenses equal to or greater than 5 percent of income if income is less than 200 percent of the federal poverty level; and (3) health plan deductibles equal to or greater than 5 percent of income.

"Volunteer health care provider program" or *"VHCPP"* means the volunteer health care provider program of the department.

641—88.2(135) Eligibility for the volunteer health care provider program.

88.2(1) *Individual volunteer health care provider eligibility.* To be eligible for protection as an employee of the state under Iowa Code chapter 669 for a claim arising from covered health care services, an individual volunteer health care provider shall satisfy each of the following conditions at the time of the act or omission allegedly resulting in injury:

a. The individual volunteer health care provider must hold an active unrestricted license, registration, or certification to practice in Iowa under Iowa Code chapter 147A, 148, 148A, 148B, 148C, 149, 151, 152, 152B, 152E, 153, 154, 154B, 154C, 154D, 154F, or 155A. The individual volunteer health care provider shall provide a sworn statement attesting that the license, registration, or certification to practice is free of restrictions. The statement shall describe any disciplinary action that has ever been taken against the individual volunteer health care provider by any professional licensing, registering, or certifying authority or health care facility, including any voluntary surrender of license, registration, or certification or other agreement involving the individual volunteer health care provider's license, registration, or certification to practice or any restrictions on practice, suspension of privileges, or other sanctions. The statement shall also describe any malpractice suits that have been filed against the individual volunteer health care provider. The statement provided by a pharmacist shall also describe any disciplinary action that has ever been taken against any pharmacy in which the pharmacist has ever been owner, partner, or officer.

b. Application. The applicant shall submit the following information on forms provided by the VHCPP:

(1) The individual volunteer health care provider's current licensure identification number and expiration date;

(2) The health care services to be voluntarily provided meet all of the following:

1. The services fall under the individual volunteer health care provider's licensed scope of practice;

2. The services are covered health care services listed in paragraph 88.4(1)*"d"*; and

3. The individual volunteer health care provider applicant is willing to voluntarily provide the health care services to those persons who are uninsured and underinsured for the public health purpose of improved health, prevention of illness/injury, and disease management.

c. Agreement. The individual volunteer health care provider shall have a signed and current protection agreement with the VHCPP that identifies the covered health care services within the respective scope of practice and conditions of defense and indemnification as provided in rules 641—88.4(135) and 641—88.5(135).

(1) The protection agreement is only valid during the time that the individual volunteer health care provider maintains a current unrestricted license and only for voluntary services provided in conjunction with a sponsor entity or protected clinic that has its own valid VHCPP protection agreement in effect at the time of service provision.

(2) The protection agreement with the VHCPP will provide that the individual volunteer health care provider shall:

1. Perform only those health care services identified and approved by the VHCPP;
2. Promptly notify the VHCPP of any changes in licensure status;
3. Maintain proper records of the health care services provided;
4. Make no representations concerning eligibility for the VHCPP or eligibility of services for indemnification by the state except as authorized by the department;
5. Cooperate fully with the state in the defense of any claim or suit relating to participation in the VHCPP, including attending hearings, depositions and trials and assisting in securing and giving evidence, responding to discovery and obtaining the attendance of witnesses;
6. Accept financial responsibility for personal expenses and costs incurred in the defense of any claim or suit related to participation in the VHCPP, including travel, meals, compensation for time and lost practice, and copying costs, and agree that the state will not compensate the individual volunteer health care provider for the individual volunteer health care provider's expenses or time needed for the defense of the claim or suit;
7. Receive no direct monetary compensation of any kind for services provided in the VHCPP; and
8. Comply with the protection agreement with the VHCPP concerning approved health care services.

88.2(2) *Protected clinic eligibility.* To be eligible for protection as a state agency under Iowa Code chapter 669 for a claim arising from the provision of covered health care services at a protected clinic, the protected clinic will satisfy each of the following conditions at the time of the act or omission allegedly resulting in injury:

a. The protected clinic will comply with subrules 88.3(1) through 88.3(5).

b. The protected clinic will, upon request from the department, provide to the department a list of all health care providers who provided health care services at the protected clinic at the time of a claim made against the individual health care provider or protected clinic that arises out of the provision of free health care service rendered or that should have been rendered by the individual volunteer health care provider or protected clinic.

c. The protected clinic will only be covered under the VHCPP for the provision of covered health care services by a health care provider providing health care services at the protected clinic who either:

(1) Holds a current individual volunteer health care provider protection agreement with the VHCPP, or

(2) Holds current professional liability insurance coverage and an active unrestricted license, registration, or certification to practice in Iowa under Iowa Code chapter 147A, 148, 148A, 148B, 148C, 149, 151, 152, 152B, 152E, 153, 154, 154B, 154C, 154D, 154F, or 155A.

d. The protected clinic will submit a list of the clinic board of directors and contact information for the board of directors, if applicable.

e. If the protected clinic is a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code, the protected clinic will provide proof of Section 501(c)(3) status to the VHCPP.

f. A protected clinic may allow health care profession students to volunteer at the protected clinic provided that the following conditions are satisfied:

(1) The college, university, or other health care profession educational institution provides professional liability insurance that covers the students;

(2) The protected clinic or the health care profession institution provides general liability and professional liability insurance that covers the students; and

(3) The students provide only those services or activities as are authorized by the education agreement, and such services and activities are provided under the on-site supervision of a health care provider.

88.2(3) *Sponsor entity or sponsor entity clinic.* As a condition of sponsoring individual volunteer health care providers in the VHCPP, a hospital, clinic, free clinic, health care facility, health care referral program, charitable organization, specialty health care provider office, organized outpatient health facility, or field dental clinic shall comply with subrules 88.3(1) through 88.3(5).

641—88.3(135) Sponsor entity and protected clinic.

88.3(1) Licensure. The sponsor entity or protected clinic shall be licensed to the extent directed by law for the facility in question.

88.3(2) If the sponsor entity or protected clinic is a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code, the sponsor entity or protected clinic shall provide proof of Section 501(c)(3) status to the VHCPP.

88.3(3) Application. The sponsor entity or protected clinic shall submit the following information on forms provided by the VHCPP:

a. By category, the patient groups to be served;

b. The health care services to be provided;

c. The site where free health care services are to be provided;

d. Classification of each site as a permanent site or temporary site; and

e. The services that will be provided to those persons who are uninsured and underinsured for the public health purpose of improved health, prevention of illness/injury, and disease management.

88.3(4) Agreement. A signed and current sponsor entity agreement or protected clinic agreement will exist with the VHCPP that will:

a. Provide that the individual volunteer health care provider or health care provider within a protected clinic and the individual volunteer health care provider within a sponsor entity will perform only those health care services identified and approved by the VHCPP;

b. Identify by category the patient groups to be served;

c. Identify the sites at which the free health care services will be provided;

d. Identify as a permanent site or temporary site for the provision of free health care services through the VHCPP;

e. Provide that the sponsor entity or protected clinic will maintain proper records of health care services for a period of seven years from the date of service or, in the case of a minor, for a period of one year after the minor has reached the age of majority; and

f. Provide that the sponsor entity agrees that only the individual volunteer health care provider or protected clinic covered under a current VHCPP protection agreement at the time of the service provision in a claim is afforded protection under Iowa Code section 135.24 and that the state assumes no obligation to the sponsor entity, its employees, officers, or agents. The sponsor entity or protected clinic shall submit a statement, that will be submitted on forms provided by the VHCPP, attesting that the sponsor entity or protected clinic and its staff, employees and volunteers agree to:

(1) Cooperate fully with the state in the defense of any claim or suit relating to participation in the VHCPP, including attending hearings, depositions and trials and assisting in securing and giving evidence, responding to discovery and obtaining the attendance of witnesses;

(2) Accept financial responsibility for the sponsor entity's or protected clinic's expenses and costs incurred in the defense of any claim or suit related to participation in the VHCPP, including

travel, meals, compensation for time and lost practice, and copying costs, and agree that the state will not compensate the sponsor entity or protected clinic for expenses or time needed for the defense of the claim or suit;

(3) Receive no direct monetary compensation of any kind for health care services provided in the sponsor entity or protected clinic; and

(4) Comply with the sponsor entity agreement or protected clinic agreement with the VHCPP concerning approved health care services.

88.3(5) General liability insurance. The sponsor entity or protected clinic shall submit proof of general liability insurance for the clinic site.

641—88.4(135) Covered health care services. An individual volunteer health care provider holding a current protection agreement with the VHCPP will be afforded the protection of an employee of the state under Iowa Code chapter 669, and a protected clinic holding a current protection agreement with the VHCPP will be afforded protection as an agency of the state under Iowa Code chapter 669, only for claims for injury alleged to have been proximately caused by an individual volunteer health care provider's provision of covered health care services or solely on the basis of the individual volunteer health care provider's participation in the sponsor entity or protected clinic.

88.4(1) Covered health care services are only those that are:

a. Identified in the protection agreement with the VHCPP;

b. In compliance with these rules;

c. Provided by or under the direct supervision of the individual volunteer health care provider;

d. Health care services of:

(1) Advanced registered nurse practitioners for: well-child examinations; annual adult examinations; diagnosis and treatment of acute and chronic conditions; health education; health maintenance; immunizations; and minor surgical procedures. Certified registered nurse anesthetists may provide anesthesia services for major surgical procedures only if the following conditions are satisfied:

1. The surgery is performed in a hospital as defined in Iowa Code section 135B.1(3) or an organized outpatient health facility;

2. The hospital or organized outpatient health facility at which the surgery is performed has executed a sponsor entity agreement;

3. The physician performing the surgery provides or assures the provision of adequate presurgical and postsurgical care, including any follow-up necessary to address postoperative complications; and

4. The physician performing the surgery is an individual specialty health care provider or part of a group of specialty health care providers that has registered with the department as a specialty health care provider office.

(2) Audiologists for: testing, measurement and evaluation related to hearing and hearing disorders and associated communication disorders for the purpose of nonmedically identifying, preventing, modifying or remediating such disorders and conditions including the determination and use of appropriate amplification; patient instruction/counseling; patient habilitation/rehabilitation; and referrals.

(3) Bachelor social workers for: psychosocial assessment and intervention through direct contact with clients; referral to other qualified resources for assistance; performance of social histories; problem identification; establishment of goals and monitoring of progress; interviewing techniques; counseling; social work administration; supervision; evaluation; interdisciplinary consultation and collaboration.

(4) Chiropractors for: examinations; diagnosis and treatment; health education; and health maintenance.

(5) Dental assistants for: intraoral services; extraoral services; infection control; radiography; and removal of plaque or stain by toothbrush, floss, or rubber cup coronal polish.

(6) Dental hygienists for: assessments and screenings; health education; health maintenance; and preventive services (cleaning, X-rays, sealants, fluoride treatments, fluoride varnish).

(7) Dentists for: dental examinations; diagnosis and treatment of acute and chronic conditions; health education; health maintenance; and minor surgical procedures.

(8) Emergency medical care providers for: airway/ventilation/oxygenation; assisted medications—patient's; cardiovascular/circulation; immobilization; IV initiation/maintenance/fluids; and medication administration—routes.

(9) Independent social workers for: psychosocial assessment, diagnosis, and treatment; performance of psychosocial histories; problem identification; evaluation of symptoms and behavior; assessment of psychosocial and behavioral strengths and weaknesses and effects of the environment on behavior; psychosocial therapy; differential treatment planning; and interdisciplinary consultation.

(10) Licensed practical nurses for: supportive or restorative care.

(11) Marital and family therapists for: marital and family therapy; and application of counseling techniques in the assessment and resolution of emotional conditions.

(12) Master social workers for: psychosocial assessment, diagnosis, and treatment; performance of psychosocial histories; problem identification; evaluation of symptoms and behavior; assessment of psychosocial and behavioral strengths and weaknesses and effects of the environment on behavior; psychosocial therapy; differential treatment planning; and interdisciplinary consultation.

(13) Mental health counselors for: mental health counseling; and counseling services involving assessment, referral and consultation.

(14) Occupational therapists for: evaluation and treatment of problems interfering with functional performance in persons impaired by physical illness or injury, emotional disorder, congenital or developmental disability or the aging process.

(15) Optometrists for: examinations; diagnosis and treatment of the human eye and adnexa; health education; and health maintenance.

(16) Pharmacists for: drug dispensing; patient counseling; health screenings and education; and immunizations.

(17) Physical therapists for: interpretation of performance, tests, and measurements; evaluation and treatment of human capabilities and impairments; use of physical agents, therapeutic exercises, and rehabilitative procedures to prevent, correct, minimize, or alleviate a physical impairment; establishment and modification of physical therapy program; treatment planning; and patient instruction/education.

(18) Physicians and physician assistants for: well-child examinations; annual adult examinations; diagnosis and treatment of acute and chronic conditions; health education; health maintenance; immunizations; and minor surgical procedures. Physicians may perform major surgical procedures only if the following conditions are satisfied:

1. The surgery is performed in a hospital as defined in Iowa Code section 135B.1(3) or an organized outpatient health facility;

2. The hospital or organized outpatient health facility at which the surgery is performed has executed a sponsor entity agreement;

3. The physician provides or assures the provision of adequate presurgical and postsurgical care, including any follow-up necessary to address postoperative complications; and

4. The physician performing the surgery is an individual specialty health care provider or part of a group of specialty health care providers that has registered with the department as a specialty health care provider office.

(19) Podiatrists for: examinations; diagnosis and treatment; health education; health maintenance; and minor surgical procedures.

(20) Psychologists for: counseling and the use of psychological remedial measures with persons with adjustment or emotional problems.

(21) Registered nurses for: well-child examinations; annual adult examinations; treatment of acute and chronic conditions; health education; health maintenance; and immunizations.

(22) Respiratory therapists for: diagnostic and therapeutic use of administration of medical gases, aerosols, and humidification, not including general anesthesia; pharmacologic agents relating to respiratory care procedures; bronchopulmonary hygiene; specific diagnostic and testing techniques employed in the medical management of patients to assist in diagnosis, monitoring, treatment, and research of cardiopulmonary abnormalities; and pulmonary function testing.

(23) Speech pathologists for: testing, measurement and evaluation related to the development and disorders of speech, fluency, voice or language for the purpose of nonmedically preventing, ameliorating, modifying or remediating such disorders and conditions; patient instruction/counseling; patient habilitation/rehabilitation; and referrals.

88.4(2) Experimental procedures or procedures and treatments that lack sufficient evidence of clinical effectiveness are excluded from the VHCPP.

641—88.5(135) Defense and indemnification. The state will defend and indemnify an individual volunteer health care provider or a protected clinic for a claim arising from the VHCPP only to the extent provided by Iowa Code chapter 669 and section 135.24. Persons or entities other than the participating individual volunteer health care provider or protected clinic are not considered state employees or state agencies under Iowa Code chapter 669. Defense and indemnification of the individual volunteer health care provider or a protected clinic under Iowa Code chapter 669 and section 135.24 will occur only if all of the following are met:

88.5(1) The claim involves medical injury alleged to have been proximately caused by health care services that were identified and approved in the protection or sponsor agreement with the VHCPP and then only to the extent the health care services were provided by or under the direct supervision of the individual volunteer health care provider, including claims based on negligent delegation of health care, or the individual volunteer health care provider is named as a defendant solely because of the individual volunteer health care provider's participation in the protected clinic or sponsor entity clinic.

88.5(2) The claim arises from covered health care services that were performed at a site identified and approved in the protection agreement with the VHCPP.

88.5(3) The claim arises from covered health care services provided through a protected clinic or sponsor entity clinic identified and approved in the individual volunteer health care provider's protection agreement with the VHCPP and that meets the necessities of rule 641—88.2(135).

88.5(4) The individual volunteer health care provider, health care provider, protected clinic, or sponsor entity clinic that provided the health care services receives no direct monetary compensation of any kind and no promise to pay compensation for the health care services that allegedly resulted in medical injury.

88.5(5) The health care services are provided to a patient who is a member of a patient group identified in the sponsor entity or protected clinic protection agreement with the VHCPP.

88.5(6) The individual volunteer health care provider, protected clinic, or sponsor entity clinic is eligible and registered as provided in rule 641—88.2(135) or the care is provided by a health care provider who holds current professional liability insurance coverage and an active unrestricted license to practice in Iowa under Iowa Code chapter 147A, 148, 148A, 148B, 148C, 149, 151, 152, 152B, 152E, 153, 154, 154B, 154C, 154D, 154F, or 155A and has been approved by the VHCPP.

641—88.6(135) Term of agreement.

88.6(1) *Individual volunteer health care provider.* The protection agreement with the VHCPP will expire five years from the date of execution. Individual volunteer health care providers may apply for renewal by filing an application at least 30 days prior to expiration of the protection agreement.

88.6(2) *Protected clinic.* The protection agreement with the VHCPP will expire five years from the date of execution. The protected clinic may apply for renewal by filing an application at least 30 days prior to expiration of the protection agreement. It is anticipated that temporary sites may change over the five-year period. An updated list of temporary site location or service provision changes

will be provided to the department for review and acceptance at least one week prior to service provision at the temporary site. Location or service provision changes to permanent sites will necessitate a protection agreement amendment.

88.6(3) *Sponsor entity.* The sponsor entity agreement with the VHCPP will expire five years from the date of execution. Sponsor entities may apply for renewal by filing an application at least 30 days prior to expiration of the sponsor entity agreement. It is anticipated that temporary sites may change over the five-year period. An updated list of temporary site location or service provision changes will be provided to the department for review and acceptance at least one week prior to service provision at the temporary site. Location or service provision changes to permanent sites will necessitate a protection agreement amendment.

641—88.7(135) Reporting necessities and duties.

88.7(1) Upon obtaining knowledge or becoming aware of any injury allegedly arising out of the negligent rendering of, or the negligent failure to render, covered health care services under the VHCPP, a participating individual volunteer health care provider, protected clinic, or sponsor entity will provide to the VHCPP, as soon as practicable, written notice containing, to the extent obtainable, the circumstance of the alleged injury, the names and addresses of the injured, and any other relevant information.

88.7(2) Upon obtaining knowledge or becoming aware of an injury as defined in subrule 88.7(1), the participating protected clinic or sponsor entity will promptly take all reasonable steps to prevent further or other injury from arising out of the same or similar incidents, situations or conditions.

88.7(3) A participating individual volunteer health care provider, protected clinic, or sponsor entity will immediately notify the Iowa Department of Justice, Special Litigation Division, Hoover State Office Building, Des Moines, Iowa 50319, of service or receipt of an original notice, petition, suit or claim seeking damages from the individual volunteer health care provider, protected clinic or sponsor entity related to participation in the VHCPP.

641—88.8(135) Revocation of agreement. The VHCPP may deny, suspend, revoke, or condition the agreement of an individual volunteer health care provider, protected clinic or sponsor entity for cause, including but not limited to:

1. Failure to comply with the protection agreement or sponsor entity agreement with the VHCPP.
2. Violation of state law governing the respective scope of practice or other law governing the health care services provided under the VHCPP.
3. Making false, misleading, or fraudulent statements in connection with the VHCPP, including determination of eligibility of the individual volunteer health care provider, protected clinic, or sponsor entity or handling of a claim against the individual volunteer health care provider, protected clinic, sponsor entity or the state.
4. Evidence of substance abuse or intoxication affecting the provision of health care services under the VHCPP.
5. Reasonable grounds to believe that the individual volunteer health care provider or health care provider may have provided incompetent or inadequate care to a patient under the VHCPP or is likely to do so.
6. Reasonable grounds to believe that the individual volunteer health care provider's, protected clinic's, or sponsor entity's participation in the VHCPP may expose the state to undue risk.
7. Failure to immediately notify the VHCPP of any disciplinary action brought against the individual volunteer health care provider by the applicable state licensing board.

641—88.9(135) Procedure for revocation of agreement. A proceeding for revocation of an individual volunteer health care provider's protection agreement or a protected clinic's protection agreement or a sponsor entity's agreement for participation will be conducted as a contested case proceeding pursuant to Iowa Code chapter 17A. Iowa Code section 17A.18 does not preclude

emergency summary suspension of a protection agreement or a sponsor entity agreement. The VHCPP will immediately notify the appropriate licensing board and the appropriate protected clinic or sponsor entity of revocation of an individual volunteer health care provider's protection agreement.

641—88.10(135) Effect of suspension or revocation. If the VHCPP suspends or revokes an individual volunteer health care provider's protection agreement, sponsor entity protection agreement, or protected clinic's protection agreement, the action will suspend or revoke future protection but will not negate defense and indemnification coverage for covered acts or omissions that occurred during the effective dates of the protection agreement.

641—88.11(135) Protection denied.

88.11(1) *Protection denied—appeal procedure.* An applicant who has been denied protection by the VHCPP may appeal the decision according to the provisions set forth in 441—Chapter 7.

88.11(2) Reserved.

641—88.12(135) Board notice of disciplinary action. The applicable state licensing board will notify the VHCPP of the initiation of a contested case against a protected individual volunteer health care provider or the imposition of disciplinary action, including providing copies of any contested case decision or settlement agreement with the protected individual volunteer health care provider upon request of the VHCPP.

641—88.13(135) Effect of eligibility protection. A fully executed protection agreement of an individual volunteer health care provider or protected clinic as eligible for participation in the VHCPP by the applicable state licensing board and the department is solely a determination that the state will defend and indemnify the individual volunteer health care provider or the protected clinic to the extent provided by Iowa Code section 135.24 and these rules. The protection is not an approval or indication of ability or competence and will not be represented as such. The protected clinic or sponsor entity through which the individual volunteer health care provider provides free health care services will retain responsibility for determining that health care personnel are competent and capable of adequately performing the health care services to be provided.

641—88.14(135) Reporting by a protected clinic or sponsor entity. A reporting form will be provided by the VHCPP to the participating protected clinic or sponsor entity at the time the protected clinic or sponsor entity agreement is approved by the VHCPP. Within 60 days following each calendar quarter, the protected clinic or sponsor entity will provide a report to the VHCPP. At a minimum, the report will include the number of clinic patients receiving free health care services and patient demographics by age, ethnicity, and insurance status.

These rules are intended to implement Iowa Code section 135.24.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 107
"Board-Certified Behavior Analyst and Board-Certified Assistant Behavior Analyst (BCBA/BCaBA) Grants Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 135.181
State or federal law(s) implemented by the rulemaking: Iowa Code section 135.181

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

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

The BCBA/BCaBA Grants Program was established to increase access for Iowans to applied behavior analysis services by providing grants to Iowa resident and nonresident applicants who have been accepted for admission or are attending a university, a community college, or an accredited private institution, within or outside the State of Iowa; are enrolled in a program, offered at a physical location or online, that is accredited and meets coursework requirements to prepare the applicant to be eligible for board certification as a behavior analyst or assistant behavior analyst; and demonstrate financial need.

Analysis of Impact

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

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

By law, those who seek to become a BCBA will pay half the cost of a master's degree through this grant program.

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

This grant program creates a commitment to practice in Iowa for at least four years, thereby increasing the number of BCBA students graduating and practicing in Iowa.

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 program has increased the amount of BCBAs/BCaBAs graduating and working.

- **Qualitative description of impact:**

This proposed rulemaking impacts educational institutions and people who seek the grants as described in the program and who demonstrate a financial need and have been accepted into those educational institutions or are enrolled in an accredited program that meets course requirements for a BCBA or BCaBA.

3. **Costs to the State:**

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

The Department pays personnel and other administrative costs associated with implementing the initiative.

- **Anticipated effect on State revenues:**

There is no impact on State revenues.

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

This proposed rulemaking is required by Iowa Code section 135.181.

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 proposed rulemaking is required by Iowa Code section 135.181.

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 641—Chapter 107 and adopt the following **new** chapter in lieu thereof:

CHAPTER 107
BOARD-CERTIFIED BEHAVIOR ANALYST AND BOARD-CERTIFIED ASSISTANT BEHAVIOR ANALYST (BCBA/BCaBA) GRANTS PROGRAM

641—107.1(135) Definitions. For the purposes of these rules, the following definitions will apply:

"Board-certified assistant behavior analyst" or *"BCaBA"* means a person who has a bachelor's degree from an accredited university, has completed approved coursework as defined by the international Behavior Analyst Certification Board, has completed a defined period of supervised practical experience, and has passed the BCaBA examination.

"Board-certified behavior analyst" or *"BCBA"* means a person who has an acceptable graduate degree from an accredited university as defined by the international Behavior Analyst Certification Board, has completed acceptable graduate coursework in behavior analysis, has completed a defined period of supervised practical experience, and has passed the BCBA examination.

"Full-time enrollment" means the applicant is enrolled in a program to be eligible for board certification as a behavior analyst or assistant behavior analyst with the appropriate number of semester credit hours as defined by the educational institution.

"Nonresident" means a person who is not a resident.

"Part-time enrollment" means the applicant is enrolled in a program to be eligible for board certification as a behavior analyst or assistant behavior analyst with the appropriate number of semester credit hours as defined by the educational institution.

"Resident" means a natural person who physically resides in Iowa as the person's principal and primary residence and who establishes evidence of such residency by providing the department with one of the following:

1. A valid Iowa driver's license,
2. A valid Iowa nonoperator's identification card,
3. A valid Iowa voter registration card,
4. A current Iowa vehicle registration certificate,
5. A utility bill,
6. A statement from a financial institution,
7. A residential lease agreement,
8. A check or pay stub from an employer,
9. A child's school or child care enrollment documents,
10. Valid documentation establishing a filing for homestead or military tax exemption on property located in Iowa, or
11. Other valid documentation as deemed acceptable by the department to establish residency.

641—107.2(135) Eligibility criteria. To be eligible for a grant, the applicant shall:

107.2(1) Be an Iowa resident or nonresident.

107.2(2) Be accepted for admission to or be attending a university, a community college, or an accredited private institution, within or outside the state of Iowa, be enrolled in a program, offered at a physical location or online, that is accredited and meets coursework requirements to prepare the applicant to be eligible for board certification as a behavior analyst or assistant behavior analyst, and demonstrate financial need.

107.2(3) Have on file with the college student aid commission a current Free Application for Federal Student Aid (FAFSA) and Iowa Financial Aid Application or similar financial aid documentation from another state and submit documentation of financial need as described in the department's request for proposal process.

107.2(4) Agree to practice in the state of Iowa for a period of time, not to exceed four years, as specified in the contract entered into between the applicant and the department at the time the grant is awarded.

107.2(5) Agree, as specified in the contract between the applicant and the department at the time the grant is awarded, that during the contract period, the applicant will assist in supervising an individual working toward board certification as a behavior analyst or assistant behavior analyst or to consult with schools and service providers that provide services and supports to individuals with autism.

641—107.3(135) Priority in grant awards. Priority in the awarding of a grant will be given to resident applicants.

641—107.4(135) Amount of a grant. The department will award funds based upon the amount set aside in the special fund as identified in Iowa Code section 135.181. Moneys appropriated to, and all other moneys specified for deposit in, the fund will be dedicated to the board-certified behavior analyst and board-certified assistant behavior analyst (BCBA/BCaBA) grants program as established in Iowa Code section 135.181. These rules will be implemented only to the extent that funding is available. The amount of funding awarded to each applicant will be based on the applicant's enrollment status (full-time enrollment or part-time enrollment), the number of applicants, and the total amount of available funds. The total amount of funds awarded to an individual applicant will not exceed 50 percent of the total costs attributable to program tuition and fees, annually. Awarded grant funds will be payable to the student and prorated on the number of semesters or other terms of study to complete the program.

641—107.5(135) Use of funds. Funds awarded may be used to offset the costs attributable to tuition and fees for the accredited behavior analyst or assistant behavior analyst program.

641—107.6(135) Review process.

107.6(1) An applicant shall complete and submit an application to the program in the manner specified by the department. An applicant, if awarded a grant, shall enter into a contract with the department. The department will follow the requirements for competitive bid appeals contained in Division II of 441—Chapter 7.

107.6(2) The department will establish an application process for applicants eligible to receive funding. The application review process and review criteria for preference in awarding the grants will be described in a request for proposals.

107.6(3) An applicant may appeal the denial of a properly submitted grant application. Appeals will be governed by the provisions set forth in Division II of 441—Chapter 7.

These rules are intended to implement Iowa Code section 135.181.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 127
"County Medical Examiners"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 331 and 691
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 331 and 691

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written 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
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter underwent a fulsome review as a part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to reflect current policies and procedures. The proposed chapter outlines the duties and jurisdiction of the County Medical Examiner and the authority provided to the County Medical Examiner to perform investigations and autopsies "over deaths which affect the public interest."

Analysis of Impact

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

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

Counties that require the services of the County Medical Examiner will benefit from this proposed rulemaking.

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

All persons will benefit from having clear rules related to the services and cost of the services from the County Medical Examiner.

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:**

This proposed chapter allows counties to collect fees associated with the services of the County Medical Examiner as required by the Iowa Code.

- **Qualitative description of impact:**

The public and families of decedents whose death affects the public interest will benefit from a clear set of rules and fees associated with the County Medical Examiner.

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 enforcement of this proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any impact on State revenues.

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

The regulation of the duties and fees of County Medical Examiners is required by the Iowa Code.

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 is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 641—Chapter 127 and adopt the following **new** chapter in lieu thereof:

CHAPTER 127
COUNTY MEDICAL EXAMINERS

641—127.1(144,331,691) Definitions.

"Autopsy" means the external and internal postmortem examination of a deceased person.

"Cause of death" means the disease or injury that sets in motion the chain of events that eventually results in the death of a person. The physician shall consider "but for" this injury or disease the person would still be living.

"County medical examiner" or *"CME"* means a medical or osteopathic physician or surgeon licensed in the state of Iowa and appointed by the board of supervisors to serve in this capacity.

"County medical examiner investigator" or *"CME-I"* means an individual appointed by a county medical examiner, with approval by the board of supervisors and the state medical examiner, to serve under the supervision of a county medical examiner to assist in death investigations.

"County of appointment" means the county that requests a medical examiner to conduct an investigation, perform or order an autopsy, or prepare a report(s) in a death investigation case. The request may be authorized by the county attorney or the county medical examiner. The county of appointment shall be the county in which the death occurred.

"Cremation" means the technical process, using heat and flame, that reduces human remains to bone fragments.

"Cremation permit" means an electronic cremation permit approved by the medical examiner.

"Day" means calendar day.

"Death" means the condition as described in Iowa Code section 702.8.

"Death affecting the public interest" means any death of a human being in which the circumstances are sudden, unexpected, violent, suspicious, or unattended, including but not limited to those deaths listed in Iowa Code sections 331.802(3) and 144.29.

"Deputy county medical examiner" or *"DCME"* means an individual appointed by a county medical examiner, with approval by the board of supervisors and the state medical examiner, to assist the county medical examiner in the performance of the county medical examiner's duties.

"EMER" means the electronic medical examiner report.

"External examination" means a close inspection of the exterior of a deceased human body for the purpose of locating, describing, and delineating any and all injuries or other abnormalities. External examination of a body does not constitute an autopsy, even if toxicology samples are obtained.

"Fee" means an amount to be paid to a county medical examiner's office as determined by the board of supervisors of the county of appointment for completion of an investigation, autopsy, or report(s). Fees for services provided by the state medical examiner's office are established in rule 641—126.3(691).

"Manner of death" means the circumstances under which the cause of death occurred and may be specified as follows: natural, accident, suicide, homicide, undetermined, or pending.

"Medical care provider" means an individual licensed or certified in any medical profession, including but not limited to a physician, physician assistant, nurse, emergency medical care provider, certified nurse's aide, pharmacist, physical therapist, and medical technologist.

"Medical examiner" means the state medical examiner, deputy state medical examiner, county medical examiner, or deputy county medical examiner.

641—127.2(331,691) Duties of medical examiners—jurisdiction over deaths that affect the public interest.

127.2(1) *Jurisdiction.* Upon receiving notification of a death that affects the public interest, a medical examiner shall notify any appropriate law enforcement agency not otherwise notified and take charge of the body of the decedent. The body shall not be disturbed or removed from the position in which it was found without authorization from the medical examiner except for the purpose of preserving the body from loss or destruction or permitting the passage of traffic on a highway, railroad, or airport, or unless the failure to remove the body might endanger life, safety, or health.

127.2(2) *Investigation.* A county medical examiner shall conduct a preliminary investigation of the cause and manner of death and utilize the investigative protocol outlined in the County Medical Examiner's Handbook as amended to August 1, 2025, available from the state medical examiner's office. A medical examiner may perform or authorize performance of any scientific study to assist in identifying the cause, circumstances, and manner of death. A medical examiner shall cooperate with other investigating officials and agencies involved and share reports, information, and conclusions with these officials and agencies.

127.2(3) *Reports required.*

a. EMER.

(1) Preparation and filing. A county medical examiner shall electronically enter the examiner's findings in the Preliminary Medical Examiner Report in the EMER system. A county medical examiner must complete and submit the EMER within 14 days of the date of death and file a copy of the EMER with the county attorney within 14 days of the date of the death and retain a copy for the county medical examiner's records.

(2) Content. The EMER shall be completed as fully as possible in light of all available information and may be signed by either a county medical examiner or a county medical examiner investigator acting under the supervision of a county medical examiner. If the cause or manner of death, identity of the decedent, or other information is unknown or pending at the time of filing, "unknown" or "pending" may be written in the appropriate area of the form. If additional information becomes available, this information shall be forwarded to the state medical examiner in written form at such time as it becomes available to be added as a supplement to the file.

b. Jurisdiction declined or terminated. An EMER with designated, abbreviated, or minimal information shall be completed and submitted in accordance with subparagraphs 127.2(3)*"a"*(1) and *"a"*(2) in cases reported to the county medical examiner where jurisdiction is terminated or declined.

127.2(4) *Disposition of body.* After an investigation, including an autopsy if one was performed, the body of the decedent shall be made available to the funeral home designated by a relative or friend of the decedent for burial or appropriate disposition. A medical examiner cannot use influence in favor of a particular funeral director or funeral home. If no one claims a body, it shall be disposed of as provided in Iowa Code chapter 142.

127.2(5) *Coverage.*

a. When an individual is required to report a death to a medical examiner and the county medical examiner cannot be located or is not available, the individual must contact a county medical examiner from any adjacent Iowa county to perform those duties outlined in this chapter. The responding medical examiner has full authority to conduct any procedures necessary to the investigation of the cause and manner of death. If an adjacent county medical examiner is not available, the state medical examiner shall be contacted and may act in the capacity of a county medical examiner.

b. The responding county medical examiner will be reimbursed by the county for which the service is provided for all fees and expenses at the rate that is customarily paid by the county for which the service is provided or at a rate agreed upon by the medical examiner and the board of supervisors of the county for which the service is provided.

641—127.3(331,691) Autopsies.

127.3(1) *Autopsy required.* A county medical examiner shall order that an autopsy be performed in the following cases:

a. All cases of homicide or suspected homicide, irrespective of the period of survival following injury.

b. All cases in which the manner of death is undetermined.

c. All cases involving unidentified bodies.

d. All deaths of children under the age of two when there is not a clear cause of death, including suspected cases of unexpected or unexplained death.

e. All work- and farm-related deaths unless there is an obvious natural cause of death.

f. All drowning deaths.

g. All deaths of commercial vehicle drivers that occur during the performance of their job duties.

h. Deaths due to poisoning.

i. Deaths of airplane pilots who die as a result of an airplane crash. The National Transportation Safety Board and the Federal Aviation Administration should be contacted prior to the autopsy to request specimen kit(s).

j. Deaths due to a natural disaster, including tornadoes and floods.

k. Deaths in a prison, jail or correctional institution or under police custody, where there is not a natural disease process that accounts for the death.

127.3(2) *Autopsy recommended.* It is recommended that a county medical examiner should perform an autopsy or order that an autopsy be performed in the following cases:

a. Deaths of adolescents less than 18 years of age when there is not a natural cause of death.

b. All cases that involve a motor vehicle crash.

c. Deaths from suicide.

d. All pedestrian, bicycle, motorcycle, snowmobile, boating, watercraft, three- or four-wheeler or all-terrain vehicle fatalities.

e. Deaths due to failure of a consumer product.

f. Deaths due to a possible public health hazard.

g. Deaths due to drug or alcohol abuse or overdose.

h. Electrical- and lightning-related deaths.

i. Deaths from burns or smoke or soot inhalation.

j. All deaths related to exposure, such as hypothermia and hyperthermia.

k. All sport-related deaths, including but not limited to deaths from auto racing and deaths resulting from injuries sustained in football, basketball, baseball, softball, soccer, or other games or sports.

127.3(3) *Other deaths.* For those deaths not listed in subrule 127.3(1) or 127.3(2), a county medical examiner will determine whether the public interest requires an autopsy and order that an autopsy be performed. A county medical examiner may consult with the state medical examiner to assist in determining the need for an autopsy.

127.3(4) *Performance of autopsy.*

a. Who may authorize. Autopsies may be authorized by the state medical examiner, the county medical examiner for the county in which the death occurred or the county where any injury contributing to or causing the death was sustained, or the county attorney who would have jurisdiction in any criminal proceeding related to the death.

b. Who may perform. An autopsy must be performed by a pathologist trained or with experience in forensic pathology, licensed to practice medicine and surgery or osteopathic medicine and surgery in the state of Iowa and board-certified by the American Board of Pathology, or under the direct supervision of a physician with these qualifications. The following types of deaths shall be transported to the office of the state medical examiner for autopsy unless otherwise approved by the state medical examiner:

(1) Deaths of adolescents through 18 years of age when there is not a known or preexisting natural cause of death.

(2) All cases of homicide or suspected homicide, irrespective of the period of survival following injury.

(3) Deaths of children under the age of two years if death results from an unknown cause or is unexpected.

(4) All suspicious suicides.

(5) All high-profile deaths, including but not limited to deaths of elected officials in municipal, state or federal government.

(6) All deaths of inmates occurring in any institutions under the department of corrections as outlined in Iowa Code section 904.102, excluding those deaths that result from a pre-existing medical condition.

c. Permit required—EMER. A medical examiner must complete the EMER. All reasonable efforts must be made to complete the EMER prior to the performance of an autopsy.

127.3(5) *Autopsy report.* A complete record of the findings of the autopsy shall be submitted to the state medical examiner's office, the county attorney of the county where the death occurred and the county attorney of the county where the injury contributing to or causing the death was sustained within 90 days following the date of death unless unusual circumstances requiring further investigation or testing exist. The report filed shall include transcriptions of the autopsy observations and opinions and toxicology reports.

127.3(6) *Out-of-state autopsy.* The body of a decedent may be sent out of state for an autopsy or postmortem examination only if the county medical examiner certifies in writing that the out-of-state autopsy or examination is necessary for any of the following reasons:

a. A forensic pathologist practicing in the state of Iowa is unavailable;

b. Requiring an in-state autopsy would cause financial hardship; or

c. Requiring an in-state autopsy would delay the funeral or burial more than three days.

127.3(7) *Retention and disposal of tissues, organs, and bodily fluids.* The office of the state medical examiner will retain tissues, organs, and bodily fluids as necessary to determine the cause and manner of death or as deemed advisable by the state medical examiner for medical or public health investigation, teaching, or research. Tissues, organs, and bodily fluids will be retained at a minimum for the time periods established by the National Association of Medical Examiners and may be retained for a longer time period at the discretion of the state medical examiner. Tissues, organs, and bodily fluids retained under this subrule will be disposed of without the specific consent or notification of the legal next of kin and in accordance with applicable federal and state regulations, including but not limited to OSHA-recommended biohazard and blood-borne pathogen standards. The anatomical material must be removed from the laboratory premises through use of a contracted, licensed, and bonded medical waste removal service to a medical waste processing center for final disposition.

641—127.4(331,691) Fees.

127.4(1) *Payment of fee and expenses.*

a. A medical examiner receives from the county of appointment or the county of the decedent's residence a fee for each preliminary investigation and report submitted in a case in which a death affects the public interest. A county medical examiner shall also receive from the county of appointment or the county of the decedent's residence the examiner's actual expenses. The fee and expenses are submitted by the county medical examiner to the county of appointment, which may immediately pay the invoice or forward the invoice to the county of the decedent's residence for payment to the county medical examiner. If the county medical examiner does not receive payment from the county of the decedent's residence within 60 days of receiving the invoice, the county of appointment shall pay the invoice.

b. A pathologist or other physician who performs an autopsy under medical examiner authorization shall be paid for the services by the county of appointment.

c. Invoices produced for services performed by a county medical examiner, deputy county medical examiner or county medical examiner investigator must be submitted as a joint invoice to the county of appointment when services were rendered in a case by multiple county medical examiner staff.

127.4(2) *Reimbursement.*

a. County of residence different from county of appointment—Iowa resident. The county of the decedent's residence shall reimburse the county of appointment for the fee and expenses paid by the county of appointment.

b. Death caused by criminal defendant. If the person's death is caused by a criminal defendant who has been convicted and sentenced for murder, voluntary manslaughter, involuntary manslaughter, or homicide by vehicle, the county of the person's residence may recover from the defendant the fee and expenses.

c. Out-of-state resident—law enforcement involvement. The fee and expenses of a county medical examiner who performs an investigation or autopsy of a person who dies after being brought into the state for emergency medical treatment by or at the direction of an out-of-state law enforcement officer or public authority will be paid by the state. A claim for payment shall be filed with the state appeal board.

d. Out-of-state resident—no law enforcement involvement. The fee and expenses of a county medical examiner who performs an investigation or autopsy of an out-of-state resident shall be paid by the county of appointment.

641—127.5(144,331,691) Death certificates—deaths affecting the public interest.

127.5(1) *Completion.* The funeral director to whom the body is released shall complete the personal data on the death certificate. The medical examiner must complete the manner of death and cause of death sections of the death certificate within 72 hours after determination of the cause and manner of death. If an autopsy is performed by the state medical examiner, the death certificate medical certifier sections will be completed by the state medical examiner's office.

127.5(2) *Filing.* The funeral director shall file the certificate with the county registrar in the county in which the death occurred. A death certificate shall be filed prior to the issuance of a burial transit permit and prior to disposal of the body.

127.5(3) *Extension of time.* If a medical examiner is unable to complete the manner of death and cause of death sections of the death certificate within the 24-hour time period, the funeral director must file a death certificate form completed with all available information. Such certificate is authority for the issuance of a burial transit permit. Within 15 days, a supplemental report shall be filed with the local registrar that provides the information missing from the original certificate.

641—127.6(331,691) Cremation.

127.6(1) *Permit obtained prior to cremation—cremation permit.* A permit for cremation must be obtained from a county medical examiner or state medical examiner prior to cremation of a body of a decedent. Cremation permits must be completed in the electronic death registry system. For the purposes of this requirement, a hard copy or facsimile of a hard copy shall only be utilized if the electronic death registry system is off-line for four or more hours.

127.6(2) *Requirements for issuance of permit.* A county medical examiner shall direct an inquiry into the cause and manner of death and determine whether the death is one that affects the public interest prior to issuing a cremation permit.

a. Death that affects the public interest. If the death occurred in a manner specified in Iowa Code section 331.802(3) or if reasonable suspicion that the death occurred in such a manner exists, a medical examiner shall view the body, make a personal inquiry into the cause and manner of death, and complete or cause to be completed all necessary autopsy or postmortem examinations prior to issuing a cremation permit.

b. Death that does not affect the public interest. If, following an inquiry into the cause and manner of death, the county medical examiner determines that the death did not occur in a manner specified in Iowa Code section 331.802(3), a medical examiner is not required to view the body prior to issuing a cremation permit. A county medical examiner must certify on the Cremation Permit in the electronic death registry system that the medical examiner's inquiry into the cause and manner of death did not disclose evidence that the death occurred in a manner specified in Iowa Code section 331.802(3).

127.6(3) *Fee.* A fee for the Cremation Permit by Medical Examiner shall be paid by the family, next of kin, guardian of the decedent, or other person authorized to act on behalf of the decedent.

641—127.7(331,691) County medical examiner investigators.

127.7(1) *Appointment.* A county medical examiner may appoint one or more county medical examiner investigators upon approval by the board of supervisors and the state medical examiner.

127.7(2) *Qualifications.*

a. Prior to appointment, a CME-I should possess a minimum of two years of experience as a licensed or certified nurse or medical care provider. A certified peace officer may be appointed to the position of CME-I if a nurse or medical care provider is not available.

b. A CME-I shall satisfy the following criteria:

(1) Prior to or within two years of appointment, attend the St. Louis University School of Medicine Basic Medicolegal Death Investigation Course or its state medical examiner-approved equivalent; and

(2) Prior to or within five years of appointment, obtain certification at the registry level as a death investigator by the American Board of Medicolegal Death Investigators.

c. A CME-I is not required to meet the requirements of paragraph 127.7(2)*"a"* or *"b"* if the individual has functioned in the capacity of a CME-I for a period of five years.

d. If a CME is unable to appoint a CME-I who possesses the qualifications required by paragraph 127.7(2)*"a," "b,"* or *"c,"* the CME may request a waiver. Waiver requests must be submitted in writing to the state medical examiner and include the efforts undertaken by the CME to locate a CME-I who meets the above qualifications; the qualifications of the individual willing to serve in the capacity of a CME-I; and the period of time for which the waiver is requested, not to exceed two years. The state medical examiner has sole discretion to waive the requirements of this rule and may withdraw or modify a waiver request upon a finding that the CME-I has failed to adequately perform the duties of the position or for other good cause.

e. If a CME-I is unable to meet the eligibility requirements for obtaining registry certification due to the small number of cases requiring investigation in the county of appointment, then a waiver must be obtained from the state medical examiner in order for the investigator to continue the investigator's duties. The county medical examiner must submit a request for a waiver in writing with documentation of the number of deaths occurring in the county of appointment that require death investigation. The waiver must be renewed every five years if the required number of investigations has still not been achieved.

127.7(3) *Duties.* A CME-I shall assist in death investigations. A CME-I acting under the supervision of a county medical examiner may sign the EMER. A CME-I cannot sign a certificate of death or a cremation permit.

127.7(4) *Supervision.* A CME-I shall serve under the supervision of a county medical examiner. A CME-I provides services under the direction of a county medical examiner or state medical examiner's office. A CME-I can perform services in a manner that is consistent with the protocol outlined in this chapter.

127.7(5) *Fees.* Fees for the services provided by a CME-I shall be paid by the county of appointment or by the county of the decedent's residence. A CME-I shall receive from the county of appointment or the county of the decedent's residence reimbursement for actual expenses. The fee and expenses must be submitted by the CME-I to the county of appointment, which may immediately pay the invoice or forward the invoice to the county of the decedent's residence for payment to the CME-I. If the CME-I does not receive payment from the county of the decedent's residence within 60 days of receiving the invoice, the county of appointment shall pay the invoice.

641—127.8(331,691) Deputy county medical examiners.

127.8(1) *Appointment.* A county medical examiner may appoint one or more DCMEs upon approval by the board of supervisors and the state medical examiner.

127.8(2) *Qualifications.* A DCME must be licensed in the state of Iowa as a medical or osteopathic physician or surgeon.

127.8(3) *Duties.* A DCME serves at the direction of the county medical examiner and may perform any duty of a county medical examiner that is delegated by the county medical examiner to the DCME.

127.8(4) *Fees.* Fees for the services provided by a DCME are paid by the county of appointment or by the county of the decedent's residence. A DCME receives from the county of appointment or the county of the decedent's residence reimbursement for actual expenses. The fee and expenses will be submitted by the DCME to the county of appointment, which may immediately pay the invoice or forward the invoice to the county of the decedent's residence for payment to the DCME. If the DCME does not receive payment from the county of the decedent's residence within 60 days of receiving the invoice, the county of appointment pays the invoice.

641—127.9(331,691) Failure to comply with rules. If a county medical examiner, deputy county medical examiner, county medical examiner investigator, pathologist, or other physician fails to comply with these rules, the state medical examiner may provide written notice of the failure to comply to that individual, the appropriate county medical examiner, and the appropriate county board of supervisors. Within 30 days of the date of the notice, the individual to whom the notice was provided shall submit a written response to the state medical examiner, outlining a proposed corrective action plan. If no response is received within the 30 days or if the proposed corrective action plan is unacceptable, the state medical examiner will forward copies of the notice and all pertinent correspondence and information to the board of supervisors for the county that appointed the individual, notifying the board of the individual's failure to comply with these rules.

641—127.10(331,691,22) Confidentiality. Records and reports of a medical examiner may be confidential records pursuant to Iowa Code section 22.7(2), 22.7(5), and 22.7(41) and other provisions of Iowa law. Prior to releasing a medical examiner record or report to a member of the public, a county medical examiner may inform the appropriate law enforcement agency, the county attorney, and the state medical examiner to determine whether release is authorized under Iowa law.

641—127.11(331,691,670) Indemnification. A board of supervisors shall defend, hold harmless, and indemnify a county medical examiner and any properly appointed staff members to the extent provided in Iowa Code chapter 670.

These rules are intended to implement Iowa Code chapters 331 and 691.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 141
"Love Our Kids Grant"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 321
State or federal law(s) implemented by the rulemaking: Iowa Code sections 147A.4 and 321.34

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services (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
Lucas State Office Building
Des Moines, Iowa 50319
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The purpose of the Love our Kids Grant is to provide funding to statewide, regional and local agencies and service programs that serve to promote the development, promotion, and implementation of injury prevention and education for children in Iowa. Funds are provided by the Iowa Department of Transportation and the Department disburses the funds to eligible agencies across the State. The Iowa Code does not dictate that the funds must be administered via grants. In addition, there is no rulemaking authority for this chapter. Therefore, the Department is proposing to rescind this chapter and distribute funds to agencies through the procurement and contracting process instead of through grants.

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:**

This proposed rulemaking will benefit all Iowa communities receiving funds.

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:**

Funds have not been disbursed via this grant program since 2018.

- **Qualitative description of impact:**

Distribution of funds through contracts instead of grants will allow the funds to be disbursed more efficiently for a more immediate impact to the communities being served.

3. **Costs to the State:**

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

The majority of implementation costs stem from the administrative work required for the collection and review of requests for proposals. Disbursing funds through the contracting process will allow for a more streamlined disbursement of funds.

- **Anticipated effect on State revenues:**

There is no impact on State revenues.

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

Rescinding the chapter is appropriate since there is no rulemaking authority for the chapter.

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

The move toward disbursing funds through contracts is a more cost-effective method.

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 is not anticipated to have any impact on small business in Iowa.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 141**.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 145
"Iowa Physician Orders for Scope of Treatment"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 144D.2
State or federal law(s) implemented by the rulemaking: Iowa Code sections 144D.2 and 144A.7

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written 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
Lucas State Office Building
Des Moines, Iowa 50319
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The physician orders for scope of treatment plan, or "POST form," is a document that contains medical orders that may be relied upon across medical settings and that consolidates a patient's preferences for life-sustaining treatments and interventions. The purpose of this chapter is to establish the process for the development, review, modification, and posting of the POST form.

Upon a Red Tape Review of this chapter, it was determined that the language is duplicative of Iowa Code chapter 144D. In addition, there is no rulemaking authority for this chapter. As such, the Department is proposing to rescind the chapter. This will not cause any disruption in the effectiveness of the orders for scope of treatment as determined by a patient and their medical provider.

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:**

No one will benefit from or be harmed by 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:**

There is no data associated with this proposed rulemaking.

- **Qualitative description of impact:**

This rulemaking is rescinding a chapter for which there is no rulemaking authority.

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 for this rulemaking.

- **Anticipated effect on State revenues:**

This rulemaking will have no effect on State revenues.

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

Chapter rescission is appropriate since there is no rulemaking authority for this chapter.

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 will have no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 145**.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 152
"Tobacco Use Prevention and Control Funding Process"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 142A.6
State or federal law(s) implemented by the rulemaking: Iowa Code section 142A.6

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written 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
Lucas State Office Building
Des Moines, Iowa 50319
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed rulemaking was undertaken as a result of Executive Order 10. This chapter became obsolete due to the passage of 2024 Iowa Acts, House File 2673, which in part repealed Iowa Code chapter 142A, which established the Tobacco Use Prevention and Control Commission (Commission). As a result of the legislation, the Tobacco Use Prevention and Control Commission was dissolved effective July 1, 2025. Because the Commission was dissolved, this chapter is no longer needed and is proposed to be rescinded.

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:**

No persons will benefit from or be harmed by 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:**

No quantitative impact is expected.

- **Qualitative description of impact:**

No qualitative impact is expected because the disbursement of funds will now go through the Department's contracting and procurement process.

3. **Costs to the State:**

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

No enforcement costs will be borne.

- **Anticipated effect on State revenues:**

This rulemaking is not expected to have any impact on State revenues.

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

Rescission of this chapter is appropriate since it has become obsolete with the passage of 2024 Iowa Acts, House File 2673, which dissolved the Commission. Going forward, funds will be dispersed through the Department's contracting and procurement process.

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

Rescission of this chapter is appropriate since it has become obsolete with the passage of 2024 Iowa Acts, House File 2673, which dissolved the Commission. Going forward, funds will be dispersed through the Department's contracting and procurement process.

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

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

No alternative methods were considered by the Department.

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

Rescission of this chapter is appropriate since it has become obsolete with the passage of 2024 Iowa Acts, House File 2673, which dissolved the Commission. Going forward, funds will be dispersed through the Department's contracting and procurement process.

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 is not expected to have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **641—Chapter 152**.

Regulatory Analysis

Notice of Intended Action to be published: 641—Chapter 192
"Child Support Noncompliance"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 252J
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 252J

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

Public Comment

Any interested person may submit written 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
Lucas State Office Building
Des Moines, Iowa 50309
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed chapter underwent a review as a part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to processes and procedures to ensure they reflect current policies and procedures. This rulemaking requires Department staff to share a notice of child support noncompliance with licensing authorities across the State. Licensing authorities can deny the issuance or renewal of a license upon receipt of a certificate of noncompliance from Child Support Services in accordance with the procedures detailed in Iowa Code chapter 252J.

Analysis of Impact

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

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

No additional costs are associated with this proposed rulemaking beyond the aforementioned child support.

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

Families and children who receive child support may 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:**

Child Support Services issues one to two license suspensions per year until licensees come into compliance with their child support responsibility.

- **Qualitative description of impact:**

Child Support Services helps families recover their past-due or missing child support funds.

3. **Costs to the State:**

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

Minimal costs are required to implement this rulemaking. Currently, the Department employs one full-time equivalent (FTE) position to oversee the implementation of these rules.

- **Anticipated effect on State revenues:**

Not applicable.

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

Inaction would allow those who have not fulfilled their child support obligations to continue working and renewing licenses and could impair the children and families who depend on those child support funds.

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

This rulemaking is required by law.

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 mandated by the Iowa Code.

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 is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 641—Chapter 192 and adopt the following **new** chapter in lieu thereof:

CHAPTER 192
CHILD SUPPORT NONCOMPLIANCE

641—192.1(252J) Definitions. For the purpose of this chapter, the following definitions apply:

"Applicant" means an individual who is seeking the issuance of a license.

"Certificate of noncompliance" means a document as defined in Iowa Code section 252J.1 that is provided by child support services certifying that the applicant or licensee has defaulted on an obligation owed to or collected by child support services.

"License" means the same as defined in Iowa Code section 252J.1.

"Licensing authority" means a board, commission, or any other entity of the department that has authority within this state to suspend or revoke a license or deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, or profession.

641—192.2(252J) Denial of issuance or renewal of a license or suspension or revocation of a license. The licensing authority will deny the issuance or renewal of a license or suspend or revoke a license upon the receipt of a certificate of noncompliance from child support services according to the procedures in Iowa Code chapter 252J. In addition to the procedures set forth in Iowa Code section 252J.3(7), the following apply:

192.2(1) The notice required by Iowa Code section 252J.8 will be served upon the applicant or licensee by restricted certified mail, return receipt requested, or personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the applicant or licensee may accept service personally or through authorized counsel.

192.2(2) The suspension, revocation, or denial will be effective no sooner than 30 days following provision of notice to the individual.

192.2(3) Applicants and licensees shall keep the licensing authority informed of all court actions, and all child support services actions taken under or in connection with Iowa Code chapter 252J, and shall provide the licensing authority copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 252J.9, all court orders entered in such actions, and withdrawals of certificates of noncompliance by child support services.

192.2(4) All licensing authority fees required for application, license renewal, or license reinstatement must be paid by applicants or licensees before a license will be issued, renewed, or reinstated after the licensing authority has denied the issuance or renewal of a license pursuant to Iowa Code chapter 252J.

192.2(5) In the event an applicant or licensee timely files a district court action following service of a licensing authority notice pursuant to Iowa Code sections 252J.8 and 252J.9, the licensing authority will continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the licensing authority to proceed. For purposes of determining the effective date of the denial of the issuance, renewal, suspension or revocation of a license, the licensing authority will count the number of days before the action was filed and the number of days after the action was disposed of by the court.

192.2(6) The licensing authority will notify the applicant or licensee in writing through regular first-class mail, or such other means as the licensing authority determines appropriate in the circumstances, within ten days of the effective date of the denial of the issuance or renewal of a license and will similarly notify the applicant or licensee if the license is issued or renewed following the licensing authority's receipt of a withdrawal of the certificate of noncompliance.

641—192.3(17A,22,252J) Sharing of information. Notwithstanding any statutory confidentiality provision, the licensing authority may share information with child support services through manual or automated means for the sole purpose of identifying applicants or licensees subject to enforcement under Iowa Code chapter 252J or 598.

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

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 3
"Sheriff's Uniforms"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 331.657
State or federal law(s) implemented by the rulemaking: Iowa Code section 331.657

Public Hearing

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

October 21, 2025 1:30 to 2 p.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Executive Order 10, the Department proposes to rescind Chapter 3 and adopt a new chapter in lieu thereof. The proposed chapter details the color and design of the standard uniform and accessories for sheriffs and deputies in Iowa.

Analysis of Impact

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

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

Pursuant to Iowa Code section 331.322(9), the county's board of supervisors is responsible for providing the sheriff and the sheriff's full-time deputies with necessary uniforms and accessories in accordance with Iowa Code section 331.657 and this chapter.

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

The public is able to clearly distinguish sheriffs and deputies from other law enforcement agencies and officers of the State.

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:**

Pursuant to Iowa Code section 331.322(9), the county's board of supervisors is responsible for providing the sheriff and the sheriff's full-time deputies with necessary uniforms and accessories in accordance with Iowa Code section 331.657 and this chapter.

- **Qualitative description of impact:**

This rulemaking provides for consistency among uniforms at the county level.

3. **Costs to the State:**

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

There are none.

- **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:**

Inaction could lead to inconsistencies in uniforms among counties, creating confusion among the public and other law enforcement agencies when interacting with sheriffs and deputies.

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

The Department has determined that this is the least costly and least intrusive method for achieving the purpose of the proposed rulemaking.

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

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

None were identified.

- **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?

There is no substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
SHERIFF'S UNIFORMS

661—3.1(17A,331) General provisions. These rules are adopted to designate the color and design of the standard uniform and accessories for Iowa sheriffs and deputy sheriffs.

3.1(1) The specifications of the uniforms and accessories, such as fabric and style, are made available to the department of administrative services.

3.1(2) Persons wanting to enter bids on the sheriffs' uniforms and accessories should contact the department of administrative services.

661—3.2(17A,331) Uniform. The uniform generally consists of:

1. Sage green trousers with a one-inch strip of material the same color as the shirt down the outside seam of each pant leg.

2. Long sleeved or short sleeved shirts with two breast pockets, pleated, with three-pointed flags and shoulder ornaments made of the same material and color as the trousers.

3. The winter and summer hats are sage green with a swivel strap and three-inch brims. The winter hat has a gold metallic acorn cord. The summer hat has a metal eyelet for a badge. The winter fur hat is sage green with sage green fur trim. A baseball style cap can be sage green or match the shirt.

4. Sage green ties that are three and one-half inches at the widest point.

5. Black, round-toed shoes or boots.

6. A sage green light duty jacket or a forest green/reversible to international orange or safety yellow raincoat.

7. Accessories consisting of shoulder and blazer emblems, badges, name bar, tie accessories, and rank insignia.

These rules are intended to implement Iowa Code section 331.657.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 20
"Governor's Traffic Safety Bureau"

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 23

State or federal law(s) implemented by the rulemaking: Executive Order 23, signed June 9, 1986, and 23 U.S.C. Section 402

Public Hearing

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

October 21, 2025 2:30 to 3 p.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Executive Order 10, the Department proposes to rescind Chapter 20 and adopt a new chapter in lieu thereof. The chapter designates the Commissioner of the Department as Governor's highway safety representative for Iowa and establishes the Department as the State highway safety agency. Additionally, the chapter outlines responsibilities of the Governor's Traffic Safety Bureau (GTSB) and establishes funding criteria and program requirements for federally appropriated funds.

Analysis of Impact

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

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

Any person or organization wishing to apply for funding through the GTSB will bear the costs of the rulemaking.

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

Any person or organization wishing to apply for funding through the GTSB will benefit from the rulemaking. The motoring public traveling on Iowa's roadways will also 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:**

Persons or organizations interested in applying for federal funds may require staff time to complete the necessary application.

- **Qualitative description of impact:**

The public benefits from improved highway safety as a result of GTSB-funded projects that aim to reduce unsafe driver behaviors that cause motor vehicle crashes resulting in property damage, serious injuries, and/or fatalities.

3. **Costs to the State:**

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

There are none.

- **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:**

Inaction is not an option because the State is federally required to have a highway safety program.

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

The Department has determined this to be the least costly and least intrusive method for achieving the purpose of the proposed rulemaking.

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

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

None were identified.

- **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?

There is no substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 20 and adopt the following **new** chapter in lieu thereof:

CHAPTER 20
GOVERNOR'S TRAFFIC SAFETY BUREAU

661—20.1(23USC402,ExecOrd23) Authority. 23 U.S.C. Section 402 requires each state to have a highway safety program sponsored by the U.S. Secretary of Transportation under the responsibility of the governor.

20.1(1) The governor designated the commissioner of the department of public safety as the governor's highway safety representative for Iowa and established the department of public safety as the state highway safety agency.

20.1(2) The governor's traffic safety bureau administers the state highway safety program in accordance with the provisions of 23 U.S.C.

661—20.2(23USC402,ExecOrd23) Purpose. The purpose of the highway safety program is to provide a coordinated federal, state and local effort to reduce traffic-related deaths, injuries, and property damage crashes.

661—20.3(23USC402,ExecOrd23) Responsibilities.

20.3(1) The governor's traffic safety bureau develops and prepares the state's highway safety plan based on evaluation of highway crashes and traffic safety problems within the state.

20.3(2) The governor's traffic safety bureau encourages and assists local units of government in improving their traffic safety programs.

20.3(3) The governor's traffic safety bureau serves as a reviewing authority for federal and state traffic safety programs.

20.3(4) The governor's traffic safety bureau monitors safety program activity and expenditures of funds by state and local agencies as authorized by 23 U.S.C. Section 402.

20.3(5) The governor's traffic safety bureau coordinates the state highway safety plan with other state agencies.

20.3(6) Application for funding.

a. Proposals for funding highway safety programs may be submitted during set application time periods by any city, county, or state agency or nonprofit organization or any other eligible organization or individual.

b. Applications for funding in the next federal fiscal year, beginning October 1, must be received on or before March 1 to be considered. The bureau chief of the governor's traffic safety bureau may amend the deadline dates in order to implement projects and special activities as deemed appropriate.

c. Initial proposals should include project title, statement of the highway safety problem to be addressed supported by crash data, what is being proposed to solve the problem, how it will be evaluated, a proposed budget, and a letter of intent accepting responsibility for the proposed project from the responsible authority of the organization making application.

d. Only requests containing the listed elements will be considered for funding.

e. Assistance in developing and submitting proposals for highway safety funding may be obtained by contacting the governor's traffic safety bureau, Iowa department of public safety, by email at gtsbinfo@dps.state.ia.us.

661—20.4(23USC402,ExecOrd23) Funding criteria.

20.4(1) Allocation of federally appropriated funds administered by the governor's traffic safety bureau pursuant to 23 U.S.C. Section 402 are based on: (1) federally mandated projects; and (2) high-fatality and personal-injury crash causations and locations.

NOTE: The governor's traffic safety bureau refers to current federal authorization to dictate how funds are distributed.

20.4(2) At least 40 percent of all federal funds apportioned to the state of Iowa pursuant to 23 U.S.C. Section 402 for any fiscal year will be expended by political subdivisions of the state to carry out local highway safety programs authorized by the governor's representative for highway safety.

661—20.5(23USC402,ExecOrd23) Program requirements.

20.5(1) All approved programs funded by the governor's traffic safety bureau are administered in compliance with the current version of the Iowa Governor's Traffic Safety Bureau Policies and

Procedures Manual located on the department of public safety's website at dps.iowa.gov/gtsb-publications-surveys-reports. Copies may also be obtained by emailing gtsbinfo@dps.state.ia.us.

20.5(2) Highway safety contract procedures and reporting forms and their explanations are contained in the current version of the Iowa Governor's Traffic Safety Bureau Policies and Procedures Manual.

These rules are intended to implement Executive Order 23 and 23 U.S.C. Section 402.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 28
"Marijuana Eradication Procedures"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 80.5(7)"c"
State or federal law(s) implemented by the rulemaking: Iowa Code section 80.5

Public Hearing

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

October 21, 2025 1 to 1:30 p.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Executive Order 10, the Department proposes to rescind Chapter 28 and adopt a new chapter in lieu thereof. The proposed chapter provides for the processes to report and investigate marijuana operations and outlines eradication procedures for cultivated and uncultivated marijuana.

Analysis of Impact

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

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

Any landowner who has wild uncultivated marijuana growing on their property would be responsible for the cost to remove it.

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

Any person wishing to report a marijuana operation in Iowa will benefit from instructions on how to report the operation to law enforcement. Law enforcement will also benefit from having a clear understanding of investigative procedures once a report has been received.

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:**

Any landowner who has wild uncultivated marijuana growing on their property would be responsible for the cost to remove it.

- **Qualitative description of impact:**

Illegal marijuana operations will be eradicated and investigated upon receipt of a report.

3. **Costs to the State:**

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

There are none.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There is virtually no cost to comply, implement, or enforce this rulemaking. The public and law enforcement benefit from having clearly defined reporting and investigative procedures.

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

The Department has determined that this is the least costly and least intrusive method for achieving the purpose of the proposed rulemaking.

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

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

None were identified.

- **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?

There is no substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 28 and adopt the following **new** chapter in lieu thereof:

CHAPTER 28
MARIJUANA ERADICATION PROCEDURES

661—28.1(80) Reports of marijuana. Persons wishing to report marijuana growing in Iowa, whether cultivated or uncultivated, may contact any local law enforcement agency within the state of Iowa or the Division of Narcotics Enforcement by telephone through the toll-free Marijuana Hotline at 1.800.532.0052.

661—28.2(80) Cultivated marijuana. Upon receipt of information pertaining to marijuana cultivation or harvesting, the department of public safety, division of narcotics enforcement, may coordinate with the department of agriculture and land stewardship to investigate.

661—28.3(80) Uncultivated marijuana. Upon receipt of information pertaining to wild uncultivated marijuana, the department of public safety, division of narcotics enforcement, will notify the county sheriff or chief of police of the report. After the sheriff has been notified, the department of public safety, division of narcotics enforcement, will notify, by regular mail, the owner of the land where uncultivated marijuana has been reported and will request that the landowner voluntarily remove the marijuana. Notification to a landowner of information regarding uncultivated marijuana growing on the landowner's property, as provided in this rule, is intended to obtain voluntary cooperation in the eradication of marijuana. The county sheriff and the local police chief, if any, will be sent copies of the notice, also by regular mail.

661—28.4(80) Scope and limitation. Nothing in this chapter shall be construed to be a restriction or limitation upon the nature or scope of the authority of any member of the department of public safety or of any other public officer as otherwise provided by law.

These rules are intended to implement Iowa Code section 80.5.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 29
"Human Trafficking Prevention Training—Lodging Providers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 80.45A(7)
State or federal law(s) implemented by the rulemaking: Iowa Code section 80.45A

Public Hearing

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

October 21, 2025 2 to 2:30 p.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Executive Order 10, the Department proposes to rescind Chapter 29 and adopt a new chapter in lieu thereof. The proposed chapter establishes the Department's Human Trafficking Prevention Training Program, outlines program content, and provides guidance for any lodging provider seeking certification. This rulemaking also establishes a process for outside organizations to receive approval to conduct trainings and issue certifications to lodging providers.

Analysis of Impact

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

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

Any lodging provider who wishes to obtain human trafficking prevention training certification will bear the costs. Should a provider choose not to seek certification, public employers and public employees shall not use public funds to procure lodging or meeting space that is owned and/or operated by the lodging provider.

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

Employees of certified lodging providers will benefit from knowing how to identify and respond to the signs of human trafficking. Outside organizations wishing to receive approval to conduct trainings and issue certifications to lodging providers also will benefit from having clearly defined program requirements and applications processes.

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 cost for the public or lodging providers to comply with this rulemaking. However, employees may need to dedicate time during their workday to complete the training.

- **Qualitative description of impact:**

See above.

3. **Costs to the State:**

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

The Department staff member who provides the in-person training around the State incurs travel-related expenses such as gas, lodging, and meals.

- **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:**

Employees who have received training pursuant to this rulemaking are better equipped to identify signs of human trafficking, which could lead to additional tips or reports being generated that otherwise would not have been.

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

The Department has determined that this is the least costly and least intrusive method for achieving the purpose of the proposed rulemaking.

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

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

None were identified.

- **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?

There is no substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 29 and adopt the following **new** chapter in lieu thereof:

CHAPTER 29
HUMAN TRAFFICKING PREVENTION TRAINING—LODGING PROVIDERS

661—29.1(80) Definitions. The definitions in Iowa Code section 80.45A(1) are adopted and incorporated herein.

661—29.2(80) Establishment of training program. The department of public safety's human trafficking prevention training program certifies a lodging provider's voluntary completion of human trafficking prevention training. The program is established pursuant to Iowa Code section 80.45A.

661—29.3(80) Human trafficking prevention training program content. In order to receive approval by the commissioner, human trafficking prevention training will include, at a minimum, all of the requirements set forth in Iowa Code section 80.45A(3).

661—29.4(80) Training providers.

29.4(1) *Training.* A list of certified training providers is maintained on the office to combat human trafficking website.

29.4(2) *Approval process for organizations.* Organizations cannot issue human trafficking prevention training certifications to lodging providers for purposes of this rule prior to receiving approval by the commissioner. To receive approval to conduct a training program, a training provider can apply through the office to combat human trafficking website and provide sufficient information to establish that the training program meets the requirements of rule 661—29.3(80).

661—29.5(80) Certification for lodging providers and their employees. All current, certified lodging providers are listed on the office to combat human trafficking website.

29.5(1) *Application.* Any lodging provider seeking certification of completed human trafficking prevention training can submit a completed application form to the office to combat human trafficking website. The online application form will not be considered complete unless all required information is submitted, including verification of employee training certificates, and will not be processed until it is complete.

NOTE: The website for human trafficking prevention training and certification for employees, lodging providers, and training providers is www.stophtiowa.org.

29.5(2) *Fee.* There is no fee for lodging providers to request or renew a trafficking prevention training certification. Approved organizational training providers under subrule 29.4(2) may charge fees for training programs; however, lodging providers are under no obligation to utilize such training providers.

29.5(3) *Maintenance of records.* In order to maintain certification, lodging providers must maintain up-to-date human trafficking prevention training certification records on all current employees at all times. The office to combat human trafficking is entitled to review the human trafficking prevention training records for each employee and complete employee lists upon request.

29.5(4) *Revocation.* The commissioner has authorized the office to combat human trafficking to revoke a lodging provider's certification at any time. If all employees of a certified lodging provider fail to renew their trainings every three years, the office to combat human trafficking will remove the lodging provider from the approved list of providers and revoke the lodging provider's certification. Failure to maintain records of individual employee certifications may result in the revocation of a lodging provider's certification.

29.5(5) *Certification expiration.* All human trafficking prevention training certificates issued by the office to combat human trafficking bear an expiration date. All employees of a certified lodging provider must complete approved human trafficking prevention training every three years for the lodging provider to maintain a valid certification and to receive public funds.

29.5(6) *Grace periods.* Lodging providers are responsible for ensuring lodging certifications are current and valid and that new employees successfully complete human trafficking prevention training. Employees have a grace period of 30 days from when their previous training certificate expires to complete a new, approved training. Certificates expire three years from the date on which they were issued.

a. Lodging providers. The application needs to be filed no later than 30 days after beginning operation in this state or the date on which an existing training certification expires.

b. Employees of lodging providers. The application needs to be filed no later than 30 days after the date of hire or the date on which an existing training certification expires.

These rules are intended to implement Iowa Code section 80.45A.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 35
"Complaints Against Employees"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 22 and 80F
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 80

Public Hearing

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

October 22, 2025 9 to 9:30 a.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

The purpose of Chapter 35 is to provide the public with steps on how to file a complaint against an employee of the Department. This chapter also outlines notification and investigative procedures when a complaint is filed. Upon review of this chapter in accordance with Executive Order 10, the Department has determined it does not possess rulemaking authority. Therefore, the Department is proposing to rescind this chapter. The intended benefit of this rulemaking will still be achieved through the Department's website, internal policy, and Iowa Code chapters 80 and 80F.

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 public will still benefit from a clearly defined process on how to file a complaint that is easily accessible on the Department's website. An employee against whom a complaint is filed can review internal policy that outlines the handling of complaints against Department employees.

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:**

Not applicable.

- **Qualitative description of impact:**

The public and Department employees will still be able to understand how to file a complaint and how complaints are handled through already existing means.

3. **Costs to the State:**

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

There are none.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

The Department has determined it lacks rulemaking authority and that rescinding the chapter is the most appropriate action.

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

Rescinding Chapter 35 in its entirety is the least restrictive method since the purpose of this chapter can still be achieved through already existing means.

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

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

None were considered.

- **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 is not anticipated to have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **661—Chapter 35**.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 88
"Notification of Law Enforcement Agency by Hospital Prior to Discharge of a Person with Serious Mental Impairment"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 229.22 as amended by 2010 Iowa Acts, Senate File 2352

State or federal law(s) implemented by the rulemaking: Iowa Code section 229.22

Public Hearing

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

October 22, 2025 9:30 to 10 a.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Iowa Code section 229.22 as amended by 2010 Iowa Acts, Senate File 2352, a hospital or facility is required to notify a specified law enforcement agency prior to the discharge of a patient brought to a hospital or facility for emergency mental health treatment by a law enforcement agency for whom an arrest warrant has been issued or charges are pending. The purpose of Chapter 88 is to establish the form to be used by law enforcement agencies to request this notification be made. However, this chapter is redundant and duplicative of procedure already established in Iowa Code section 229.22. Therefore, the Department is proposing to rescind this chapter.

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:**

Law enforcement agencies benefit from receiving notification of a person's discharge from a hospital or facility.

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:**

Not applicable.

- **Qualitative description of impact:**

The hospital or facility is responsible for notifying law enforcement prior to discharging the affected person.

3. **Costs to the State:**

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

There are none.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

The Department has determined this rulemaking to be redundant and duplicative of procedure already established in the Iowa Code. The form still exists for law enforcement to use pursuant to Iowa Code section 229.22.

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

Rescinding Chapter 88 in its entirety is the least restrictive method since the purpose of this chapter can still be achieved without this chapter.

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

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

None were considered.

- **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 is not anticipated to have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **661—Chapter 88**.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 150
"Division of Criminal Investigation Criminalistics Laboratory"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 691.3
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 691

Public Hearing

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

October 22, 2025 10:30 to 11 a.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

Pursuant to Executive Order 10, the Department proposes rescinding Chapter 150 and adopting a new chapter in lieu thereof. The purpose of proposed Chapter 150 is to define the capabilities of the State Criminalistics Laboratory. These rules also govern the submission of evidence to the laboratory, distribution of reports, and disposition of evidence.

Analysis of Impact

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

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

Law enforcement agencies who wish to submit evidence to the laboratory for testing and analysis will bear the costs.

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

Law enforcement agencies from around the State benefit from having trained laboratory staff performing forensic scientific analysis on evidence they submit, further aiding in investigation and prosecution of crimes.

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:**

Law enforcement agencies who wish to submit evidence to the laboratory for testing and analysis are responsible for transporting or mailing the evidence to the laboratory.

- **Qualitative description of impact:**

Law enforcement agencies that wish to submit evidence to the laboratory for testing and analysis would be responsible for dedicating time out of the workday to personally deliver evidence if it is not mailed.

3. **Costs to the State:**

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

If the evidence is returned to the submitting agency via mail, the Department bears the cost of shipping.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There is virtually no cost to submit evidence to the lab for analysis. Inaction could lead to lack of clarity surrounding the laboratory's capabilities and scope of work, evidence submission processes, report distribution, and disposition of evidence.

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

The Department has determined this to be the least costly and least intrusive method for achieving the purpose of this proposed rulemaking.

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

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

None were considered.

- **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 is not anticipated to have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 661—Chapter 150 and adopt the following **new** chapter in lieu thereof:

CHAPTER 150
DIVISION OF CRIMINAL INVESTIGATION CRIMINALISTICS LABORATORY

661—150.1(691) Criminalistics laboratory. The state criminalistics laboratory created in Iowa Code section 691.1 is located, pursuant to that section, within the division of criminal investigation.

150.1(1) *Identification.* The state criminalistics laboratory will be known as the division of criminal investigation criminalistics laboratory. Unless the context clearly implies otherwise, the term "laboratory," when used in this chapter, means the division of criminal investigation criminalistics laboratory.

150.1(2) *Administration.* The laboratory will be headed by an administrator who reports to the director of the division of criminal investigation.

150.1(3) *Contact information.*

a. The address of the laboratory for receiving mail or shipped materials is Iowa DCI Criminalistics Laboratory, 2240 South Ankeny Boulevard, Ankeny, Iowa 50023.

b. The telephone number of the laboratory is 515.725.1500.

c. Information regarding the laboratory may be obtained from the department website.

NOTE: Currently, information about the laboratory may be found at www.dps.state.ia.us/DCI/Crime_Lab/index.shtml.

661—150.2(691) Purpose and scope of work. The laboratory provides forensic science services to law enforcement agencies within the state of Iowa. The laboratory will, within its capabilities, conduct analyses and comparative studies on physical evidence to aid in any criminal investigation, when requested by a prosecuting attorney, a medical examiner, or a law enforcement agency.

150.2(1) *Resource or capability limitations.*

a. The laboratory administrator may refuse any request to conduct an analysis when, in the judgment of the administrator, the laboratory is unable to adequately conduct the requested analysis, either because of resource limitations or because the analysis is not within the professional capabilities of laboratory personnel.

b. The laboratory administrator may establish a policy excluding evidence of specific types or evidence arising from certain types of cases from being accepted by the laboratory if the administrator finds that such a policy is necessary either due to resource constraints, safety concerns, or the professional capabilities of laboratory personnel. Any policy adopted pursuant to this paragraph will be made available to all county attorneys, medical examiners, and law enforcement agencies within Iowa.

c. If analysis by the laboratory of specific evidence arising from a criminal investigation in Iowa has been excluded pursuant to either paragraph 150.2(1)*"a"* or *"b,"* the administrator may, at the administrator's discretion, assist the agency requesting the analysis in locating the services of another laboratory able to perform the requested analysis.

150.2(2) *Exclusion by law.* The laboratory will only perform analyses that have arisen from, or will aid in, criminal investigations or that are otherwise provided for by law.

661—150.3(691) Laboratory capabilities. The laboratory is capable of performing any forensic scientific analysis for which a laboratory staff member has received appropriate training and for which the necessary equipment and materials are available to the staff member performing the analysis. Information regarding the current forensic science capabilities of the laboratory may be obtained in the Iowa Criminalistics Laboratory Quality Assurance Manual published by the laboratory.

661—150.4(691) Evidence submission to the laboratory.

150.4(1) Evidence may be submitted to the laboratory by:

a. Any law enforcement agency in Iowa;

b. The Iowa department of corrections;

c. Any other criminal or juvenile justice agency, with the approval of the laboratory administrator; or

d. Any other state agency, with the approval of the laboratory administrator.

150.4(2) Evidence may be submitted to the laboratory via regular, certified, or registered mail or personal service. Any evidence to be submitted to the laboratory will be entered electronically into the

laboratory information management system prior to submission. Each entry will include a description of each item to be submitted and an examination request for each item to be submitted.

NOTE: Access to the laboratory information management system is restricted to authorized users representing agencies authorized to submit evidence to the laboratory. Authorized users should contact the laboratory for instructions regarding access to the system.

150.4(3) Evidence submitted to the laboratory that is not personally delivered will be packaged in such a manner that laboratory personnel can determine that the package has not been opened while in transit. If the laboratory receives an unsealed or damaged package, the laboratory may refuse to process such evidence if the integrity of the evidence has been compromised.

661—150.5(17A,691) Distribution of reports.

150.5(1) A copy of each completed report of analyses performed by the laboratory will be provided to the submitting officer and to the prosecuting attorney. The prosecuting attorney is responsible for providing copies of any laboratory report to the defendant or defendants as required by law.

150.5(2) Results of laboratory analyses will not be made available to any unauthorized person or organization.

661—150.6(17A,691) Disposition of evidence.

150.6(1) Evidence will be returned to the submitting agency unless one of the following conditions applies:

a. Retention of the evidence would be beneficial for future laboratory analysis.

b. Returning the evidence presents a hazard to health or safety. Any required notice to the defendant of destruction of evidence pursuant to this paragraph is the responsibility of the prosecuting attorney.

150.6(2) Evidence will not be transferred or submitted to any person or agency other than the submitting agency without an applicable court order unless authorized by the submitting agency.

These rules are intended to implement Iowa Code chapter 691.

Regulatory Analysis

Notice of Intended Action to be published: 661—Chapter 292
"Public Safety Survivor Benefits Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 80.47
State or federal law(s) implemented by the rulemaking: Iowa Code section 80.47

Public Hearing

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

October 22, 2025 10 to 10:30 a.m.	Public Conference Room 125 Oran Pape 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 Department of Public Safety no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Josie Wagler
215 East 7th Street
Des Moines, Iowa 50319
Email: wagler@dps.state.ia.us

Purpose and Summary

The purpose of Chapter 292 is to establish the operation of the Public Safety Survivor Benefits Fund as outlined in Iowa Code section 80.47. After reviewing this chapter in accordance with Executive Order 10, the Department has determined it does not possess rulemaking authority for this chapter and therefore proposes to rescind Chapter 292 in its entirety.

Analysis of Impact

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

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

Not applicable. Chapter 292 is being rescinded in its entirety.

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

Not applicable. Chapter 292 is being rescinded in its entirety.

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:**

Not applicable. This proposed rulemaking rescinds Chapter 292 in its entirety.

- **Qualitative description of impact:**

The rescission of Chapter 292 will not affect the distribution of funds to eligible organizations.

3. **Costs to the State:**

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

There will be no costs to the Department or any other agency to implement or enforce these rules since Chapter 292 is proposed to be rescinded in its entirety.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

The Department will continue to distribute funds in the form of grants to eligible organizations pursuant to Iowa Code section 80.47.

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

No methods exist that are less costly than the rescission of this chapter.

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?

There is no substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **661—Chapter 292**.

Regulatory Analysis

Notice of Intended Action to be published: 491—Chapter 1
"Organization and Operation"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99D.7 and 99F.4
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 99D and 99F

Public Hearing

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

October 21, 2025	6200 Park Avenue, Suite 100
9 a.m.	Des Moines, Iowa

Public Comment

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

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

Purpose and Summary

Under Iowa Code sections 99D.9(1) and 99F.7(1), the Commission decides the number, location, and type of racetracks, gambling structures, and excursion gambling boats in Iowa. Those seeking to establish a new facility apply to the Commission for licenses. Under Iowa Code sections 99D.8A(3) and 99F.6(3), the Commission charges a fee to these applicants to defray the costs associated with background investigations of applicants and may set other license fees.

In 2000, the Commission set, by rule, a nonrefundable license application fee of $25,000. The fee is intended to offset the Commission's cost for processing the application. In addition, the fingerprinting and background costs are set at $30,000—but unlike the Commission application fee, the fingerprinting and backgrounding costs are refundable if the Department of Public Safety (Department) does not incur the full amount; conversely, the Department may require the applicant to pay additional amounts if the fingerprinting and background costs exceed $30,000.

The Commission's application fee has not increased in 25 years. Over those 25 years, the gaming market in Iowa has changed significantly. In both 2004 (ten applications across seven counties) and 2009 (five applications, each in a different county), the Commission received multiple applications at once as operators sought to expand the market. However, the market has matured and expansion has not been proposed as rapidly since 2009.

Most recently, the Linn County application cycle from 2024 into 2025 involved one application. The Commission's costs to evaluate that application—including travel for a site visit, holding an additional meeting to hear comments from the public on the application, retaining the services of independent market consultants, and other expenses attributable to reviewing the application—far exceeded the $25,000 application fee. Because the Commission cannot bill an applicant for additional costs under the current rule (unlike the Department's ability to do so for

backgrounding costs), the costs beyond $25,000 had to be absorbed by the Commission's appropriated budget.

The proposed rulemaking aims to prevent the Commission's budget from having to absorb unanticipated (and potentially significant) expenses from future applications and recognizes the changed Iowa market since the application fee was first established in 2000. First, the proposed rulemaking increases the initial application fee to acknowledge that nearly everything is more expensive now than it was 25 years ago. Second, the proposed rulemaking allows the Commission to bill an applicant for additional expenses beyond the initial fee. Third, as a counterbalance, the proposed rulemaking changes the nature of the fee; rather than being nonrefundable, any unused portion of the application fee is refundable if the application is denied or, if it is granted, after the facility opens.

Analysis of Impact

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

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

The proposed rulemaking expressly increases the costs for prospective applicants (qualified sponsoring organization, operator, or both) to seek a license to conduct gambling games or operate a gambling structure or excursion gambling boat.

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

Under Iowa Code section 99F.10(4)"e," existing licensees' regulatory fees are reduced each year by an amount equal to unexpended moneys from the previous fiscal year that were deposited into applicable Commission-related revolving funds. Because the proposed rulemaking would reduce the impact of application processing expenses on the Commission's budget, existing Iowa licensees may benefit from the proposed rulemaking in the form of a comparative reduction to their regulatory fees in years when an application is submitted to the Commission.

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:**

License applicants currently pay $25,000 to the Commission and $30,000 to the Department, totaling at least $55,000 to submit a racetrack, gambling structure, or excursion gambling boat license application. The proposed rulemaking increases the Commission application fee to $250,000 and, in consultation with the Department, increases the fingerprinting and background costs to $50,000, totaling an increase to at least $300,000 for submission of any new racetrack, gambling structure, or excursion gambling boat license applications. However, because applicants will be responsible for a greater share of application processing expenses, there could be a corollary quantitative impact that comparatively reduces existing licensees' regulatory fees, as discussed in section 1 of this analysis.

- **Qualitative description of impact:**

An increase in application costs may deter some prospective applicants. However, the recalibrated cost figures could also have the effect of ensuring that any prospective applicants are financially responsible, as required by Iowa Code sections 99D.9(3)"b" and 99F.7(8)"b," and that any prospective applicants are prepared to invest significantly in their Iowa operations.

3. **Costs to the State:**

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

Minimal implementation costs may be required for the agency to update applicable forms and guidance documents explaining the license application process. However, the Commission anticipates that any such costs can be absorbed as part of regular duties for Commission staff.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to impact State revenues. Although the application fees are proposed for increase, any unused portion of the fees would be refunded to the applicant.

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

This comparison weighs in favor of the proposed rulemaking. If the rulemaking is completed, the costs are minimal and the benefits include a reduced likelihood of budgetary strain for the Commission and the State caused by incurring significant application processing expenses beyond the application fee. By contrast, inaction would leave the application fee at the level initially set 25 years ago in a vastly different Iowa gaming market.

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

The Commission has not identified less costly methods or less intrusive methods for achieving the purpose of the proposed rulemaking.

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

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

A former Commission rule expressly limited the number of licenses in Iowa, but the Commission rescinded that rule in 2004. Reinstating a similar rule could be an option to reduce the Commission's expenses incurred in processing license applications. In other words, if a license application would not be granted because a new license would exceed the numerical limits established by rule, then applicants would be unlikely to submit one in the first place, and so the Commission would not face the possibility of incurring additional application processing expenses.

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

Under Iowa Code sections 99D.7(1) and 99F.4(1), the Commission selects, among competing applicants, the applicant that best serves the interests of the citizens of Iowa. Thus, a rule expressly limiting the number of licenses was rejected because it is comparatively inflexible and does not account for possible proposals, including many years into the future, that might demonstrate a net benefit to the State.

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 does not have a substantial impact on small business. For example, the proposed rulemaking does not address schedules or deadlines for compliance and does not address standards for performance or design.

Text of Proposed Rulemaking

ITEM 1. Amend subrule 1.5(1) as follows:

1.5(1) *Racing, gambling structure, or excursion gambling boat license application.* This form ~~shall contain~~ contains at a minimum the full name of the applicant, all ownership interests, balance

sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal action, location and physical plant of the facility, and description of proposed operation. The form may include other information the commission deems necessary to make a decision on the license application. The ~~qualified nonprofit corporation and the boat operator, if different than the qualified nonprofit corporation, shall pay a nonrefundable application fee in the amount of $25,000 to offset the commission's cost for processing the application. Additionally, the applicant shall remit an investigative fee of $30,000 to the department of public safety to do background investigations as required by the commission. The department of public safety shall bill the applicant/licensee for additional fees as appropriate and refund any unused portion of the investigative fee within 90 days after the denial or operation begins.~~ applicant or applicants also pay or remit the following fees:

a. An initial application fee in the amount of $250,000 to the commission to cover the commission's actual expenses incurred in processing and evaluating the application. Actual expenses may include but are not limited to the cost of appropriate meeting spaces, facilities, and equipment; transportation, lodging, meals, and other travel-related expenses; and market feasibility studies the commission conducts or other consultants the commission retains. The commission will bill the applicant or licensee for additional expenses beyond the initial application fee as appropriate and will refund any unused portion of the fee within 90 days after the license is denied or within 90 days after operation begins.

b. An investigative fee of $50,000 to the department of public safety to complete background investigations. The department of public safety will bill the applicant/licensee for additional fees as appropriate and will refund any unused portion of the investigative fee within 90 days after the license is denied or within 90 days after operation begins.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 136
"Lighting"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"
State or federal law(s) implemented by the rulemaking: None

Public Hearing

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

October 22, 2025 1 to 1:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 558 203 18#

Public Comment

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

Chris Poole
800 Lincoln Way
Ames, Iowa 50010
Email: chris.poole@iowadot.us

Purpose and Summary

The Department proposes to permanently rescind Chapter 136 and instead publish guidance in an operational manual that covers the requirements and procedures for entities to request the installation of lighting at the intersection of a side road or entrance with a primary road. The manual will be available on the Department's website.

Analysis of Impact

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

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

The rescission of this chapter does not impose any costs. However, the following costs will continue under the guidance in the operational manual. Entities such as cities and counties that choose to apply for approval to place lighting and end up installing lighting will bear those costs.

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

Moving the guidance to an operational manual will continue to benefit applicants, such as cities, counties, and commercial establishments.

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:**

Rescinding this chapter does not cause a quantitative impact. Entities wishing to install lighting at an intersection with a primary road will still need to submit a request to the Department that will be reviewed for approval.

- **Qualitative description of impact:**

Rescinding this chapter does not cause a qualitative impact.

3. **Costs to the State:**

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

Costs to the Department include the staff time associated with the processing of lighting requests.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no costs due to rescinding this chapter and moving the content to an operational manual.

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

The Department determined it would be less intrusive to include the guidance in an operational manual.

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

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

There is no Iowa Code section requiring these rules. Therefore, the Department is proposing to permanently rescind this chapter and plans to instead include the guidance in an operational manual.

- **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?

There is no impact on small business due to rescinding the chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 136**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 150
"Improvements and Maintenance on Primary Road Extensions"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 306A and 318 and sections 17A.9A, 307.12(1)"j," 309.1, 313.4, 313.5, 313.21 through 313.24, 313.27, 313.36, 314.5, 314.6, 318.1, 321E.3 and 362.2

Public Hearing

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

October 21, 2025 1 to 1:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 927 872 218#

Public Comment

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

Tina Greenfield
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.357.0965
Email: tina.greenfield@iowadot.us

Purpose and Summary

The Department proposes to rescind and repromulgate Chapter 150. This chapter defines responsibilities, requirements, and procedures for construction and maintenance on primary road extensions within cities and responsibilities for facilities commonly impacted by these activities, including traffic signals, lighting, bridges, intersection paint markings, signs, and rights-of-way. This proposed chapter was reorganized to improve readability and includes several clarifications to the definitions and maintenance responsibilities outlined in the chapter. Responsibilities for previously unmentioned features, including bike lanes, bridge graffiti removal, and roundabout center islands, were added.

Analysis of Impact

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

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

The persons who will bear most of the direct costs are the cities or the Department, depending on the nature of the repair or improvement being considered.

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

This proposed chapter will continue to benefit cities and the Department in providing statewide consistency and predictability in how costs and responsibilities for projects are divided and reduces time spent in negotiation between the two parties.

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:**

Under this proposed repromulgated chapter, cities and/or the Department will continue to be responsible for various aspects of highway maintenance or improvement, such as traffic signals, lighting, bridges, intersection paint markings, signs, and rights-of-way. This proposed chapter contains several copy and formatting edits, as well as several clarifications to definitions and maintenance responsibilities. Responsibilities for previously unmentioned features, including bike lanes, bridge graffiti removal, and roundabout center islands, were added.

- **Qualitative description of impact:**

Repromulgating this chapter will provide the Department and cities with a clear distinction of costs and responsibilities on primary extensions.

3. **Costs to the State:**

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

In some situations, cities and the Department will need to enter into maintenance or construction agreements.

- **Anticipated effect on State revenues:**

None have been noted.

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

There are no costs due to repromulgating this chapter. However, the direct costs to cities or the Department would potentially be split differently and inconsistently if no guidance was in place.

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

The Department considered publishing an Instructional Memorandum instead of rules; however, this proposed chapter was favored due to the need for providing consistent and predictable separation of costs for the many cities statewide that would be impacted by common primary highway maintenance and construction needs. Applicable projects can cost millions of dollars, so the structure of a chapter outlining clear expectations was determined to be beneficial and appropriate.

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

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

The Department considered permanently rescinding this chapter and replacing it with an Instructional Memorandum.

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

An Instructional Memorandum was not found to have as much rigor as a rule chapter, which the Department determined was necessary given the costs involved and the need to establish clear and consistent expectations.

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 due to rescinding and repromulgating this chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 150 and adopt the following **new** chapter in lieu thereof:

PRIMARY ROAD EXTENSIONS

CHAPTER 150
IMPROVEMENTS AND MAINTENANCE ON PRIMARY ROAD EXTENSIONS

761—150.1(306,306A,307,318,362) General.

150.1(1) *Information.* Information regarding this chapter is available from the Maintenance Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1547.

150.1(2) *Definitions.*

"Access control limits" means the area where the department has acquired access rights in accordance with 761—Chapter 112.

"City" means a municipal corporation as defined in Iowa Code section 362.2.

"Curbed cross section" means a roadway with outside raised paved edges or rims (commonly called "curbs") used for storm water drainage. Raised medians or inside curbs alone are not sufficient to constitute a curbed cross section.

"Encroachment" means an item that is supported or located on the highway right-of-way or that overhangs into the airspace of the highway right-of-way.

"Freeway" means a fully controlled access primary highway. The rights of ingress and egress from abutting properties have been legally eliminated by the department. Permanent access to the freeway is allowed only at interchange locations. For the purpose of this chapter, a freeway is generally five or more miles in length.

"MUTCD" means the "Manual on Uniform Traffic Control Devices" as adopted in 761—Chapter 130.

"Nonfreeway primary highway" means a primary highway that is not a freeway.

"Obstruction" means the same as defined in Iowa Code section 318.1.

"Right-of-way" means the land for any public road, street or highway, including the entire area between the property lines.

"Urban-state traffic engineering program" or *"U-STEP"* refers to a department program that is intended for use by any Iowa city in order to solve traffic operations and safety problems on primary roads in Iowa cities as documented on the department's "Grants and Programs" website at www.iowadot.gov/transportation-development/grant-programs/grant-program-list.

"Utility" means the same as defined in Iowa Code section 306A.13.

This rule is intended to implement Iowa Code sections 306.2, 306.3, 306A.13, 307.12(1)*"j,"* 318.1 and 362.2.

761—150.2(306,306A,307,313,314) Improvements and maintenance on extensions of freeways.

150.2(1) *Construction.* Except as otherwise provided, the department shall be responsible for all right-of-way and construction costs associated with the construction of freeway extensions.

a. The city shall be responsible for providing, without cost to the department, all necessary rights-of-way that involve dedicated streets or alleys.

b. The city may be responsible for providing, without cost to the department, all necessary rights-of-way that involve other city-owned lands, except parklands, subject to the condition that the department may reimburse the city for the functional replacement value of improved property and advanced purchases negotiated by the city for project purposes.

c. Outside the access control limits, the department shall be responsible for the costs of construction of longitudinal and outlet storm sewers made necessary by highway construction in the proportion that the street right-of-way of the primary road extension bears to the total drainage area to be served by the proposed sewers. The city shall be responsible for the remaining portion of storm-sewer costs not paid for by the department.

d. The department shall be responsible for all storm sewer-related costs within the access control limits.

150.2(2) *Maintenance.* The department shall enter into an agreement with a city regarding the maintenance of primary roads within the corporate city limits. This is intended to include corporate line roads, when appropriate. Unless otherwise mutually agreed to and specified in the agreement, the maintenance of freeway extensions within the corporate city limits, including corporate line roads, shall be as follows:

a. The department shall be responsible for all maintenance costs on the through roadway, the on and off ramps, and the roadside features from right-of-way line to right-of-way line.

b. Where city streets cross the freeway, the department shall be responsible for:

(1) Roadside maintenance within the freeway right-of-way.

(2) Surface drainage of the freeway right-of-way.

(3) Traffic signs and pavement markings required for freeway operation.

(4) Guardrail at piers and guardrail at bridge approaches.

(5) Expansion relief joints in approach pavement and approach panel leveling and maintenance.

(6) All maintenance of bridges, including deck repair, structural repair, berm slope protection, painting, and inspection, except as noted in paragraph 150.2(2)*"c."*

(7) Graffiti removal on bridges and abutments within the freeway right-of-way.

c. Where city streets cross the freeway, the city shall be responsible for:

(1) All roadside maintenance outside the freeway right-of-way.

(2) All pavement, subgrade and shoulder maintenance on the cross street except expansion relief joints and bridge approach panel leveling or repair.

(3) All traffic lane markings on the cross street.

(4) Snow removal on the cross street, including bridges over the freeway and through ramp terminals.

(5) Cleaning and sweeping bridge decks on streets crossing over the freeway.

d. The city shall be responsible for maintenance and repair of pedestrian overpasses and underpasses, including snow removal, painting, lighting and structural repairs.

e. Should local service roads or streets be constructed as a part of a project, upon completion they shall become a part of the city street system. The department shall not be responsible for the maintenance of these roads or streets and corresponding drainage structures.

150.2(3) *Lighting.*

a. The department shall be responsible for:

(1) The cost of installation of lighting on the main-traveled-way lanes and the on and off ramps, including the terminals with cross streets when the department determines that lighting is required under established warrants.

(2) The energy and maintenance costs of lighting on the main-traveled-way lanes.

(3) The energy and maintenance costs of lighting through interchange areas and ramps at interchanges between freeways that do not provide service to local streets.

(4) The energy and maintenance costs of lighting in interchange areas at interchanges between freeways and primary roads that are on corporate lines.

(5) At interchanges with city cross streets, the energy and maintenance costs of lighting on the main-traveled-way lanes, on and off ramps, ramp terminals, and, when the department determines full interchange lighting is required, the cross street between the outermost ramp terminals.

b. The department shall not be responsible for:

(1) The installation, energy and maintenance costs of any lighting on cross streets in advance of interchanges and between the outermost ramp terminals at interchanges where the department determines partial interchange lighting or no lighting is required.

(2) The installation, energy and maintenance costs of any lighting on pedestrian overpasses, pedestrian underpasses, bicycle overpasses or bicycle underpasses. The city may elect to provide lighting at its own expense.

c. Warrants for the lighting of freeways shall be according to the 2018 "AASHTO Roadway Lighting Design Guide." The AASHTO publication may be ordered from the website www.transportation.org. The publication may be inspected at the department's maintenance bureau.

This rule is intended to implement Iowa Code sections 306.4, 306.42, 307.12(1)*"j,"* 313.4, 313.5, 313.21 through 313.24, 313.27, 313.36, 314.5 and 314.6 and chapter 306A.

761—150.3(306,306A,307,309,313,314,321E) Improvements and maintenance on extensions of nonfreeway primary highways.

150.3(1) *Construction.*

a. The department shall be responsible for all right-of-way and construction costs to construct nonfreeway primary highway extensions to the minimum design criteria as established by the department. Construction improvement costs beyond minimum design criteria shall be the responsibility of the city, as specified in the project agreement. Minimum design criteria shall be in accordance with "A Policy on Geometric Design of Highways and Streets, 2018" (Seventh Edition AASHTO Green Book). The AASHTO publication may be ordered from the website www.transportation.org. The publication may be inspected at the department's maintenance bureau.

b. The city shall be responsible for providing, without cost to the department, all necessary rights-of-way that involve dedicated streets or alleys.

c. The city may be responsible for providing, without cost to the department, all necessary rights-of-way that involve other city-owned lands, except parklands, subject to the condition that the department may reimburse the city for the functional replacement value of improved property and advanced purchases negotiated by the city for project purposes.

d. The city shall take all necessary legal action to discontinue and prohibit any past or present use of project rights-of-way for private purposes. The city shall prevent any future encroachment or obstruction within the limits of project rights-of-way.

e. The department shall be responsible for the costs of construction of longitudinal and outlet storm sewers made necessary by highway construction and construction of local service roads developed as a part of the construction or reconstruction of the through traffic lanes in the proportion that the right-of-way of the primary road extension bears to the total drainage area to be served by the proposed sewers. The city shall be responsible for the remaining portion of storm-sewer costs not paid for by the department.

f. Unless otherwise mutually agreed to and specified in the project agreement, the department shall be responsible for the cost of acquiring rights-of-way and construction of local service roads developed as a part of the construction or reconstruction of the through traffic lanes.

150.3(2) *Maintenance.* The department shall enter into an agreement with a city regarding the maintenance of primary roads within the corporate city limits. This is intended to include corporate line roads, when appropriate. Unless otherwise mutually agreed to and specified in the agreement, the maintenance of nonfreeway primary highway extensions within the corporate city limits, including corporate line roads, shall be as follows:

a. On primary roads constructed with a curbed cross section, the department shall be responsible for:

(1) Maintenance and repairs to pavement and subgrade from face of curb to face of curb exclusive of parking lanes, culverts, intakes, manholes, public or private utilities, sanitary sewers and storm sewers.

(2) Primary road signing for moving traffic as set out in subrule 150.4(1), pavement markings for traffic lanes, guardrail and stop signs at intersecting streets.

(3) Surface drainage only, within the limits of pavement maintenance.

(4) Plowing of snow from the traffic lanes of pavement and bridges and treatment of traffic lanes with abrasives and chemicals.

(5) Inspection, painting and structural maintenance of bridges as defined in Iowa Code section 309.1.

b. On primary roads constructed with a rural cross section (no curb), the department shall be responsible for all maintenance, except tree removal, sidewalks, retaining walls and repairs due to utility construction and maintenance, which shall be the city's responsibility.

c. On primary roads constructed with a curbed cross section, the city shall be responsible for:

(1) Maintenance and repairs to pavement in parking and bicycle lanes, intersections beyond the limits of department pavement maintenance, curbs used to contain drainage, and repairs to all pavement due to utility construction, maintenance and repair.

(2) Painting of parking stalls, stop lines and crosswalks, and the installation and maintenance of flashing lights. Pavement markings shall conform to the MUTCD.

(3) Maintenance of all storm sewers, manholes, intakes, catch basins and culverts used for collection and disposal of surface drainage.

(4) Removal of snow windrowed by departmental plowing operations, removal of snow and ice from all areas outside the traffic lanes, loading or hauling of snow which the city considers necessary and removal of snow and ice from sidewalks on bridges used for pedestrian traffic.

(5) Maintenance of sidewalks, retaining walls and all areas between curb and right-of-way line.

(6) Cleaning, sweeping and washing of streets.

(7) Maintenance and repair of pedestrian or bicycle overpasses and underpasses, including snow removal, painting and structural repairs.

(8) Roundabout center islands.

d. The city shall comply with the access control policy of the department as adopted in 761—Chapter 112 and obtain prior approval from the department for any changes to existing entrances or for the construction of new entrances.

e. Drainage district assessments levied against the primary road within the corporate limits of the city shall be shared equally by the department and the city.

f. Should local service roads or streets be constructed as a part of a project, upon completion they shall become a part of the city street system. The department shall not be responsible for the maintenance of these roads or streets and corresponding drainage structures.

150.3(3) *Lighting.*

a. The department shall not be responsible for the installation, energy, and maintenance costs of lighting on extensions of nonfreeway primary highways. The city may elect to provide lighting at its own expense. However:

(1) For cities with a population of 5,000 or fewer, the department may elect to install interchange or intersection lighting and to be responsible for or to participate in the energy and maintenance costs of this lighting.

(2) On a new construction project that results in a predominately fully controlled access highway, but incorporates some nonfreeway segments, the department may elect to participate in the installation of lighting at conflict points if the city agrees to be responsible for the energy and maintenance costs of this lighting.

b. At corporate line primary road junctions, the lighting shall be installed where necessary by the department in accordance with department warrants. The department shall be responsible for the installation costs. Unless otherwise agreed, the energy and maintenance costs shall be shared by the

city and department in proportion to the number of luminaires in each jurisdiction as established by the corporate line. When and if the corporate line is extended to include any part of the lighting installation or a greater proportion of luminaires, the proportionate costs for maintenance and energy shall be redetermined on the basis of the number of luminaires in each jurisdiction as established by the new location of the corporate line.

This rule is intended to implement Iowa Code sections 306.4, 306.42, 307.12(1)*"j,"* 309.1, 313.5, 313.21 through 313.24, 313.27, 313.36, 314.5, 314.6 and 321E.3 and chapter 306A.

761—150.4(306,306A,307,313,314,318) General requirements for primary road extensions.

150.4(1) *Signing.*

a. The department shall be responsible for permanent traffic control signing on primary road extensions.

b. The department shall not be responsible for construction and maintenance work zone signing unless the work is being done by the department.

c. The department shall not be responsible for street name signs, any regulatory parking signs that denote special regulations as may be determined by the city in cooperation with the department, and those signs that regulate parking as to time, hours and days of the week.

d. The department shall not be responsible for signs facing traffic on primary road extensions that regulate traffic movements on city cross streets (one-way traffic).

e. "Business District" signs on primary road extensions may be permitted upon application by the city to the department.

f. All signing within the right-of-way shall conform to the MUTCD.

150.4(2) *Encroachments and obstructions.*

a. The city shall remove any existing obstructions within the highway right-of-way and prevent any future obstructions from occurring within the highway right-of-way in a manner consistent with Iowa Code chapter 318.

b. The city shall remove any existing encroachments and prevent any future encroachments from occurring within the highway right-of-way, except those authorized or permitted by the highway authority. Under no circumstances shall an overhanging sign or awning be allowed within two feet of the inside edge of the curb (also known as the face of the curb, which is that part of the curb that is next to traffic) or within two feet of the edge of the pavement in the absence of a curb. Any encroachments authorized or permitted by the highway authority shall be in accordance with Iowa Code chapter 318.

150.4(3) *Pedestrian, equestrian, and bicycle routes (sidewalks).*

a. The department shall remove and replace portions of existing routes as required by construction.

b. The department will consider the impacts to pedestrian accommodation at all stages of the project development process and encourage pedestrian accommodation efforts when pedestrian accommodation is impacted by highway construction. The cost of pedestrian accommodation made at the time of the highway improvement may be considered an additional roadway construction cost. Providing pedestrian accommodation independent of a highway construction project may be considered with construction funding obtained from local jurisdictions or other federal and non-road use tax state sources.

c. If a project is initiated by the department, the department shall fund 100 percent of all curb ramps, turning spaces, transitions, sidewalks, curb drops and pedestrian signals within the right-of-way of primary road extensions to meet the requirements of the Americans with Disabilities Act of 1990 (ADA) as amended by the ADA Amendments Act of 2008 (PL 110–325), codified at 42 U.S.C. 12101 et seq., if such improvements are in the project.

d. If a project is initiated by a local jurisdiction, the department may participate by funding 55 percent of the cost of constructing curb ramps, turning spaces, transitions, sidewalks, curb drops and pedestrian signals on existing sidewalks within the right-of-way of primary road extensions to meet

the requirements of the Americans with Disabilities Act if such improvements are in the project. However, departmental participation shall not exceed $250,000 per year for any one local jurisdiction and $5 million per year in total.

150.4(4) *Overpasses and underpasses for pedestrian, equestrian, and bicycle routes.*

a. During initial construction of freeways and other relocated primary road extensions and when user-volumes and topographic conditions warrant the construction of a separation, the cost shall be shared between the department and the city on the basis of the current U-STEP cost apportionment.

b. The department may participate in a city-initiated separation that is not included in the department's "Five-Year Iowa Transportation Improvement Program."

150.4(5) *Utility relocation and removal.*

a. The city shall relocate or cause to be relocated, without cost to the department, all city-owned utilities necessary for construction when these utilities are within the existing street or alley right-of-way. The department shall reimburse the owner of a utility that is located on private right-of-way for the costs of relocation or removal, including the costs of installation in a new location.

b. The city shall comply with the utility accommodation policy of the department as adopted in 761—Chapter 115.

150.4(6) *Project concept statements and predesign project agreements for proposed construction projects.*

a. As early as possible after an urban project is included in the department's "Five-Year Iowa Transportation Improvement Program," a concept statement for the project shall be developed and shall be reviewed with the officials of the city prior to the public hearing.

b. During the design process, a predesign project agreement may be submitted to city officials for their approval. It shall include all the following:

(1) A preliminary description of the project.

(2) The general concepts of the project.

(3) Responsibilities for right-of-way acquisition, storm sewer costs and utility adjustment costs.

(4) The parking and access control restrictions to be applied to the project.

(5) Financial participation above minimum standards.

150.4(7) *Preconstruction project agreements for proposed construction projects.*

a. The department shall maintain a close liaison with the city during the development of the project plan so that all parties will be fully informed of the details involved in the proposed improvement.

b. When the plan is sufficiently complete to provide typical cross sections, plan and profile drawings and incidental details, the department shall submit a preconstruction project agreement, which shall include known design data, to city officials for their approval. Terms for reimbursement to the state and local financial participation shall be stated in this agreement.

c. Modifications to this agreement necessitated by design changes encountered during construction shall be made by an extra work order agreed to in writing by the city, the contractor, and the department.

150.4(8) *Traffic signals.*

a. All traffic signal installations shall meet the standards and warrants established in the MUTCD.

b. When replacing pavement or adding lanes, the department may, by agreement, install or replace warranted traffic signals (including pedestrian-only signals) at no cost to the city.

c. When new or upgraded traffic signals (including pedestrian-only signals) are part of a pavement maintenance or stand-alone traffic signal project, the department may, by agreement, participate in installation costs with its maximum share limited to that based on the current U-STEP cost-sharing policy. The city is responsible for preparing plans, awarding the contract, supervising installation, and covering the remaining costs.

d. Signal modifications to coordinate with other city systems (outside the primary road extension system) are the city's full financial responsibility.

e. The department will not fund signals intended solely for commercial use or signalization of primary road stub routes ending within the city.

f. The department does not assume ownership or responsibility for any energy or maintenance costs for traffic signals.

g. Signal phasing, initial and future, as well as timing and coordination between intersections shall be coordinated between the department and the city.

150.4(9) *Overdimensional and overweight vehicles.* The city shall comply with all current statutes, rules and regulations pertaining to overdimensional and overweight vehicles using primary roads when issuing special permits for overdimensional and overweight vehicles.

This rule is intended to implement Iowa Code sections 306.4, 307.12(1)*"j,"* 313.21 through 313.24, 313.27, 313.36, 314.5 and 314.6 and chapters 306A and 318.

761—150.5(17A,307) Special circumstances.

150.5(1) *Waivers.* The director of transportation or the director's designee (director) may, in response to a written petition, waive provisions of this chapter in accordance with 761—Chapter 11. The written petition must contain the information as required in 761—subrule 11.5(2) and shall be submitted to the Rules Administrator, Office of the Director, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by email to the rules administrator's email address listed on the department's website at www.iowadot.gov/administrativerules.

150.5(2) *Waivers involving interstate highways.* The director shall not waive these rules if the request involves the interstate highway system, including its ramps, without the approval of the Federal Highway Administration.

This rule is intended to implement Iowa Code sections 17A.9A and 307.12(1)*"j."*

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 164
"Traffic Safety Improvement Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"

State or federal law(s) implemented by the rulemaking: Iowa Code sections 307.12(1)"j" and 312.2(11)

Public Hearing

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

October 21, 2025 2 to 2:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 617 310 92#

Public Comment

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

Jan Laaser-Webb
800 Lincoln Way
Ames, Iowa 50010
Email: jan.laaser-webb@iowadot.us

Purpose and Summary

The purpose of the Traffic and Safety Improvement Program is to provide funding for traffic safety improvements or studies on public roads under county, city or state jurisdiction. This proposed chapter establishes necessary regulation for effectively administering the program and defining eligibility requirements.

Analysis of Impact

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

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

These proposed rules do not impose a cost on any class of persons.

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

Public entities, such as cities and counties, will benefit from the 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:**

There are no quantitative impacts.

- **Qualitative description of impact:**

This proposed rulemaking increases the cap of funding that can be used for the Traffic Control Device category and Studies and Outreach category. This will provide more flexibility for the program, so that in years where there are many good quality projects in those categories and not as many in the site-specific category, all available funding can be awarded to better quality projects.

3. **Costs to the State:**

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

There are no implementation or enforcement costs incurred by these proposed rules.

- **Anticipated effect on State revenues:**

These proposed rules have no effect on State revenues.

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

The cost of inaction would result in less effective administration of the program. This would mean more staff hours being used to manage the program. There are no benefits to inaction. Since there is no cost to this proposed rulemaking, the benefits outweigh inaction.

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

There are no other methods that are less intrusive or less costly for achieving the purpose of these proposed rules.

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

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

No other alternatives were considered.

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

Benefits of having administrative rules include the ability to receive public comment and legislative review. Regulation is the most effective method for administering the Traffic Safety Improvement Program.

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 chapter does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 164 and adopt the following **new** chapter in lieu thereof:

CHAPTER 164
TRAFFIC SAFETY IMPROVEMENT PROGRAM

761—164.1(307,312) General.

164.1(1) *Definitions.*

"Commission" means the state transportation commission.

"Jurisdiction" means the department, a county, a city or any other public agency having responsibility for and control over a road or street.

"Other public agency" means any board, commission or agency having jurisdiction and control over roads and streets in any state park, state institution, and other state land road system.

"State park, state institution, and other state land road system" means the same as defined in Iowa Code section 306.3(10).

"Traffic safety improvement program" means the funding program created for traffic safety improvement projects pursuant to Iowa Code section 312.2(11).

164.1(2) *Information and forms.* Information, instructions and application forms may be obtained from the Traffic and Safety Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1557; or on the department's website at www.iowadot.gov/consultants-contractors/traffic-safety/programs/traffic-safety-improvement-program-tsip.

761—164.2(307,312) Program administration.

164.2(1) *Purpose.* The traffic safety improvement program provides funding for traffic safety improvements or studies on public roads under county, city or state jurisdiction.

164.2(2) *Local participation.* The department will administer the traffic safety improvement program as a statewide program and will coordinate local participation in review and evaluation of applications for funding.

164.2(3) *Funding.*

a. The traffic and safety bureau will review all applications and availability of funds in order to make funding recommendations to the commission. The commission may choose to fund all or part of a project or limit funding to specific work items. Funding may also be made dependent upon adherence to a time schedule or fulfillment of specified conditions.

b. The commission need not commit all funds available during a fiscal year. Funds not committed by the commission will be retained for subsequent programming cycles. Awarded funds not used within a specified period or remaining after project closure will be retained for subsequent programming cycles.

c. The maximum traffic safety improvement program funding for a site-specific improvement will not exceed $500,000. Total funding allotted for the traffic control device category will not exceed $750,000 annually. Total funding allotted for the studies and outreach category will not exceed $750,000 annually. All project costs exceeding the commitment of traffic safety improvement program funds shall be the responsibility of the applicant.

761—164.3(307,312) Eligibility.

164.3(1) *Applicant eligibility.* Any jurisdiction in the state of Iowa is eligible to apply for traffic safety improvement program funding. Applicants are to designate one jurisdiction as the principal contact for a project involving multiple jurisdictions.

164.3(2) *Project eligibility.* Projects located on a public roadway within the state of Iowa are eligible for funding. Projects located on a private road or for a private purpose are not eligible.

761—164.4(307,312) Project costs.

164.4(1) *Eligible project costs.*

a. Site-specific improvements category. Activities considered eligible for funding are those integral to the safety aspects of the project. Eligible activities include but are not limited to the following:

(1) Road modernization, upgrading or reconstruction.
(2) Intersection improvements.
(3) Right-of-way purchases.
(4) Drainage and erosion control measures.
(5) Traffic control devices.
(6) Traffic barriers and other roadside safety devices.
(7) Removal of trees and other fixed objects.

b. *Traffic control devices category.* The cost of materials purchased for initial installation of traffic control devices or replacement of obsolete traffic control devices is considered eligible for funding. Devices shall comply with the applicable warrants in the "Manual on Uniform Traffic Control Devices" (MUTCD) as adopted in rule 761—130.1(321).

c. *Studies and outreach category.* Activities considered eligible for funding include but are not limited to the following:

(1) Research addressing statewide traffic safety concerns.

(2) Studies addressing traffic safety concerns at specific locations.

(3) Initiatives emphasizing or improving traffic safety techniques or policies.

164.4(2) *Ineligible project costs.*

a. Any and all costs incurred prior to commission approval of funding for a project are ineligible.

b. Activities and costs not eligible for traffic safety improvement program funding within the site-specific improvements category include but are not limited to:

(1) Routine maintenance of a road, street, bridge, culvert or traffic control device.

(2) Contract administration costs.

(3) Design and construction engineering and inspection.

(4) Utility construction, reconstruction or adjustment, except as an integral part of a project.

(5) Sidewalks, shared-use paths, or railroad-highway crossings, except as an integral part of a project.

(6) Maintenance or energy costs for traffic control devices or lighting.

(7) Expenditures for items not related to the roadway.

c. Activities and costs not eligible for traffic safety improvement program funding within the traffic control devices category include but are not limited to:

(1) Maintenance or energy costs.

(2) Installation costs.

761—164.5(307,312) Applications. Applications address funding needs in one of three categories: site-specific improvements, traffic control devices, or studies and outreach. Application procedures for each funding category are distinct.

164.5(1) *Site-specific improvements category.* Applications in the site-specific improvements category shall be submitted electronically on forms provided on the department's website. Required information includes:

a. The applicant's name, mailing address, telephone number, and a designated contact person.

b. A preliminary project concept statement, including a location map and a sketch plan. Concepts are to be developed using engineering principles and are to include details to generate project cost estimates.

c. Justification for the proposed construction project. Justification may be based on a location's crash history, a location's crash risk, or recommendations from a traffic study.

d. Data showing the anticipated effect of the project on traffic safety. Data shall include crash history based on the department's current crash analysis software and the anticipated crash reduction as a result of the project.

e. An itemized cost estimate for the project including a list of the sources and amounts of supplementary funds for the project. Safety-related work items and quantities shall be listed separately.

f. A time schedule for the project.

g. The jurisdiction's official endorsement, where applicable, of the project and written assurance that the improved site will be adequately maintained for a specified period of time.

164.5(2) *Traffic control devices category.* Applications in the traffic control devices category shall be submitted electronically on forms provided on the department's website. Required information includes:

a. The applicant's name, mailing address, telephone number, and a designated contact person.

b. A list of the number and types of devices requested, and whether each is for initial placement or a replacement.

c. Justification for the requested devices, including compliance with the applicable warrants in the MUTCD as adopted in rule 761—130.1(321).

d. A cost estimate.

e. A time schedule for installation.

f. The jurisdiction's official endorsement of the traffic control device project and written assurance that the traffic control device will be adequately maintained for a specified period of time.

164.5(3) *Studies and outreach category.* Applications in the studies and outreach category shall be submitted electronically on forms provided on the department's website. Required information includes:

a. The applicant's name, mailing address, telephone number and a designated contact person.

b. A description of the proposed subject matter and the goals or expected results of the effort.

c. A cost estimate.

d. A time schedule.

761—164.6(307,312) Processing the application.

164.6(1) *Submission.*

a. The jurisdiction shall submit the complete application electronically to the traffic and safety bureau. An application may be submitted at any time.

b. Complete applications received before August 16 of each year will be evaluated for funding in the following state fiscal year.

c. An unfunded application may be resubmitted for consideration during a subsequent funding cycle.

d. An application may be withdrawn at any time.

164.6(2) *Approval of projects.* Department staff will prepare, with input from local officials, a proposed program of projects for each funding category and submit the programs to the commission for approval. The criterion for determining funding priorities in each category is the demonstrated relationship of the project to traffic safety.

761—164.7(307,312) Project agreement.

164.7(1) After the commission has approved funding, a project agreement shall be negotiated and executed between the department and the jurisdiction. The agreement shall specify the following:

a. Conditions for project funding, which may include such items as the responsibility for planning, design, right-of-way, contracting, construction, materials inspection, documentation and the criteria for each.

b. The funding level for the eligible work items.

164.7(2) The department will reimburse the jurisdiction for actual eligible project costs not to exceed the amounts authorized by the project agreement.

These rules are intended to implement Iowa Code sections 307.12(1)*"j"* and 312.2(11).

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 800
"Items of General Application for Railroads"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j," 327D.201 and 327G.24

State or federal law(s) implemented by the rulemaking: Iowa Code sections 307.12(1)"j," 307.26, 327C.38, 327C.41, 327C.42, 327D.201, 327F.31 and 327G.24

Public Hearing

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

October 29, 2025 10:30 to 11 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 533 261 96#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

This proposed chapter is intended to comply with Iowa Code chapters 327D and 327G, governing operations of railroads. These proposed rules implement annual reporting standards consistent with the Surface Transportation Board requirements, adopt by date certain federal laws addressing the removal of railroad tracks after abandonment or discontinuance and the process to review and approve a local jurisdiction's train speed ordinance and reference the procedure for acquisition or use of railroad right-of-way proposed for abandonment or trail use per 16 U.S.C. 1247(d). These proposed updates will bring uniformity and consistency to the industry.

Analysis of Impact

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

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

Iowa railroad operators are affected by this proposed chapter.

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

Public roadway users will benefit from 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:**

Reports are filed annually at the same prescribed date, electronically and consistent with those required by the Surface Transportation Board by all operating railroads in Iowa. Local jurisdictions

cover implementation and enforcement of train speed ordinances, coordination of track removal through roadways, and potential trail development of abandoned rail lines.

- **Qualitative description of impact:**

Documentation is received annually by the Department, and the statistical information provided is used in developing Department planning documents. Compliance with a train speed ordinance would be enforced by political subdivisions and local jurisdictions. Restoring roadway surface material and removal of tracks from discontinued railroad lines provides safety and continuity of road surface material. These proposed rules also provide consistent guidance for abandoned and discontinued rail lines.

3. **Costs to the State:**

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

The Department bears minimal costs of resources for oversight, review, and enforcement to implement this proposed chapter.

- **Anticipated effect on State revenues:**

There is no anticipated impact on State revenues.

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

The benefits of information received and data collected outweigh the minimal costs of resources used to process reports. The cost to local roadway jurisdictions varies depending on the enforcement of train speed ordinances. The level of effort required for Departmental review of submissions for train speed ordinances is minimal, and the volume does not create a negative impact. The cost to consider the use of abandoned railroad lines for interim trail use and rail banking processes would be a cost to the entity making the request of the right-of-way. The coordination to restore roadway surfaces with the railroads is at the expense of the railroad corporation.

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

There are no less costly or less intrusive methods to achieve the purpose of the proposed rules.

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

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

The Department did not consider alternatives for these proposed rules. The annual report submittal by railroad operators is consistent with the reports filed with the Surface Transportation Board. These proposed rules adopt federal law guidance and standards setting consistency and uniformity for these rules.

- **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 chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 800 and adopt the following **new** chapter in lieu thereof:

RAILROADS

CHAPTER 800
ITEMS OF GENERAL APPLICATION FOR RAILROADS

761—800.1(327C,327D,327F,327G) General.

800.1(1) *Definitions.*

"Crossing" means the point where the railroad tracks and highway meet at the same location.

"Railroad" means persons who own rail facilities or who are responsible for the rail facilities' operation and maintenance.

800.1(2) *Contact information.* Questions concerning this chapter may be directed to the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

800.1(3) *Federal citations.*

a. The department adopts the following portions of the Code of Federal Regulations, which are referenced throughout this chapter:

(1) 49 CFR Part 1152 (October 1, 2024).

(2) 49 CFR Part 1241 (October 1, 2024).

(3) 49 U.S.C. 20106 (August 3, 2007).

b. Copies of the federal code or regulations cited in this chapter are available from the state law library or online at www.govinfo.gov.

This rule is intended to implement Iowa Code sections 327C.38, 327C.41, 327C.42, 327D.201, 327F.31 and 327G.24.

761—800.2(307,327C,327D) Accounts. All railroads operating in Iowa, except those whose accounts are regulated by the Surface Transportation Board, are to maintain accounts using the generally accepted accounting principles of the financial standards accounting board. The accrual method of accounting is to be used.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 327C.42, and 327D.201.

761—800.3(327C,327D) Annual reports.

800.3(1) A railroad company submitting an annual report to the Surface Transportation Board under 49 CFR Part 1241 is to submit a copy of this report to the department on or before April 1 following the close of the calendar year. The "State Statistics" report includes: annual data on additions and deletions of mileage within the state; mileage operated within the state at the end of the year; railway operating revenues earned within the state; statistics on rail line operations within the state, including locomotive unit-miles, car-miles and ton-miles; revenue freight carried within the state by commodity class; and a freight density map showing gross ton-miles for the railroad company's system within the state.

800.3(2) A railroad company not required to submit an annual report to the Surface Transportation Board under 49 CFR Part 1241 is to submit an annual report to the department electronically on or before April 1 following the close of the calendar year.

This rule is intended to implement Iowa Code sections 327C.38, 327C.41, and 327D.201.

761—800.4(307,327F) Train speed ordinances. An ordinance or resolution adopted by a political subdivision that relates to the speed of a train in an area within the jurisdiction of the political subdivision is subject to department approval according to the following procedure:

800.4(1) The political subdivision is to submit the ordinance/resolution to the department supported by information or reasons that justify its approval by the department.

800.4(2) The department will notify the affected railroads.

800.4(3) The political subdivision and the affected railroads will have 30 days in which to submit position papers to the department before the department issues an order approving or disapproving the ordinance/resolution.

800.4(4) The department will issue an order approving or disapproving the ordinance/resolution in accordance with the following:

a. The department may approve the proposed ordinance/resolution only if the proposal satisfies the requirements of 49 U.S.C. 20106.

b. Generally, the department does not consider highway-railroad grade crossings or rail lines located near schools, residences, or commercial activities to be local safety hazards that can be remedied by train speed restrictions.

c. In making its decision, the department may also consider the following factors:

(1) Traffic density and speed.
(2) Accident frequency.
(3) Causes of accidents.
(4) Obstructions to visibility.
(5) Traffic controls at crossings.
(6) Population density.
(7) Resulting burden on the rail transportation system.
(8) Resulting benefit to residents of the political subdivision.

800.4(5) The department will mail notice of its order approving or disapproving the ordinance/resolution by certified mail, return receipt requested, to the political subdivision and the affected railroads.

800.4(6) If the department issues an order approving the ordinance/resolution, it will go into effect 25 days after the notice is mailed unless the order is contested pursuant to subrule 800.4(7).

800.4(7) Within 20 days after the notice is mailed, the political subdivision or an affected railroad may submit to the department a written statement contesting the department's order approving or disapproving the ordinance/resolution.

a. If the order is contested, 761—Chapter 13 applies.

b. If an order approving an ordinance/resolution is contested, the order shall be stayed pending the outcome of the contested case.

800.4(8) A submission to the department under this rule will be deemed timely submitted if it is delivered or postmarked within the time period specified.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 307.26 and 327F.31 and 2001 Iowa Op. Att'y Gen. #01-5-2.

761—800.5(327G) Removal of tracks from crossings.

800.5(1) 49 CFR Part 1152 contains the regulations governing the abandonment and discontinuance of railroad lines and rail transportation under 49 U.S.C. 10903 et seq. This part also contains the regulations and procedures for the acquisition or use of railroad rights-of-way proposed for abandonment for interim trail use and rail banking pursuant to 16 U.S.C. 1247(d).

800.5(2) A railroad corporation or its successor in interest having received authority to remove its tracks from a rail line pursuant to abandonment or interim trail use under 49 CFR Part 1152 is to, at the same time it removes its tracks from the railroad rights-of-way, remove its tracks from the crossings of highways, streets and alleys along the rail line and restore the surface of these crossings.

A crossing is to be restored in a manner specified by the agency having jurisdiction over the highway, street or alley at the crossing.

800.5(3) If a railroad corporation or its successor in interest fails to remove its tracks from and restore the surface of a crossing as specified in subrule 800.5(2), then the agency having jurisdiction over the highway, street or alley at the crossing may, at the expense of the railroad corporation or its successor in interest, remove the tracks and restore the surface 120 days after the tracks adjacent to the crossing have been removed.

This rule is intended to implement Iowa Code section 327G.24.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 802
"Notification of Railroad Accidents or Incidents"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"
State or federal law(s) implemented by the rulemaking: Iowa Code sections 327C.37 and 327C.41

Public Hearing

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

October 29, 2025 2:30 to 3 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 886 305 322#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

Chapter 802 explains the notification requirements when certain railroad accidents or incidents occur in Iowa and requires that railroads notify the Department's Traffic Management Center by telephone within 4 hours of a certain accident or incident and within 24 hours of a property-damage-only accident or incident. The Traffic Management Center promptly distributes the collected information and details to the Department's Modal Transportation Bureau for a review and a determination if an investigation is necessary. In accordance with Iowa Code section 327C.37, the Department must decide when it is necessary to notify the Governor when a railroad accident or incident occurs in Iowa.

Analysis of Impact

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

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

Iowa railroad operators will bear the costs of this proposed rulemaking.

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

The Department and transportation users 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:**

Reports are made only when a serious accident or incident occurs by an operating railroad in the State.

- **Qualitative description of impact:**

The Department's Traffic Management Center receives the initial phone notification of the accident or incident and electronically transmits details to the Department's Modal Transportation Bureau for a review and a determination if an investigation is necessary. The information provides details to the Traffic Management Center, so the Traffic Management Center can make an appropriate notification and response to the community and assess traffic impacts.

3. **Costs to the State:**

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

The Department bears no cost to implement this proposed chapter.

- **Anticipated effect on State revenues:**

There is no anticipated impact on State revenues.

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

Phone calls and reports are only made during an accident or incident. This timely notification is vital for safety of transportation users, incident response and first responders in the impacted area. Reports allow the Department to collect safety data on operations.

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

There is no less costly or intrusive method. Iowa Code section 327C.37 places the duty to investigate serious accidents or incidents on the Department. The required timely notification to the Department's Traffic Management Center is a minimal-cost method to provide timely details on the accident or incident. The data needs to be detailed and complete to properly respond to an occurrence.

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

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

The Department did not consider alternatives for the proposed chapter. The timely notification by the railroads to the Department when an accident or incident occurs is vital.

- **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?

The proposed chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 802 and adopt the following **new** chapter in lieu thereof:

CHAPTER 802
NOTIFICATION OF RAILROAD ACCIDENTS OR INCIDENTS

761—802.1(307,327C) Notification of railroad accidents or incidents.

802.1(1) *Accidents or incidents requiring notification.* Any accident or incident involving train movement that results in any of the following must be reported within 4 hours of the accident or incident to the department's traffic management center by telephone at 515.237.3300 (open year-round, 24 hours a day, including legal holidays):

a. Fatality.

b. Personal injury requiring hospitalization.

c. Derailment of ten or more rail cars and locomotives.

d. Derailment of any number of cars or locomotives when one or more are not upright.

e. Derailment or other incident involving a railroad passenger train.

f. Release or potential release of hazardous materials that presents a risk or potential risk to public safety including injury, fatality, evacuation or shelter-in-place of persons.

g. Damage to public or private transportation infrastructure not owned by the involved railroad.

802.1(2) *Property damage only.* Any accident or incident involving train movement that results in property damage only must be reported within 24 hours of the accident or incident in the same manner as provided in subrule 802.1(1).

802.1(3) *Content of notice.* The notice of an accident or incident is to provide, at a minimum, the following information:

a. Name of the railroad involved.

b. Name and contact information of the individual calling to file the notice.

c. Date and time the accident or incident occurred.

d. Location of the accident or incident, described as accurately as possible, including the nearest city and the U.S. DOT crossing identification number or railroad milepost.

e. Description of the accident or incident.

f. Impact on motor vehicle travel, if known.

g. Number of injuries and fatalities.

h. Hazardous materials involved in the incident and actions taken in the event of a release.

i. Number of rail cars derailed.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 327C.37 and 327C.41.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 810
"Railroad Safety Standards"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j," 327F.38 and 327F.39

State or federal law(s) implemented by the rulemaking: Iowa Code sections 307.12(1)"j," 307.26, 321.449A, 327C.4, 327F.38 and 327F.39

Public Hearing

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

October 29, 2025 3 to 3:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 387 225 265#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

This proposed chapter is intended to comply with Iowa Code sections 321.449A, 327C.4, 327F.38 and 327F.39, governing safety standards for railroad tracks and employee conditions. The rules adopt by reference, with dates certain, the Federal Railroad Administrations' federal regulation (49 CFR Part 213) and the Federal Motor Carrier Safety Administration's regulation (49 CFR Section 393.77). These federal regulations address track safety standards and heater equipment requirements in motor vehicles used to transport railroad workers. This proposed chapter establishes guidance regarding the availability of first aid and medical treatment for railroad employees and sets expectations for track inspection credentials. Additionally, this proposed chapter implements procedures for addressing violations of heating equipment requirements in vehicles used to transport railroad workers and rest periods for drivers transporting railroad workers. These proposed rules create consistency and uniformity of standard safety measures.

Analysis of Impact

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

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

Iowa railroad operators are affected by this proposed chapter.

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

Railroad employees and the Department will benefit from 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:**

Track inspections are conducted on railroad tracks by two track inspectors for the entire State. The inspections and heater requirements are consistent with the standards required by the Federal Railroad Administration for all railroads in Iowa.

- **Qualitative description of impact:**

Inspection of track conditions for the movement of freight and safety standards of railroad operations provides continuity of track conditions for the operations and movement of freight. Provisions to provide first aid and medical treatment to railroad employees are provided by the railroad operators. This proposed rulemaking provides consistent track standards for the industry and safe, comfortable transport of railroad employees.

3. **Costs to the State:**

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

The Department bears the costs of two track inspectors to conduct track inspections and enforcement in the State. There are minimal costs for the review, oversight and enforcement of the railroad employee safety provisions.

- **Anticipated effect on State revenues:**

There is no anticipated impact on State revenues.

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

The benefits of track safety standards and oversight of employee safety conditions outweigh the cost of resources used to complete the inspection and process review of complaints filed. Compliance with the safety conditions for first aid and medical treatment of railroad employees and the transport vehicle standards fall to the railroad operators. Railroad operators will benefit from the consistent requirements to operate and maintain track conditions in the industry. Railroad employees will benefit from access to medical resources and safe transport in vehicles.

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

There are no less costly or less intrusive methods to achieve the purpose of these proposed rules.

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

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

The Department did not consider alternatives for these proposed rules. The track inspection and safety standards are consistent with the standards of the Federal Railroad Administration. These proposed rules adopt federal law guidance and safety standards, setting consistency and uniformity for these rules. The vehicle transportation equipment standards are minimal and provide basic conditions for the transport of railroad employees.

- **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 chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 810 and adopt the following **new** chapter in lieu thereof:

CHAPTER 810
RAILROAD SAFETY STANDARDS

761—810.1(307,327C,327F) General.

810.1(1) *Federal citations.*

a. The department adopts the following portions of the Code of Federal Regulations concerning railroad track safety standards and heaters in vehicles.

(1) 49 CFR Part 213 (October 1, 2024).

(2) 49 CFR Section 393.77 (October 1, 2024).

b. Copies of the federal regulations are available from the state law library or online at www.govinfo.gov.

810.1(2) *Track inspection credentials.* Authorized department employees must be admitted to any railroad property to conduct safety inspections of the track and track structures and must present state identification cards upon request.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 307.26(5), 327C.4 and 327F.39.

761—810.2(307,321,327F) Railroad safety standards.

810.2(1) *First aid and medical treatment for railroad employees.*

a. Railroad employees who are injured in the course of employment are to have reasonable and adequate access to first aid or medical treatment. A railroad or railroad employee shall not:

(1) Deny, delay or interfere with first aid or medical treatment for any railroad employee who is injured in the course of employment.

(2) Discipline or threaten to discipline any railroad employee for requesting first aid or medical treatment when the employee is injured in the course of employment.

b. All railroads operating in the state must make reasonable efforts to have emergency first-aid kits available at locations where railroad employees perform their employment duties.

c. Nothing in this rule is to be construed to force a railroad or railroad employee to perform first aid or medical care.

810.2(2) *Heating system and driver rest period.*

a. Heater. Pursuant to Iowa Code section 327F.39(4), a motor vehicle used to transport railroad workers shall comply with the safety standards established in 49 CFR Section 393.77.

b. Driver rest period. A railroad worker transportation company and railroad worker transportation company driver are to comply with the rest period conditions of Iowa Code sections 321.449A and 327F.39(5).

c. Report procedure.

(1) A person is to report an alleged violation of paragraph 810.2(2)*"a"* or *"b"* in writing to the responsible railroad company at its corporate headquarters.

(2) If within 30 days the railroad company does not respond or if the response is unsatisfactory, the person may report the alleged violation to the department at the following address: Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

(3) The report is to include the date, time, weather conditions and all facts pertinent to the alleged violation; the name and contact information of the driver employed by the railroad worker transportation company; or the railroad worker transportation company alleged to have had a driver violate the provisions of the Iowa Code (if applicable). The report is to also include a copy of the railroad's response or, if the railroad failed to respond, proof of the date the report was submitted to the railroad.

(4) The director of the modal transportation bureau or the director's designee may request additional information from the person submitting the report, the railroad worker transportation company or the railroad.

(5) The director of the modal transportation bureau or the director's designee, which may include peace officers within the commercial motor vehicle unit of the department of public safety, may investigate the alleged violation.

(6) The director of the modal transportation bureau or the director's designee will issue a decision within 60 days of receipt of the report or 60 days after receipt of the requested additional information. The decision may include any order as necessary to enforce Iowa Code section 327F.39 as set forth in Iowa Code section 327F.39(6).

(7) The department will notify the person and the railroad of the decision.

(8) The decision is final agency action.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 307.26, 321.449A, 327F.38 and 327F.39.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 811
"Highway-Railroad Grade Crossing Warning Devices"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"

State or federal law(s) implemented by the rulemaking: Iowa Code sections 307.26, 321.252 and 327G.2

Public Hearing

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

October 30, 2025 9 to 9:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 589 425 80#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

The Department proposes to rescind Chapter 811 because this chapter is unnecessary. The Department already adopted the Manual on Traffic Control Devices (MUTCD) within 761—Chapter 130. Information concerning the standards for highway-railroad grade crossing warning devices is already available on the Department's website: Federal Aid Crossing Safety Program.

Analysis of Impact

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

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

Railroad operators will bear the cost of complying with the appropriate part of the MUTCD concerning the standards for highway-railroad grade crossing warning devices. The rescission of this chapter does not affect the costs.

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

The public will continue to benefit from consistent highway-railroad grade crossing standards.

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:**

Rescinding this chapter does not have a quantitative impact.

- **Qualitative description of impact:**

Rescinding this chapter does not have a qualitative impact.

3. **Costs to the State:**

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

There are no costs to the Department or other agencies due to rescinding this chapter.

- **Anticipated effect on State revenues:**

There is no effect on State revenues due to rescinding this chapter.

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

There are no costs due to rescinding the chapter. The benefits include the reduction of one chapter and the continual availability of standards on the Department's website and in 761—Chapter 130.

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

There are no less costly or less intrusive methods to achieve the purpose of rescinding the chapter.

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

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

The Department decided Chapter 811 was unnecessary and proposes to rescind the chapter. Information on the standards for highway-railroad grade crossing warning devices is available on the Department's website: Federal Aid Crossing Safety Program.

- **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?

There is no impact on small business due to rescinding the chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 811**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 812
"Classifications and Standards for Highway-Railroad Grade Crossings"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"
State or federal law(s) implemented by the rulemaking: Iowa Code section 307.26

Public Hearing

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

October 30, 2025 9:30 to 10 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 295 875 453#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

The Department proposes to rescind Chapter 812 because this chapter is unnecessary. Information on the classification and standards for highway railroad grade crossings is already available on the Department's website: Federal Aid Crossing Safety Program.

Analysis of Impact

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

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

The Department has a minimal cost to run an annual report to classify the railroad crossings in the State. The rescission of this chapter does not affect the costs.

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

Operating railroads and road authorities will continue to receive an annual report of the crossings classifications for the crossings under the operating railroads' and road authorities' jurisdictions and railroads' ownership if this chapter is rescinded.

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:**

Rescinding this chapter does not have a quantitative impact.

- **Qualitative description of impact:**

Rescinding this chapter does not have a qualitative impact.

3. **Costs to the State:**

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

There are no costs to the Department or other agencies due to rescinding this chapter.

- **Anticipated effect on State revenues:**

There is no impact to State revenues due to rescinding this chapter.

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

There are no costs due to rescinding the chapter. The benefits include the reduction of one chapter and the standards will continue to be available on the Department's website. The Department will continue to calculate the accident prediction for railroad crossing locations for uniform and consistent information.

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

There are no less costly or less intrusive methods to achieve the purpose of rescinding the chapter.

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

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

The Department decided this chapter was unnecessary and proposes to rescind Chapter 812. The formula and methodology used to classify crossings will continue to be available on the Department's website: Federal Aid Crossing Safety Program.

- **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?

There is no impact on small business due to rescinding the chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 812**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 813
"Close-Clearance Warning Signs Along Railroad Tracks"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 327F.13
State or federal law(s) implemented by the rulemaking: Iowa Code section 327F.13

Public Hearing

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

October 30, 2025 10:30 to 11 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 563 080 555#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

This chapter complies with Iowa Code section 327F.13 concerning close-clearance warning signs. These proposed rules define the criteria of a "close clearance," identify what type of obstructions warrant the placement of a warning sign and concern enforcement and reimbursement of close-clearance signing. If obstacles are unable to be removed and meet the close-clearance criteria, a railroad operator must place signage near the close clearance to notify railroad employees riding the side of a train of the safety concern.

Analysis of Impact

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

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

Railroad operators will bear the costs of this proposed rulemaking.

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

Railroad employees 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:**

The number of close-clearance obstructions requiring a sign placement are minimal.

- **Qualitative description of impact:**

If obstacles meeting a close clearance definition cannot be removed, a warning sign can alert railroad employees of the safety concern.

3. **Costs to the State:**

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

The Department only reimburses the owner if a complaint is filed, and the owner applies for funding. The reimbursement is limited to $100 per sign, and the Department has adequate funding to cover the costs for this program.

- **Anticipated effect on State revenues:**

There is no anticipated impact on State revenue.

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

The costs and benefits of this proposed chapter outweigh the costs and benefits of inaction. These proposed rules provide a safer environment for railroad employees.

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

The Department determined there was no less restrictive alternative to these proposed rules. Iowa Code section 327F.13 requires adoption of rules to implement placement of close-clearance warning signs.

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

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

The Department did not consider alternatives for these proposed rules. The placement of signs to warn of a close clearance is consistent with neighboring states and industry standards.

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

Regulation is the most effective method for managing close-clearance obstructions and needed warning signs for railroad employee safety.

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 chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 813 and adopt the following **new** chapter in lieu thereof:

CHAPTER 813
CLOSE-CLEARANCE WARNING SIGNS ALONG RAILROAD TRACKS

761—813.1(327F) General.

813.1(1) *Applicability.*

a. This chapter implements Iowa Code section 327F.13.

b. This chapter applies to railroad companies as well as industries, agricultural cooperatives or other entities that are owners of a railroad track, and this chapter applies to individuals who are owners of a railroad track.

813.1(2) *Contact information.* Information regarding this chapter is available from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by telephone, 515.239.1140.

813.1(3) *Definitions.*

"Close clearance" means a permanent or temporary situation where an obstruction near a railroad track physically impedes a person who is lawfully riding the side of a train from clearing the obstruction.

"Obstruction" means a building, machinery (other than equipment designed for operation on a railroad track when actually located on a railroad track), tree, brush or other object.

"Owner" means the railroad company, industry, agricultural cooperative, other entity or individual that holds a fee simple title, easement, leasehold, contract to purchase, license or other legal or equitable interest or right in the railroad track and is in primary possession and control of the railroad track.

"Tangent track" means a track segment without any curves.

761—813.2(327F) Close-clearance dimensions. Close clearance for a tangent track is a location along the railroad track where there is an obstruction that falls within the following dimensions: starting at the centerline of track at top of rail and extending 5 feet both sides horizontally and level therewith, thence upward vertically 15 inches, thence upward diagonally to a point 4 feet above top of rail and 8 feet laterally from centerline of track, thence vertically to a point 20 feet above top of rail, thence diagonally to a point 6 feet from centerline of track and 22 feet above top of rail, thence horizontally to centerline of track. Vertical clearance is to be 18 feet above top of rail at the entrance to and inside buildings. On curved track, clearances on each side of the track centerline are to be increased 1½ inches per degree of curvature (Figure 1).

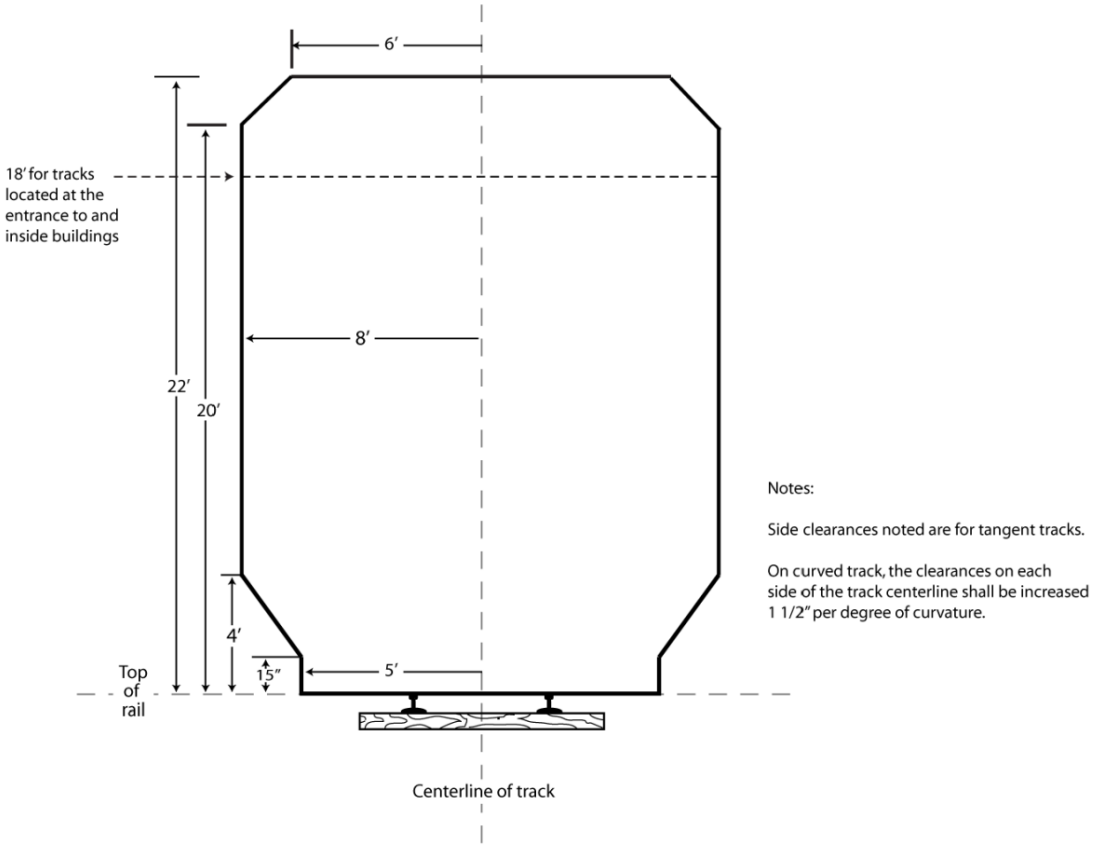


Figure 1

761—813.3(327F) Signing standards.

813.3(1) A close-clearance warning sign or signs are necessary at all locations where there is close clearance. It is the responsibility of the owner to ensure that all close-clearance locations have warning signs in accordance with this chapter and Iowa Code section 327F.13.

813.3(2) If an obstruction creating a close-clearance situation is a temporary or nonpermanent obstruction, in lieu of signage, the owner may remove the obstruction or remove the track from service until the obstruction is removed.

813.3(3) A close-clearance warning sign is to comply with the following:

a. Include the words "no clearance." The letters must be black on a white reflective background and be a minimum of three inches high.

b. Be a vertical sign not less than 42 inches in height and 4 inches in width.

c. Be placed at least one foot off the ground or on the obstruction and within three feet of the close-clearance location or on the obstruction. Signs are to be located on both sides of the obstruction so as to be visible from both directions.

d. Not be within eight feet of the centerline of the tracks.

813.3(4) In the event that the placement of the close-clearance warning sign according to paragraph 813.3(3)*"c"* or *"d"* does not provide adequate notice for a person who is lawfully riding the side of a train to prepare for the close clearance (such as a curve or other sight obstruction), an additional sign reading "no clearance ahead" is to be placed in a location that provides adequate notice to the person who is lawfully riding the side of the train so that the person may prepare for the close clearance. Depending on the particular environment that makes an additional no clearance ahead sign necessary, a no clearance ahead sign may be needed on one or on both sides of the obstruction so as to be visible from both directions.

813.3(5) In the event that the physical environment prevents the placement of a warning sign in accordance with paragraph 813.3(3)*"c"* or *"d,"* the sign is to be placed in a highly visible location that is clearly indicative of the point of close clearance. An alternative size and shape of sign may be used if there is no location available where a standard size and shape sign may be used. Any alternative sign must clearly be identifiable as an indicator of the close-clearance situation.

813.3(6) In limited situations where multiple instances of insufficient clearance occur within a confined area or over a distance, and where posting of multiple warning signs could on its own be a safety hazard, or where multiple signs would create a confusing environment, making it difficult to discern the areas that lack clearance, a sign reading "no clearance ahead" may be posted in lieu of multiple signs.

813.3(7) A line or other marker is to be maintained at a distance of eight feet from the centerline of the track on all platforms, excluding passenger platforms, to indicate the space along the edge of such platform that is to be kept clear of merchandise, material or other articles that could create a temporary close-clearance situation.

761—813.4(327F) Enforcement.

813.4(1) If the owner is provided written notice by an employee, a person working on or near the tracks or a railroad inspector that a location is in need of a close-clearance warning sign, the owner is to investigate and, if warranted, ensure the placement of a warning sign or signs within 30 calendar days of notification. If a close-clearance warning sign is not warranted, the owner is to inform the person who provided notice, in writing within 30 calendar days, that a sign is not warranted and explain why the location does not need a close-clearance warning sign.

813.4(2) If the owner fails to respond to a written notice by an employee or another person working on or near the tracks or if the employee or other person disagrees with the owner's determination that a warning sign is not warranted, the employee or other person may notify the department. The department will investigate and make a determination if the location warrants the placement of a close-clearance warning sign.

a. If the department determines a close-clearance warning sign is warranted, the department will notify the owner in writing. The owner shall have 14 calendar days from the date of the notification to install the proper warning sign. Failure to install the close-clearance warning sign is evidence that the owner is in violation of Iowa Code section 327F.13.

b. The owner, an employee or a person working on or near the tracks may contest the determination. If the determination is contested, 761—Chapter 13 applies.

761—813.5(327F) Reimbursement.

813.5(1) The owner may request reimbursement from the department for up to $100 per sign for the cost and installation of the close clearance or no clearance ahead warning sign.

813.5(2) To be reimbursed, the owner is to complete Form 291303, "Close-Clearance Warning Sign Certification." The form is available on the department's website at www.iowadot.gov or from the modal transportation bureau.

813.5(3) The owner is to submit the form to the modal transportation bureau and certify that the warning sign complies with the obligations in rule 761—813.3(327F) and provide proof of purchase.

813.5(4) The department may inspect, at any time, the sign installation to confirm that the warning sign meets the minimum obligations.

These rules are intended to implement Iowa Code section 327F.13.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 820
"Highway Grade Crossing Safety Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 327G.15
State or federal law(s) implemented by the rulemaking: Iowa Code sections 327G.15 and 327G.19

Public Hearing

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

October 30, 2025 11 to 11:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 788 229 945#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

Chapter 820 is intended to comply with Iowa Code section 327G.15, governing the processing of claims to the Highway Grade Crossing Safety Fund. This proposed chapter defines the eligibility for operating railroads to receive funds and provides an explanation of the reimbursement process, billing, and proration of claims to the Highway Grade Crossing Safety Fund. The Department adopts by reference, with date certain, the 2025 Revision of the American Railway Engineering and Maintenance-of-Way Association (AREMA) Communications and Signals Manual. This manual defines an AAR Signal Unit value. This value is assigned to the component parts of an active warning device and is used to determine the number of eligible units for each railroad to submit for reimbursement to the Highway Grade Crossing Safety Fund. These proposed rules ensure uniformity and consistency for the administration of the funds.

Analysis of Impact

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

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

In compliance with statute, the Department bears the cost of the rules to establish guidance for processing claims to the Highway Grade Crossing Safety Fund.

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

Operating railroads that have eligible crossing signal devices will benefit from these proposed rules that define the reimbursement process that assists with signal maintenance costs from the Highway Grade Crossing Safety Fund.

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:**

This proposed chapter allows operating railroads with qualifying signal devices to submit a claim to the Department for reimbursement from the Highway Grade Crossing Safety Fund. The reimbursement requests are processed annually until funds are fully expended. These proposed rules create consistent standards on which operating railroads are eligible to claim money from the fund and provides uniform reimbursement to the operating railroads.

- **Qualitative description of impact:**

These proposed rules result in a positive qualitative impact by building a partnership with operating railroads to assist in the maintenance costs of highway-railroad grade crossing signal devices that meet the program eligibility and enhance the overall safety of the roadway system.

3. **Costs to the State:**

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

There are minimal costs to the Department to process the reimbursement requests.

- **Anticipated effect on State revenues:**

There is no anticipated 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 these proposed rules is demonstrated annually by the volume of applications for reimbursement the Department receives. The claims received annually exceed the Department's ability to reimburse the participants at 75 percent of the maximum maintenance costs per claim. The Department must provide a reduced amount instead that depends on the number of claims and money available in the fund. Participation in the fund offsets annual maintenance costs of active warning devices ordered and agreed to be installed on or after July 1, 1973.

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

The Department determined there are no less costly or less intrusive methods to achieve the purpose of the chapter.

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

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

The Department did not consider alternatives.

- **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 chapter has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 820 and adopt the following **new** chapter in lieu thereof:

CHAPTER 820
HIGHWAY GRADE CROSSING SAFETY FUND

761—820.1(327G) General.

820.1(1) *Purpose.* This chapter establishes requirements for use of the safety fund to reimburse railroads for a portion of the maintenance costs associated with active warning devices.

820.1(2) *Definitions.*

"AAR signal unit" means the relative maintenance difficulty value assigned to component parts of an active warning device. Units and interpretations are designated by the 2025 Revision of the American Railway Engineering and Maintenance-of-Way Association (AREMA) Communications and Signals Manual, Volume 1, Section 1 (1.3.2) [Recommend Table of Signal and Interlocking Units and Interpretations]. The AREMA publication may be ordered from the website www.arema.org. A member of the public with questions about specific content in the AREMA may contact the department's modal transportation bureau.

"Active warning devices" means traffic control devices activated by the approach or presence of a train, such as flashing light signals, flashing light signals with cantilever assemblies, and flashing light signals with automatic gate arms, all of which actively warn motorists of a train.

"Maintenance costs of active warning devices" means costs incurred by a railroad associated with the repair or replacement of obsolete, worn out, damaged or missing component parts of an active warning device. Maintenance costs include repair or replacement of damaged, vandalized or stolen component parts only for that amount that exceeds the amount recovered from the liable party or the liable party's insurer.

"Safety fund" means the highway grade crossing safety fund established in Iowa Code section 327G.19 and administered by the department.

820.1(3) *Information and submissions.* For information or submissions on this chapter, contact Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or call 515.239.1108. Submissions may be electronically filed with the safety fund program manager.

761—820.2(327G) Eligibility and reimbursement.

820.2(1) *Eligible costs of warning devices.* The safety fund provides moneys for the annual maintenance costs of active warning devices ordered or agreed to be installed on or after July 1, 1973, as stated in the individual order or agreement.

a. Orders or agreements that provide for revision of the maximum amount that can be expended from the safety fund by reason of amendment to Iowa Code section 327G.15 are binding. These orders and agreements were amended to read: The fund's participation for calendar years preceding 1977 will be equal to that of the railroad but limited to a maximum of $450 for any one year, for any one crossing; and for calendar year 1977 and subsequent years, the fund may participate in an amount of up to 75 percent of annual maintenance costs of active warning devices based upon a cost for each eligible AAR signal unit.

b. Orders or agreements issued on or after March 8, 1978, provide that the safety fund may be used to participate in an amount of up to 75 percent of the annual maintenance costs of active warning devices based upon a cost for each eligible AAR signal unit.

c. Participation in annual maintenance costs is on a reimbursement basis.

820.2(2) *Reimbursement.*

a. Reimbursement to a railroad for its active warning devices that are eligible for reimbursement under this rule equals the number of AAR signal units for that railroad's eligible active warning devices times the average annual maintenance cost per AAR signal unit times the percentage of participation.

(1) Each railroad is to tabulate the number of AAR signal units for each eligible warning device and furnish this tabulation to the department. The department will review the railroads' tabulations for conformance with AAR guidelines.

(2) Each year, the department will compute an average annual maintenance cost per AAR signal unit. This unit cost is to be used by all railroads for billing purposes.

(3) The percentage of participation will not exceed 75 percent.

b. Before April 15 of each year, each railroad is to submit one billing to the department covering maintenance costs for the preceding calendar year for all eligible warning devices. Prior to reimbursement, the department may audit the billings to determine conformity of the billings with the orders or agreements. Reimbursement to a railroad may be denied if the railroad fails to submit its billing before April 15.

c. If, in any year, the balance of the safety fund is inadequate to fully reimburse all railroads, the department will reimburse each railroad on a pro-rata basis.

d. If a warning device has been in operation for less than one calendar year, the maintenance costs will be prorated from the date the device was placed in operation to the end of that calendar year.

These rules are intended to implement Iowa Code sections 327G.15 and 327G.19.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 821
"Highway-Railroad Grade Crossing Surface Repair Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"

State or federal law(s) implemented by the rulemaking: Iowa Code sections 312.2(2), 327G.29 and 327G.30

Public Hearing

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

October 29, 2025 8:30 to 9 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 911 587 368#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

The Department proposes to rescind Chapter 821 because this chapter is unnecessary. The Department provides guidance on the administration of the Highway-Railroad Grade Crossing Surface Repair Fund and includes information on eligibility, the application process and payment allocation among the highway authority having jurisdiction of the roadway, the operating railroad and the Department on the Department's website: Highway-Railroad Grade Crossing Surface Repair Program.

Analysis of Impact

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

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

The Department bears the minimum administrative costs to manage the Highway-Railroad Grade Crossing Surface Repair Fund as referenced in Iowa Code sections 312.2, 327G.29 and 327G.30. The rescission of this chapter does not affect the costs.

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

The public, road authorities and operating railroads will continue to benefit from the Highway-Railroad Grade Crossing Surface Repair Fund.

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:**

Rescinding this chapter does not cause a quantitative impact.

- **Qualitative description of impact:**

Rescinding this chapter does not have a qualitative impact.

3. **Costs to the State:**

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

There are no costs to the Department or other agencies due to rescinding this chapter.

- **Anticipated effect on State revenues:**

There is no effect on State revenues due to rescinding this chapter.

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

There are no costs due to rescinding the chapter. The benefits include the reduction of one chapter containing three rules, and the program's guidance and application will continue to be available on the Department's website: Highway-Railroad Grade Crossing Surface Repair Program.

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

There are no less costly or less intrusive methods to achieve the purpose of rescinding this chapter.

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

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

The Department decided that this chapter was unnecessary and proposes to rescind Chapter 821. Information on the program and applications are available on the Department's website: Highway-Railroad Grade Crossing Surface Repair Program.

- **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?

There is no impact on small business due to rescinding this chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 821**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 822
"Railroad Revolving Loan and Grant Fund Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)"j"
State or federal law(s) implemented by the rulemaking: Iowa Code section 327H.20A

Public Hearing

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

October 30, 2025 11:30 a.m. to 12 noon	Microsoft Teams Or dial: 515.817.6093 Conference ID: 391 471 89#

Public Comment

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

Maria Hobbs
800 Lincoln Way
Ames, Iowa 50010
Phone: 515.239.1088
Email: maria.hobbs@iowadot.us

Purpose and Summary

The Department proposes to rescind Chapter 822 because it is unnecessary. Information concerning the Railroad Revolving Loan and Grant (RRLG) Program is already available on the Department's website: RRLG Program.

Analysis of Impact

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

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

The Department bears the costs of program administration to implement Iowa Code section 327H.20A. The rescission of this chapter does not affect the costs.

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

Industry professionals and businesses utilizing railroad services awarded funds from the RRLG Program will continue to benefit from the program.

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:**

Rescinding this chapter does not have a quantitative impact.

- **Qualitative description of impact:**

Rescinding this chapter does not have a qualitative impact.

3. **Costs to the State:**

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

The oversight and administration are a cost borne by the Department, but there are no additional costs due to rescinding this chapter.

- **Anticipated effect on State revenues:**

There is no effect on State revenues due to rescinding this chapter.

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

There are no costs due to rescinding the chapter. The benefits include the reduction of one chapter and ten rules. The RRLG Program guidance will continue to be available on the Department's website.

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

There are no less costly or less intrusive methods to achieve the purpose of rescinding the chapter.

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

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

The Department decided that this chapter was unnecessary and proposes to rescind Chapter 822. Information on the program guidelines and the application for funding are available on the Department's website: RRLG Program.

- **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?

There is no impact on small business due to rescinding the chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 822**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 921
"State Transit Assistance"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 324A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 324A

Public Hearing

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

October 22, 2025 9 to 9:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 197 108 51#

Public Comment

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

Kristin Haar
800 Lincoln Way
Ames, Iowa 50010
Email: kristin.haar@iowadot.us

Purpose and Summary

The Department proposes to rescind Chapter 921 and move essential content from the chapter to 761—Chapter 920. 761—Chapter 920 already addresses State transit assistance funds, so the portions of Chapter 921 explaining the process that a public transit agency must use to receive advanced allocations of monthly State transit assistance funding can more logically be placed within 761—Chapter 920. All content related to State transit assistance funds would then be combined.

Analysis of Impact

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

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

The recission of this chapter does not impose any costs.

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

Iowa's public transit agencies will still be able to ascertain the necessary information regarding State transit assistance by referring to 761—Chapter 920.

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:**

Rescinding this chapter does not have a quantitative impact.

- **Qualitative description of impact:**

Rescinding this chapter does not have a qualitative impact.

3. **Costs to the State:**

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

There are no costs to the Department or other agencies due to rescinding this chapter.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

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

There are no costs due to rescinding the chapter. The benefits include the reduction of one chapter and all essential elements of this chapter will be repromulgated with 761—Chapter 920, continuing advanced allocation of State transit assistance. If no action were taken, the rules of Chapter 921 would remain the same and advanced allocations of State transit assistance would continue.

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

No less costly methods exist to achieve the purpose of rescinding the chapter.

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

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

The alternative to repromulgating Chapter 921 is to rescind the chapter and combine its essential content with 761—Chapter 920, which already addresses State transit assistance funds.

- **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?

There is no impact on small business due to rescinding the chapter.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **761—Chapter 921**.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 922
"Federal Transit Assistance"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 324A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 324A and 49 U.S.C. Sections 5310, 5311 and 5339

Public Hearing

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

October 22, 2025 9:30 to 10 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 231 277 560#

Public Comment

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

Kristin Haar
800 Lincoln Way
Ames, Iowa 50010
Email: kristin.haar@iowadot.us

Purpose and Summary

This proposed chapter is intended to implement Iowa Code chapter 324A, regarding the receipt and distribution of federal aid to Iowa's public transit systems.

Analysis of Impact

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

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

No class of person will bear any costs of this proposed rulemaking.

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

Rural and small urban public transit systems will benefit from this proposed rulemaking since such entities are ineligible to receive federal transit funding directly.

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 minimum amount of funding accessed from the Federal Transit Administration (FTA) annually for Iowa's rural and small urban public transit systems is approximately $24.6 million.

- **Qualitative description of impact:**

This proposed chapter allows the Department to apply for and distribute federal funding otherwise inaccessible to Iowa's rural and small urban public transit systems.

3. **Costs to the State:**

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

There are no costs to the Department to implement or enforce this proposed chapter.

- **Anticipated effect on State revenues:**

No revenues are affected.

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

Without access to federal transit funding, ridership at Iowa's small urban and rural public transit systems would drop dramatically. Nearly 15 million rides were provided by these transit systems in FY 2024. This would negatively impact the businesses reliant upon public transit to transport the businesses' employees and customers and the transit-dependent riders who would not be able to access health care and groceries.

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

There are no less costly or less intrusive methods to achieve the purpose of this proposed chapter.

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

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

No alternative methods were considered by the Department.

- **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 chapter would not have a substantial impact on small business since those businesses would be eligible for the same assistance as other larger businesses.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 922 and adopt the following **new** chapter in lieu thereof:

CHAPTER 922
FEDERAL TRANSIT ASSISTANCE

761—922.1(324A) Projects for nonurbanized areas and private nonprofit transportation providers.

922.1(1) *General information.* As required by 49 U.S.C. Sections 5310, 5311 and 5339, the department has been designated by the governor to administer the following programs within Iowa, subject to review by the Federal Transit Administration (FTA):

a. The enhanced mobility of seniors and individuals with disabilities program, providing federal financial assistance for support of public transportation service to improve mobility for seniors and individuals with disabilities.

b. The rural areas formula grants program, providing federal financial assistance for support of public transportation in rural areas with populations of less than 50,000 as defined by the U.S. Census Bureau.

c. The grants for buses and bus facilities program, providing federal financial assistance for support of capital acquisitions for public transportation providers.

922.1(2) *State management plan.*

a. The federal transit assistance programs referenced in subrule 922.1(1) will be administered according to the "Iowa State Management Plan for Administration of Funding and Grants Under the Federal Transit Administration, Sections 5310, 5311, 5316, 5317 and 5339 Programs," dated May 2020, prepared by the department and approved by the FTA in conformance with FTA Circulars 9040.1H and 9070.1H.

b. Copies of the state management plan are available from the modal transportation bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; by telephone 515.233.7870; or on the department's website at www.iowadot.gov/transit.

This rule is intended to implement Iowa Code chapter 324A and 49 U.S.C. Sections 5310, 5311 and 5339.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 923
"Capital Match Revolving Loan Fund"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 1985 Iowa Acts, chapter 265
State or federal law(s) implemented by the rulemaking: 1985 Iowa Acts, chapter 265

Public Hearing

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

October 22, 2025 1:30 to 2 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 812 773 314#

Public Comment

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

Kristin Haar
800 Lincoln Way
Ames, Iowa 50010
Email: kristin.haar@iowadot.us

Purpose and Summary

This proposed chapter is intended to implement 1985 Iowa Acts, chapter 265, regarding creation of a Capital Match Revolving Loan Fund for Iowa's public transit systems.

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 classes of persons that will bear costs of these proposed rules.

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

Iowa's public transit agencies will benefit from this proposed rulemaking since the agencies will be able to obtain interest-free loans to assist with the local match portion of capital purchases funded with State or federal funds.

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:**

Federal capital grants have at least a 15 percent local match requirement; state public transit capital grants have a minimum 20 percent local match. There are times when a replacement vehicle is needed for a vehicle too old to repair or, due to extenuating circumstances, local match is depleted at the time the State or federal capital money is available. The Capital Match Revolving Loan Fund allows the public transit agencies to continue with their planned capital projects while paying back the local match over time, interest-free. Since 2006, 16 of Iowa's 35 public transit agencies and two of three intercity bus carriers have been assisted with this revolving loan fund.

- **Qualitative description of impact:**

The Capital Match Revolving Loan Fund detailed through this proposed chapter enables public transit systems to carry on with planned capital improvement projects even if local matches have been depleted for other purposes. This fund allows access to State or federal capital funds requiring a local match so public transit agencies can, for example, replace older, high-maintenance buses with new models or build facilities to store public transit fleets. This benefits the public by having a public transit fleet in a state of good repair.

3. **Costs to the State:**

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

There are no costs to the Department to implement or enforce these proposed rules.

- **Anticipated effect on State revenues:**

No State revenues are affected.

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

These proposed rules allow the Department to give interest-free loans to Iowa's public transit systems. The loans serve as all or a portion of the local match to State or federal capital programs, enabling the public transit systems to improve their services with new capital investments even if their current local match accounts are depleted due to unforeseen circumstances. Without local match dollars, the State and federal capital funding cannot be utilized.

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

This loan program has no cost to the public transit agencies accessing it or to the public. No less costly or intrusive method for administration of this loan program is known.

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

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

No alternative methods were considered by the Department. The Department is required to adopt these rules in compliance with 1985 Iowa Acts, chapter 265.

- **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 chapter does not have a substantial impact on small business. Small businesses eligible for this funding are limited to intercity bus carriers operating in Iowa that are eligible for the same no-interest loans as Iowa's public transit agencies.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 923 and adopt the following **new** chapter in lieu thereof:

CHAPTER 923
CAPITAL MATCH REVOLVING LOAN FUND

761—923.1(71GA,ch265) General information.

923.1(1) *Scope of chapter.* The general assembly appropriated money from the petroleum overcharge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund enables public transit systems to obtain the matching funds needed to qualify for capital purchases under state or federally funded programs. The fund provides interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall demonstrate the ability to repay the loan from budgeted funds or revenues.

923.1(2) *Information.* Requests for information and assistance with the preparation and submission of loan requests should be directed to the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by telephone at 515.233.7870. Information is also available on the department's website at iowadot.gov/modes-travel/transit.

923.1(3) *Definitions.*

"Project" means a concerted set of actions that will develop, maintain or improve one or more elements of the public transit system's service.

"Public transit system" means the same as defined in Iowa Code section 324A.1.

"Van pool" means the same as defined in Iowa Code section 325A.12.

761—923.2(71GA,ch265) System eligibility. A public transit system is eligible to request a capital match revolving loan provided that the public transit system complies with all of the following criteria:

923.2(1) Abides by all applicable state and federal laws and regulations.

923.2(2) Maintains primary documentation for all revenues and expenses for a period of at least three years following contract closeout.

923.2(3) Maintains the system's policies, routes, schedules, fare structure and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation and fiscal solvency.

761—923.3(71GA,ch265) Project eligibility.

923.3(1) A project is eligible if it meets all of the following criteria:

a. The project is a transit-related capital purchase, e.g., new or replacement vehicles, facilities or both.

b. The project is an identifiable transit need and is included in the public transit system's adopted transportation improvement program.

c. The local funding needed for the project justifiably exceeds the public transit system's capital match funding capability.

923.3(2) A project to purchase vans for a van pool may be submitted by an individual or a group through the appropriate local public transit system. A van pool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated as of July 1 each year.

761—923.4(71GA,ch265) Procedure.

923.4(1) *Funding request.* The public transit system shall submit a funding application for the proposed project to either the department or to the Federal Transit Administration, depending on the type of funding requested.

923.4(2) *Loan request.* The appropriate time for a public transit system to submit a request for a revolving fund loan to the department is with the annual grant application, but a request may be submitted at any time if a specific need arises. The request is to include but not be limited to:

a. A description and cost estimate of the proposed project.

b. An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.

c. An explanation and justification of need for the loan.

d. A proposed schedule of when funds will be needed for the project.

e. A proposed loan repayment plan with schedule and source of funds.

923.4(3) *Criteria for selection.* The department will review each loan request and evaluate the project for funding. Based on the following criteria (in no particular order), preference is given to public transit capital projects that:

a. Foster coordination among transit services.

b. Enhance local or regional economic development.

c. Increase federal funding to the state.

d. Extend services to the transportation disadvantaged.

e. Promote energy conservation.

f. Use the loan as only a portion of the local matching funds required.

923.4(4) *Approval.* Based on available funds, the department will approve loans for projects meeting the criteria in rule 761—923.3(71GA,ch265).

923.4(5) *Agreement.* Upon approval, the department will prepare a loan contract and send it to the public transit system for execution.

923.4(6) *Default.* If a public transit system fails to make a loan payment as agreed in the contract, the department may, at its option, deduct the amount of any past due loan payment from state transit assistance payments allocated to that transit system.

These rules are intended to implement 1985 Iowa Acts, chapter 265.

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 924
"Public Transit Infrastructure Grant Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 324A.6A

State or federal law(s) implemented by the rulemaking: Iowa Code sections 8.57, 324A.1 and 324A.6A

Public Hearing

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

October 22, 2025 2 to 2:30 p.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 979 856 872#

Public Comment

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

Kristin Haar
800 Lincoln Way
Ames, Iowa 50010
Email: kristin.haar@iowadot.us

Purpose and Summary

This chapter is intended to implement Iowa Code sections 8.57, 324A.1 and 324A.6A, providing applicant eligibility and project requirements for the Public Transit Infrastructure Grant Program.

Analysis of Impact

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

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

No classes of persons will bear the costs of this proposed rulemaking.

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

Iowa's public transit agencies will benefit from knowing the eligibility and application requirements for this program in order to apply to receive vertical infrastructure funding.

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:**

This program ultimately results in improvements to facilities or building new facilities to store or maintain public transit vehicles, administer public transit services or shelter public transit passengers while waiting for their bus. The storage and maintenance facilities extend the useful life of public transit vehicles, ensuring vehicle capital replacement dollars are stretched as far as possible.

- **Qualitative description of impact:**

The improved or new facilities resulting from the funding that comes as a result of the applications detailed in this proposed chapter protect the vehicles providing public transit services, increasing their reliability, especially in cold weather months, and protect the vehicles from vandalism. Passenger

stations offer public transit riders shelter from the elements as well. This program helps make public transit even more reliable, dependable and pleasant for the traveling public.

3. **Costs to the State:**

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

There are no implementation or enforcement costs borne by the agency or any other agency.

- **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:**

Without the proposed rulemaking, the Department and public transit agencies would not have guidance on the use of the vertical infrastructure dollars appropriated by the legislature, and distribution requirements of those dollars would be unclear.

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

There are no less costly or less intrusive methods for achieving the purpose of this proposed rulemaking.

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

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

No alternative methods were considered by the Department.

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

Application guidance and expectations are necessary for fair distribution of the Public Transit Infrastructure Grant Program dollars.

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 chapter would not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 761—Chapter 924 and adopt the following **new** chapter in lieu thereof:

CHAPTER 924
PUBLIC TRANSIT INFRASTRUCTURE GRANT PROGRAM

761—924.1(324A) Purpose. The purpose of the public transit infrastructure grant program is to provide funding for the improvement of the vertical infrastructure of Iowa's designated public transit systems.

761—924.2(324A) Definitions. The definitions in Iowa Code sections 324A.1 and 8.57(3)*"c"* apply to this chapter.

761—924.3(324A) Information and forms. Information, instructions and application forms are available from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; by telephone at 515.233.7870; or from the department's website at iowadot.gov/modes-travel/transit.

761—924.4(324A) Project eligibility. Projects may be considered for funding if:

924.4(1) The project is included in a locally approved transportation improvement program and in the statewide transportation improvement program.

924.4(2) A local match for the project is currently available.

924.4(3) The project is capable of being substantially completed within 18 months of project selection.

761—924.5(324A) Eligible project activities. Activities eligible for reimbursement include but are not limited to:

924.5(1) Construction, expansion or renovation of facilities, including associated design, land acquisition, grading and foundation work, for administration of public transit operations; servicing, maintenance or storage of public transit vehicles; transit vehicle fueling; or passenger waiting.

924.5(2) Relocating an existing administrative or maintenance facility, if necessary, to correct violations of safety or design standards. Such a project may include any associated design, land acquisition, grading and foundation work.

761—924.6(324A) Ineligible project activities. A transit facility may be incorporated into a larger project, such as an intermodal facility, a headquarters for the umbrella organization sponsoring the transit program or a public works facility. Any costs attributable to the nontransit elements of the larger project are not eligible under this program.

761—924.7(324A) Funding.

924.7(1) Program funds may reimburse up to 80 percent of transit-related project costs. Assistance from the public transit infrastructure grant program, when combined with federal or other state resources, may not exceed 80 percent of the project's transit-related costs.

924.7(2) At least 20 percent of transit-related project costs must be provided from local sources by the sponsoring transit system in cash or value of real property.

924.7(3) No single public transit system may receive more than 40 percent of the funding available in one year.

761—924.8(324A) Project applications.

924.8(1) Project applications shall be submitted to the department.

924.8(2) Each application shall contain:

a. General information, including the transit system name, contact person, mailing address, email address and telephone number.

b. A project data sheet, including:

(1) A brief description of the project, its purpose and anticipated benefits to the transit program.

(2) Cost information including total project cost and an itemized breakdown of project components (including transit vs. nontransit costs).

(3) The proposed implementation schedule.

(4) A statement of the applicant's ability to complete the project.

(5) A sketch of the project.

c. Documentation of project justification.

d. A resolution from the governing body of the sponsoring transit system endorsing the project and authorizing the necessary local funding match.

761—924.9(324A) Review and approval. Department staff will review project applications and submit recommendations to the transportation commission. The transportation commission is responsible for approving the projects to be funded.

761—924.10(324A) Project priorities. The transportation commission shall consider the following in project selection:

924.10(1) Benefits of project to the transit program in terms of:

a. Enhancement of the life of the transit vehicle fleet.

b. Enhancement to transit services.

c. Increased ridership.

924.10(2) Readiness to proceed.

924.10(3) Feasibility of timely completion of the proposed project.

924.10(4) Ability of the project to leverage other funds.

761—924.11(324A) Project agreement, administration and ownership.

924.11(1) *Agreement.* After a project has been approved, the department will enter into an agreement with the transit system sponsoring the project.

924.11(2) *Payments.* Payments to the transit system sponsor for eligible project costs will be made on a cost reimbursement basis.

924.11(3) *Ownership.* The transit system must retain ownership of the new, renovated or repaired structure or facility for its useful life. If the structure or facility is transferred or sold before the useful life has expired, the transit system must repay the prorated state interest to the department. Useful life thresholds can be found in the department's transit manager's handbook, which is available on the department's website at iowadot.gov/modes-travel/transit.

These rules are intended to implement Iowa Code sections 8.57, 324A.1 and 324A.6A.

Regulatory Analysis

Notice of Intended Action to be published: 20.1(3), 199—20.22(476)
"Service Provided by Rate-Regulated Electric Utilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 474.5 and 476.2

State or federal law(s) implemented by the rulemaking: Iowa Code sections 476.1, 476.1A, 476.25, and 476.53

Public Hearing

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

November 18, 2025 1 p.m.	Commission Hearing Room 1375 East Court 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 Iowa Utilities Commission (IUC) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Iowa Utilities Commission
Electronic Filing System (EFS) at efs.iowa.gov
Phone: 515.725.7300
Email: ITSupport@iuc.iowa.gov

Purpose and Summary

The purpose of this proposed rulemaking is to allow participation in the wholesale electricity market through demand response programs. This was previously not allowed through agency rules, and this rulemaking explores changing this prohibition by establishing rules for customer participation.

Analysis of Impact

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

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

Investor-owned electric utilities, large-load electric customers, and third-party aggregators of demand response will be affected by the rulemaking. Investor-owned electric utilities will bear the costs of the proposed rulemaking.

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

Large-load electric customers and third-party aggregators of demand response will benefit from the 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:**

The quantitative economic impact of this rulemaking is unknown.

- **Qualitative description of impact:**

Qualitatively, this rulemaking will allow businesses to aggregate the demand response of retail electric customers within service territories of Iowa's rate-regulated electric utilities. Those businesses

will then be able to bid their aggregated demand response into the Midcontinent Independent System Operator wholesale electric market.

3. **Costs to the State:**

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

Additional costs to the IUC are minor. There is a chance the IUC will need to expend employee time to resolve certain disputes between utilities and customers seeking to participate in an aggregated demand response program. However, resolving customer complaints is already among the IUC's regular functions.

- **Anticipated effect on State revenues:**

There is no expected effect on State revenues.

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

The cost of inaction is an economic opportunity lost to Iowa businesses that would otherwise be able to receive compensation for their demand response sold into the wholesale electric market.

The benefit of action is that Iowa businesses would no longer be at a competitive disadvantage to those businesses in other states that are able to sell demand response into the wholesale electric market. The cost of action is that utilities would need to expend time and resources working with demand response aggregators.

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

There is no less intrusive method to permit aggregators of retail customers to offer services to customers located within the electric service territories of Iowa's rate-regulated electric utilities.

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

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

There are no alternative methods for achieving the purpose of the proposed rulemaking.

- **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?

Under the proposed rule, if a small business has a sufficiently large energy demand, the business may have an opportunity to sell its demand response into the wholesale electric market, which may constitute a positive impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** definitions of "ARC," "Interruptible service tariff" and "Wholesale electricity market" in subrule **20.1(3)**:

"ARC" means aggregator of retail customers as defined in Federal Energy Regulatory Commission (FERC) Order No. 719, *Wholesale Competition in Regions with Organized Electric Markets*, Docket No. RM07-19-000; issued October 17, 2008.

"Interruptible service tariff" means any tariff that offers differential rates or other monetary rewards for retail customers that agree to curtail, or have curtailed by their rate-regulated electric utility, the customer's electric load during a specified period of time.

"Wholesale electricity market" means a wholesale electricity market operated by an independent system operator as defined in FERC Order No. 889, issued April 24, 1996, or by a regional transmission organization as defined in FERC Order No. 2000, issued December 20, 1999.

ITEM 2. Adopt the following **new** rule 199—20.22(476):

199—20.22(476) Customer participation in wholesale markets through demand response activities.

20.22(1) Prior to [the effective date of the rule], retail customers of rate-regulated electric utilities, or an ARC acting on behalf of such customers, were prohibited pursuant to orders of the commission from transferring demand response load reductions to wholesale electricity markets.

20.22(2) Beginning on [the effective date of the rule], retail electricity customers of a rate-regulated electric utility with an aggregate load of 100 kilowatts or more with that utility may participate individually or through an ARC in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets.

20.22(3) A rate-regulated electric utility and an ARC shall cooperate in the exchange of customer data, with authorization of the customer, in order to effectuate participation in wholesale electricity demand response programs operating in conjunction with wholesale electricity markets, including but not limited to the following:

a. The provision of data from the rate-regulated electric utility to an ARC in regard to meter location and historic customer usage data.

b. Communication from the customer or an ARC, as applicable, to the utility of demand response load reductions undertaken by the customer.

Regulatory Analysis

Notice of Intended Action to be published: 817—Chapters 8 and 13
"Changes to Conform to 2025 Iowa Acts, Senate File 418"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 2025 Iowa Acts, Senate File 418
State or federal law(s) implemented by the rulemaking: 2025 Iowa Acts, Senate File 418

Public Hearing

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

October 21, 2025 10 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8

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

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 hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Purpose and Summary

The purpose of this proposed rulemaking is to update language in agency [817] chapters to conform to changes made in 2025 Iowa Acts, Senate File 418.

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:**

Three rules are amended in this rulemaking.

- **Qualitative description of impact:**

The proposed rulemaking updates language in agency [817] chapters to conform to 2025 Iowa Acts, Senate File 418.

3. **Costs to the State:**

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

The Department has personnel and other administrative costs associated with the proposed rulemaking.

- **Anticipated effect on State revenues:**

There is no impact on State revenues.

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

The rulemaking is appropriate because terms are being updated to conform with the statutory construction outlined in 2025 Iowa Acts, Senate File 418.

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. Amend paragraph **8.4(4)"d"** as follows:

d. Suitability criteria that relate to the program's statement of purpose and needs of the target population. Criteria may include some or all of the following: personality profile, skills identification, ~~gender~~ sex, age, language, racial requirements, level of education, career interests, motivation for volunteering, and academic standing.

ITEM 2. Amend paragraph **8.4(6)"c"** as follows:

c. Appropriate criteria for matches, including some or all of the following: ~~gender~~ sex, age, language requirements, availability, needs, interests, preferences of volunteer and participant, life experience, and temperament.

ITEM 3. Amend rule 817—13.3(15H) as follows:

817—13.3(15H) Program standards, guidelines, and expectations. The commission will maintain on its website standards, guidelines, and expectations for a productive and appropriate relationship between volunteer mentors and student mentees. Standards, guidelines, and expectations are aimed at helping students meet the last-dollar scholarship or grant program requirements, identify work-based learning opportunities, and make career-related connections that are advantageous to participants in the program through a healthy mentor-mentee relationship. Failure to adhere to the program standards may result in ineligibility to participate in the program. To the extent possible, volunteer mentors and student mentees will be matched based on ~~gender~~ sex, career aspirations, geography and mentor-to-mentee ratio.

ARC 9589C

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Proposing rulemaking related to uniform policies and providing an opportunity for public comment

The College Student Aid Commission hereby proposes to rescind Chapter 10, "Uniform Policies," Iowa Administrative Code, and to adopt a new Chapter 10 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 256.178.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10.

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.

The Administrative Rules Coordinator provided preclearance for the publication of this Notice of Intended Action on September 4, 2025.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 6, 2025. A public hearing was held on the following date(s):

- August 26, 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 283—Chapter 7.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

David Ford
Iowa Department of Education, Bureau of Iowa College Aid
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.901.9924

Fax: 515.242.5988
Email: david.ford@iowa.gov or administrative rules website at rules.iowa.gov

Public Hearing

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

October 21, 2025 4 to 4:30 p.m.	Room B50 Grimes State Office Building Des Moines, Iowa
October 22, 2025 9 to 9:30 a.m.	Room B50 Grimes State Office Building 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 Commission 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 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.

ARC 9590C

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Proposing rulemaking related to health care professional recruitment program and providing an opportunity for public comment

The College Student Aid Commission hereby proposes to rescind Chapter 14, "Health Care Professional Recruitment Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 256.178 and 256.223.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.223.

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.

The Administrative Rules Coordinator provided preclearance for the publication of this Notice of Intended Action on September 4, 2025.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 6, 2025. A public hearing was held on the following date(s):

- August 26, 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 283—Chapter 7.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

David Ford
Iowa Department of Education, Bureau of Iowa College Aid
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.901.9924
Fax: 515.242.5988
Email: david.ford@iowa.gov

Public Hearing

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

October 21, 2025 4 to 4:30 p.m.	Room B50 Grimes State Office Building Des Moines, Iowa
October 22, 2025 9 to 9:30 a.m.	Room B50 Grimes State Office Building 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 Commission 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 **283—Chapter 14**.

ARC 9591C

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

Proposing rulemaking related to health care award program and providing an opportunity for public comment

The College Student Aid Commission hereby proposes to rescind Chapter 26, "Health Care Award Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 256.178 and 256.224.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.224.

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.

The Administrative Rules Coordinator provided preclearance for the publication of this Notice of Intended Action on September 4, 2025.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 6, 2025. A public hearing was held on the following date(s):

- August 26, 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 283—Chapter 7.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

David Ford
Iowa Department of Education, Bureau of Iowa College Aid
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.901.9924
Fax: 515.242.5988
Email: david.ford@iowa.gov

Public Hearing

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

October 21, 2025 4 to 4:30 p.m.	Room B50 Grimes State Office Building Des Moines, Iowa
October 22, 2025 9 to 9:30 a.m.	Room B50 Grimes State Office Building 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 Commission 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 **283—Chapter 26**.

ARC 9601C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to school accreditation and practitioner preparation approval and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 12, "General Accreditation Standards," Chapter 79, "Standards for Practitioner and Administrator Preparation Programs," and Chapter 80, "Standards for Paraeducator Preparation Programs," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 256.7 and 256.16.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, Senate File 418.

Purpose and Summary

This proposed rulemaking updates the State Board's rules concerning school accreditation and practitioner preparation approval to comply with 2025 Iowa Acts, Senate File 418.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy

Telephone: +1 385.645.7961
PIN: 403 190 939#

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 State 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. Amend subrule 12.3(6) as follows:

12.3(6) *Student responsibility and discipline.* The board will adopt student responsibility and discipline policies as required by Iowa Code section 279.8. The board will involve parents, students, instructional and noninstructional professional staff, and community members in the development and revision of those policies where practicable or unless specific policy is mandated by legislation. The policies will relate to the educational purposes of the school or school district. The policies will include the following: attendance; use of tobacco; the use or possession of alcoholic beverages or any controlled substance; harassment of or by students and staff as detailed in subrule 12.3(13); violent, destructive, and seriously disruptive behavior; suspension, expulsion, emergency removal, weapons, and physical restraint; out-of-school behavior; participation in extracurricular activities; academic progress; and citizenship.

The policies will ensure due process rights for students and parents, including consideration for students who have been identified as requiring special education programs and services.

The board will also consider the potential, disparate impact of the policies on students because of race, color, national origin, gender, sexual orientation as defined in Iowa Code section 216.2, ~~gender identity as defined in Iowa Code section 216.2,~~ disability, religion, creed, or socioeconomic status.

The board will publicize its support of these policies, its support of the staff in enforcing them, and the staff's accountability for implementing them.

ITEM 2. Adopt the following **new** paragraph **12.3(14)"e"**:

e. "Gender identity" has the meaning given in Iowa Code section 279.78(1)*"a"* as amended by 2025 Iowa Acts, Senate File 418.

ITEM 3. Amend subrule 12.3(15) as follows:

12.3(15) *Compliance with Iowa Code section 279.80.*

a. A school district shall not provide any program, curriculum, test, survey, questionnaire, promotion, or instruction relating to gender ~~identity~~ theory or sexual orientation to students in kindergarten through grade six.

b. "Gender ~~identity~~ theory" and "sexual orientation" have the same meanings as those given in Iowa Code section ~~216.2~~ 279.80(1) as amended by 2025 Iowa Acts, Senate File 418.

c. In monitoring and enforcing this subrule, the department will not conclude that a neutral statement regarding sexual orientation or gender ~~identity~~ theory violates Iowa Code section 279.80 as amended by 2025 Iowa Acts, Senate File 418, or this subrule.

ITEM 4. Amend rule **281—79.2(256)**, definition of "Diverse groups," as follows:

"Diverse groups" means one or more groups of individuals possessing certain traits or characteristics, including age, color, creed, national origin, race, religion, marital status, sex, sexual

orientation, ~~gender identity,~~ physical attributes, physical or mental ability or disability, ancestry, political party preference, political belief, socioeconomic status or familial status.

ITEM 5. Amend rule **281—80.1(272)**, definition of "Diverse groups," as follows:

"Diverse groups" means one or more groups of individuals possessing certain traits or characteristics, including but not limited to age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, ~~gender identity,~~ physical attributes, physical or mental ability or disability, ancestry, political party preference, political belief, socioeconomic status, or familial status.

ARC 9600C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to technical requirements and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 12, "General Accreditation Standards," Chapter 14, "School Health Services," and Chapter 36, "Extracurricular Interscholastic Competition," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 256.7.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House Files 316, 190, and 835 and Senate File 278.

Purpose and Summary

This proposed rulemaking implements technical requirements of four statutes: House File 316 (career planning instruction in grades five through eight); House File 190 (online administration of statewide summative assessments for students receiving primarily online instruction); House File 835 (seizure training and prevention in schools); and Senate File 278 (authorizing the two athletics organizations to offer interscholastic competitions in robotics).

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 2025

Fiscal Impact

Aside from the fiscal impact noted in the Fiscal Note accompanying 2025 Iowa Acts, House File 190, there is no noted fiscal impact.

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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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** paragraph **12.5(3)"k"**:

k. Career planning and pathways. Instruction in career planning and pathways pursuant to Iowa Code section 256.11(3)*"a"*(11) as enacted by 2025 Iowa Acts, House File 316, is to be offered in grades five and six. This paragraph does not apply to accredited nonpublic schools.

ITEM 2. Amend paragraph **12.5(4)"i"** as follows:

i. Career ~~education~~ instruction, exploration, and development. Career ~~education~~ instruction, exploration, and development will include ~~exploration of employment opportunities, experiences in career decision making, and experiences to help students integrate work values and work skills into their lives~~ content specified in Iowa Code section 256.11(4)*"a"*(7) as enacted by 2025 Iowa Acts, House File 316. This paragraph does not apply to nonpublic schools. However, nonpublic schools will comply with subrule 12.5(7).

ITEM 3. Amend subparagraph **12.8(1)"h"(2)** as follows:

(2) ~~For the school year beginning July 1, 2018, and each succeeding school year, the~~ The statewide summative assessment referred in this paragraph is to meet all of the following provisions:

1. and 2. No change.

3. The assessment will be available for administration in both paper-and-pencil and computer-based formats and include assessments in mathematics, science, and English language arts, including reading and writing. For students receiving instruction primarily over the Internet from a school district, accredited nonpublic school, or charter school, a school or school district may administer any state-required assessment remotely pursuant to the terms of Iowa Code section 256.7(21)*"b"*(2)(e) as enacted by 2025 Iowa Acts, House File 190.

4. and 5. No change.

ITEM 4. Adopt the following **new** subrule 14.2(4):

14.2(4) *Seizure training and response.*

a. Each school district, accredited nonpublic school, or charter school shall adopt policies and implement seizure action plan and training requirements contained in Iowa Code section 280.13D as enacted by 2025 Iowa Acts, House File 835.

b. The state board of education shall adopt a seizure education program, which is to be consistent with standards of the Epilepsy Foundation of America. The department will post materials on the department's Internet site, educate.iowa.gov. Materials beyond what is required by paragraph 14.2(4)*"a"* are voluntary.

ITEM 5. Amend rule 281—36.2(280) as follows:

281—36.2(280) Registered organizations.

36.2(1) Organizations registered with the department include the following:

~~**36.2(1)**~~ *a.* Iowa High School Athletic Association (hereinafter association).

~~**36.2(2)**~~ *b.* Iowa Girls' High School Athletic Union (hereinafter union).

~~**36.2(3)**~~ *c.* Iowa High School Music Association (hereinafter music association).

~~**36.2(4)**~~ *d.* Iowa High School Speech Association (hereinafter speech association).

~~**36.2(5)**~~ *e.* Unified Iowa High School Activities Federation (hereinafter federation).

36.2(2) Organizations identified in paragraphs 36.2(1)*"a"* and *"b"* may sponsor interscholastic competitions related to robotics.

ARC 9599C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to civics examination and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 12, "General Accreditation Standards," and Chapter 32, "High School Equivalency Diploma," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 256.7 and 259A.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, Senate File 369.

Purpose and Summary

This proposed rulemaking implements the civics examination as a graduation requirement beginning on July 1, 2026.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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. Amend subrule 12.5(5) as follows:

12.5(5) *High school program, grades 9 through 12.* In grades 9 through 12, a unit is a course or equivalent related components or partial units taught throughout the academic year as defined in subrule 12.5(13). The following will be offered and taught as the minimum program as referenced in Iowa Code section 256.11(5). All students in schools and school districts shall satisfactorily complete requirements as referenced in Iowa Code sections 256.7(26), 256.11(5)*"b"* and *"g,"* and 256.11(6)*"c,"* and, for the school year commencing July 1, 2026, section 280.9A(1A) as enacted by 2025 Iowa Acts, Senate File 369, in order to graduate. It is locally determined how to incorporate the content specifications into relevant standards and benchmarks.

In implementing the high school program standards, the following curriculum standards apply:

a. to *l.* No change.

ITEM 2. Amend rule **281—32.1(259A)**, definition of "High school equivalency diploma," as follows:

"High school equivalency diploma" means the credential granted by the department to adults who did not graduate from high school and are unable to receive a high school diploma through traditional means but who are able to demonstrate attainment of the knowledge, skills, and abilities that are equivalent to those that would be attained in a high school program of study pursuant to this chapter. Commencing July 1, 2026, an adult must pass the examination described in Iowa Code section 280.9A(1A) as enacted by 2025 Iowa Acts, Senate File 369, to receive this credential.

ARC 9602C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to notification of religious exemptions to vaccine requirements and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 14, "School Health Services," and Chapter 21, "Community Colleges," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 256.7 and 260C.49.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House File 299.

Purpose and Summary

This proposed rulemaking implements the requirements of 2025 Iowa Acts, House File 299, regarding notification of religious exemptions to vaccine requirements.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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** subrule 14.2(4):

14.2(4) *Information regarding vaccinations.* In any communication to a parent or guardian regarding immunizations, a school district, accredited nonpublic school, or charter school will comply with Iowa Code section 256.7(15) as enacted by 2025 Iowa Acts, House File 299.

ITEM 2. Adopt the following **new** paragraph **21.62(9)"f"**:

f. A policy in compliance with Iowa Code section 260C.14(26) as enacted by 2025 Iowa Acts, House File 299, regarding any communication to students relating to immunization requirements.

ARC 9603C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to extracurricular athletic activity conference for member schools and providing an opportunity for public comment

The State Board of Education hereby proposes to rescind Chapter 37, "Extracurricular Athletic Activity Conference for Member Schools," Iowa Administrative Code, and to adopt a new Chapter 37 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in 2025 Iowa Acts, House File 783.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House File 783.

Purpose and Summary

This proposed rulemaking implements the requirements of 2025 Iowa Acts, House File 783 (House File 783), establishing a committee for alignment and membership of extracurricular activities conferences. The proposed rules add additional operational detail to House File 783.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 2025

After public comment during the Regulatory Analysis process, the Department made the following changes to the proposed rules. First, the districts from which committee members are appointed were changed to allow more flexibility in appointments. Second, staff support for the committee is best addressed by the committee itself through its own bylaws. Third, references to Iowa Code chapters 21 and 22 are removed as superfluous. Being established by the Iowa Code, the committee is clearly subject to open meetings and open records requirements, and nothing in this chapter would add to that requirement.

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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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 281—Chapter 37 and adopt the following **new** chapter in lieu thereof:

CHAPTER 37
EXTRACURRICULAR ATHLETIC ACTIVITY
CONFERENCE FOR MEMBER SCHOOLS

281—37.1(280) General. It is the policy of the state of Iowa that each school desiring to be a member of a conference providing extracurricular athletic contests and competitions for students is granted this opportunity. For purposes of this chapter, "member school" means a nonpublic school or school district granted such status by any corporation, association, or organization registered with the state department of education pursuant to Iowa Code section 280.13 and includes associate members. For purposes of this chapter, "school district" includes a public charter high school.

37.1(1) *Initial responsibility.* The initial authority and responsibility for conference development, membership, and alignment rests with the board of directors of each public school district and the authorities in charge of each nonpublic school.

37.1(2) *Definitions.* For purposes of this chapter, the definitions in Iowa Code section 280.13D(1) as enacted by 2025 Iowa Acts, House File 783 (House File 783), apply.

37.1(3) *Policies.* Each organization subject to this chapter will establish policies to implement Iowa Code section 280.13D as enacted by House File 783.

281—37.2(280) Conference realignment committee.

37.2(1) *General.* A conference realignment committee (committee) is established pursuant to Iowa Code section 280.13D as enacted by House File 783.

37.2(2) *Duties and powers.* The committee has the duties and powers specified in Iowa Code section 280.13D as enacted by House File 783.

37.2(3) *Membership.* The committee will have the membership described in Iowa Code section 280.13D(2)*"a"*(2) as enacted by House File 783. Members will be selected based on regions established by the two organizations, with each region being guaranteed representation, and may also be selected on an at-large basis. Members serve four-year terms and are eligible for reappointment once.

37.2(4) *Appointment of members.* The executive directors of the two organizations make appointments to the committee, including filling vacancies. The executive directors of the two organizations will initially divide committee memberships into two cohorts and alternate making appointments to each cohort every four-year cycle. Each cohort will contain at least one representative of a nonpublic school.

37.2(5) *Committee operations.*

a. The executive directors of the two organizations will provide recommendations on committee agenda items.

b. A quorum for the committee is ten members.

c. The committee may adopt bylaws consistent with this chapter.

281—37.3(280) Appeal to the director of the Iowa department of education. A member school may appeal a committee's decision to the director of the Iowa department of education within 60 days of the date of the decision. The director will receive the records of the committee, and no new evidence will be permitted, except for good cause shown. The committee's decision is presumed correct, and the appellant has the burden of demonstrating the committee's decision is based on a failure to follow the processes and standards set out in Iowa Code section 280.13D as enacted by House File 783, on factual findings that have no evidentiary basis, or on legal conclusions that are manifestly erroneous. The director may refer the matter to an administrative law judge for a proposed decision. The director's decision is due within 60 days of the date of the appeal.

These rules are intended to implement Iowa Code section 280.13D as enacted by House File 783.

ARC 9596C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to role of foster parents as special education decision-makers and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 41, "Special Education," and Chapter 120, "Early Access Integrated System of Early Intervention Services," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 256B.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House File 644.

Purpose and Summary

This proposed rulemaking updates the State Board of Education's rules concerning the role of foster parents as special education decision-makers. This proposed rulemaking harmonizes provisions of 2025 Iowa Acts, House File 644, with federal law.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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. Amend paragraph **41.30(1)"b"** as follows:

b. A foster parent, ~~unless state law, regulations, or contractual obligations with a state or local entity prohibit a foster parent from acting as a parent~~ if the foster parent is otherwise qualified under this rule or is appointed to serve as a parent under this chapter by the Iowa department of health and human services;

ITEM 2. Amend paragraph **120.27(1)"b"** as follows:

b. A foster parent, ~~unless state law, regulations, or contractual obligations with a state or local entity prohibit a foster parent from acting as a parent~~ if the foster parent is otherwise qualified under this rule or is appointed to serve as a parent under this chapter by the Iowa department of health and human services;

ARC 9598C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to special education and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 41, "Special Education," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 256B.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House File 787.

Purpose and Summary

This proposed rulemaking implements Division III of 2025 Iowa Acts, House File 787, which creates a new process for out-of-state placements for children with disabilities when such placements are not ordered by a court or required by federal or State special education law.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

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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 State Board and advise of specific needs.

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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** subrule 41.116(8):

41.116(8) *Out-of-state placements pursuant to Iowa Code section 282.35.* A school district is responsible for the educational cost of an educational placement made pursuant to Iowa Code section 282.35 as enacted by 2025 Iowa Acts, House File 787. A school district's financial responsibility only arises upon compliance by the out-of-state facility or provider with this subrule. Any placement under this subrule must comply with subrule 41.116(6). Any dispute between Iowa school districts regarding financial responsibility under this subrule will be summarily resolved by the department.

ARC 9597C

EDUCATION DEPARTMENT[281]

Notice of Intended Action

Proposing rulemaking related to procedures for charging and investigating incidents of abuse of students by school employees and providing an opportunity for public comment

The State Board of Education hereby proposes to amend Chapter 102, "Procedures for Charging and Investigating Incidents of Abuse of Students by School Employees," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 280.17 as amended by 2025 Iowa Acts, Senate File 659.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2025 Iowa Acts, Senate File 659.

Purpose and Summary

This proposed rulemaking implements the provisions of 2025 Iowa Acts, Senate File 659, that transfer the responsibility to investigate allegations of abuse by school employees from schools to the Department of Health and Human Services.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 2025

Fiscal Impact

This rulemaking has an undetermined fiscal impact on the State of Iowa. There are no additional costs to Iowa schools. There is an undetermined cost to the Iowa Department of Health and Human Services.

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 State Board for a waiver of the discretionary provisions, if any, pursuant to 281—Chapter 4.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the State Board no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Thomas A. Mayes, General Counsel
Iowa Department of Education
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

Public Hearing

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

October 21, 2025 8 to 9:30 a.m.	Room B50 Grimes State Office Building Des Moines, Iowa Via videoconference meet.google.com/rhd-dnga-ziy Telephone: +1 385.645.7961 PIN: 403 190 939#

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 State 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** division heading before rule **281—102.1(280)**:

DIVISION I
INVESTIGATIONS BEGUN ON OR BEFORE JUNE 30, 2025

ITEM 2. Adopt the following **new** division heading before rule **281—102.15(232E,280)**:

DIVISION II
MATTERS OCCURRING ON OR AFTER JULY 1, 2025

ITEM 3. Adopt the following **new** rules 281—102.15(232E,280) to 281—102.18(232E,280):

281—102.15(232E,280) General.

102.15(1) The board of directors of a public school district and the authorities in charge of a nonpublic school shall comply with Iowa Code chapter 232E as enacted by 2025 Iowa Acts, Senate File 659 (Senate File 659), and any rules adopted by the department of health and human services to implement Iowa Code chapter 232E as enacted by Senate File 659 and cooperate with the department of health and human services during an investigation commenced under Iowa Code chapter 232E as

enacted by Senate File 659, including providing access to student records and making students and staff available for interviews. For the purposes of this chapter, "public school district" includes a charter school authorized under Iowa Code chapter 256E or 256F.

102.15(2) Iowa Code chapter 232E as enacted by Senate File 659 as well as any rules adopted by the department of health and human services are incorporated by this reference.

281—102.16(232E,280) Duty to report alleged abuse. In addition to any other reporting obligations, if any school employee has reason to believe that any school employee committed student abuse, the school employee with such reason to believe is obligated to report the alleged abuse in a manner required by Iowa Code chapter 232E as enacted by Senate File 659.

281—102.17(232E,280) Termination of school employee.

102.17(1) The board of directors of a public school district or the authorities in charge of a nonpublic school shall terminate the employment of a school employee if the board of directors or authorities in charge receive a written investigation report under Iowa Code section 232E.2(5) as enacted by Senate File 659 indicating the department of health and human services has determined the school employee committed student abuse, after exhaustion of any appeal rights that the school employee has under Iowa Code chapter 232E as enacted by Senate File 659.

102.17(2) If the provisions under Iowa Code chapter 279 apply to a termination under subrule 102.17(1), those provisions remain applicable; however, a finding under subrule 102.17(1) is conclusive on the issue of whether the employee committed student abuse.

281—102.18(232E,280) Rules of construction.

102.18(1) Nothing in this chapter is to be construed as limiting the authority of a public school district or the authorities in charge of a nonpublic school to the procedures set forth in Iowa Code chapter 232E as enacted by Senate File 659.

102.18(2) Nothing in this chapter is to be construed as limiting the authority of a public school district or the authorities in charge of a nonpublic school in circumstances where the department of health and human services does not make a finding of abuse.

ITEM 4. Amend **281—Chapter 102**, implementation sentence, as follows:

These rules are intended to implement Iowa Code section 280.17 as amended by Senate File 659 and chapter 232E as enacted by Senate File 659.

ARC 9581C

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to conditions of eligibility and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 75, "Conditions of Eligibility," Iowa Administrative Code, and to adopt a new Chapter 75 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 249A.3 and 249A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 514I and sections 249A.3 and 249A.4, Title XIX of the Social Security Act, 42 CFR 435, and 42 CFR 457.

Purpose and Summary

This proposed chapter establishes the conditions of eligibility for the medical assistance program administered by the Department under Iowa Code chapter 249A and addresses related matters. This proposed chapter incorporates changes that were intended to be implemented but not taken up during a five-year rule review performed in 2022. Those changes include incorporating a Modified Adjusted Gross Income (MAGI) methodology based on federal tax rules, implementing portions of the Affordable Care Act, and implementing the concept of reasonable compatibility for verifying resources and income.

This proposed chapter has undergone a Red Tape Review pursuant to Executive Order 10. As a result, the Department has removed restrictive terms, made minor wording changes, removed outdated language, and removed duplicative language, where possible. The Department also took this opportunity to restructure the chapter, dividing coverage groups into separate divisions based on categories of coverage.

Finally, this proposed rulemaking also implements sections 18 and 19 of 2025 Iowa Acts, House File 1049, which updates the personal needs allowance for participants in the medical assistance program who are residents of facilities. The personal needs allowance was raised from $50 to $55.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa beyond the $330,513 that was allocated to implement the personal needs allowance increase outlined in Sections 18 and 19 of 2025 Iowa Acts, House File 1049.

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 October 21, 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

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

October 21, 2025 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8
October 21, 2025 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 253 278 713 075 4 Passcode: og9qC9mD

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

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

Review by Administrative Rules Review Committee

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

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 75 and adopt the following **new** chapter in lieu thereof:

CHAPTER 75
CONDITIONS OF ELIGIBILITY

DIVISION I
DEFINITIONS, COVERAGE GROUPS, AND GENERAL CONDITIONS OF ELIGIBILITY

441—75.1(249A) Definitions. Unless otherwise specified, the definitions in this rule apply to 441—Chapters 74 through 88.

"Act" means the federal Social Security Act. All references to the Act herein are as amended to August 1, 2025.

"Aged" means a person 65 years of age or older.

"Applicant" means a person who is requesting medical assistance on the person's own behalf or a person for whom medical assistance is requested.

"AVS" or *"asset verification system"* means the use of an electronic asset data source to verify assets held in banks and other financial institutions for non-MAGI.

"Blind" means a person with central visual acuity of 20/200 or less in the better eye with use of corrective lens or visual field restriction to 20 degrees or less.

"Caretaker" means an individual with whom a child is living and who assumes primary responsibility for the child's care. For this purpose, two individuals may be considered to have assumed primary responsibility for a child's care.

"Change in income" means a permanent change in hours worked or rate of pay, any change in the amount of unearned income, or the beginning or ending of any income.

"Child" means a natural or biological child, or an individual legally recognized as the child of a parent based on the conception, gestation, or birth of the child during a legal marriage; an adoptive child; or a child of an individual's spouse (stepchild) unless parental rights have been legally terminated.

"Client" means all of the following:

1. A Medicaid applicant;
2. A Medicaid member;
3. A person whose income or assets are considered in determining eligibility for an applicant or member.

"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.

"Community spouse" means a noninstitutionalized spouse of an institutionalized spouse.

"Conditionally eligible" means that a person has been assigned but not met spenddown as defined in subrule 75.8(1), or has been assigned a monthly premium but has not yet paid the premium for that month pursuant to subparagraph 75.6(6)*"b"*(4).

"Coverage group" means a group of persons who meet certain common eligibility requirements.

"Dependent child" or *"dependent children"* means a child or children who meet the nonfinancial eligibility requirements of the applicable family-related coverage group.

"Electronic data sources" or *"EDS"* means federal and state data sources with which the department conducts data matches for the purpose of determining eligibility. Federal data sources include the Internal Revenue Service (IRS), the Social Security Administration (SSA) and the United States Department of Homeland Security. State data sources include Iowa workforce development (IWD) wage and unemployment compensation, SSA, IRS, and the Public Assistance Reporting Information System (PARIS).

"Family-related Medicaid" includes coverage groups that apply to children, parents and caretakers and pregnant women who are not aged, blind or disabled.

"Federal poverty level" or *"FPL"* 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. 9902(2) and revised annually on April 1.

"General conditions of eligibility" means the eligibility criteria specified in the following provisions:

1. Rule 441—75.9(249A): furnishing of social security number.
2. Rule 441—75.10(249A): residency requirements.
3. Rule 441—75.11(249A): citizenship or alienage requirements.
4. Rule 441—75.14(249A): establishing liability and obtaining support.
5. Rule 441—75.15(249A): medical resources.
6. Rule 441—75.16(249A): medical assistance lien.
7. Rule 441—75.29(249A): investigation of eligibility.

"Income in-kind" means any gain or benefit that is not in the form of money payable directly to the applicant, member, or person whose income or assets are considered in determining eligibility for an applicant or member, including nonmonetary benefits such as meals, clothing, and vendor payments. Vendor payments are monetary payments to a third party and not to the applicant, member, or person whose income is considered in determining eligibility.

"Institutionalized person" means a person who is an inpatient in a nursing facility or a Medicare-certified skilled nursing facility, a person who is an inpatient in a medical institution and for whom payment is made based on a level of care provided in a nursing facility, or a person who is as described in subrule 75.6(8).

"Institutionalized spouse" means a married person living in a medical institution, or nursing facility, or home- and community-based waiver setting who is likely to remain living in these circumstances for at least 30 consecutive days and whose spouse is not in a medical institution or nursing facility.

"Local office" means the county office of the department or a state mental health institute.

"Medical institution," when used in this chapter, means a facility organized to provide medical care, including nursing and convalescent care, in accordance with accepted standards as authorized by state law and as evidenced by the facility's license. A medical institution may be public or private. Medical institutions include the following:

1. Hospitals.
2. Extended care facilities (skilled nursing).
3. Intermediate care facilities.
4. Mental health institutions.

"Member" means any person who has been determined eligible and has been enrolled to receive medical assistance pursuant to 441—Chapter 75. "Member" may be used interchangeably with

"recipient." This definition does not apply to the phrase "household member." For the medically needy program, "member" means a person who has been determined eligible for Medicaid under the medically needy program, has been approved, and has countable income at or below the medically needy income level (MNIL) or has reduced the person's countable income to the MNIL during the certification period through spenddown. Unless otherwise specified, a person is not a member for any month in which Medicaid for that person is subject to recoupment because the person was ineligible.

"Modified adjusted gross income" or *"MAGI"* means the tax-based methodology used to determine income eligibility and household size for family-related Medicaid and other coverage groups as prescribed by 1902(e)(14) of the Act (42 U.S.C. 1396a(e)(14) and 42 CFR 435.603).

"Non-MAGI-related" means those persons whose eligibility is determined using regulations governing the supplemental security income (SSI) program administered by the SSA, except that income is considered prospectively. "Non-MAGI-related" also includes persons who would be eligible for SSI except for certain eligibility factors as specified in rule 441—75.6(249A).

"Nursing facility services" means the level of care provided in a medical institution licensed for nursing services or skilled nursing services for the purposes of rules 441—75.23(249A) and 441—75.85(249A).

"Parent" means a natural or biological parent, or an individual legally recognized as the parent of a child based on the conception, gestation, or birth of the child during a legal marriage; an adoptive parent; or the spouse of another parent (stepparent) unless parental rights have been legally terminated.

"Pay and chase" means that the state pays the total amount allowed under the department's payment schedule and then seeks reimbursement from a liable third party. The pay and chase provision applies to Medicaid claims for preventive pediatric services and all services provided to a person for whom there is court-ordered medical support.

"Payee" refers to an SSI payee as defined in 20 CFR 416.601.

"Presumptive eligibility" means that a person is presumed to be eligible for Medicaid on a temporary basis based on statements provided by the person.

"Presumptive Medicaid" means immediate and temporary health care coverage based on a presumptive eligibility decision to pay for the cost of care during the presumptive period as described in subrule 75.7(4).

"Presumptive provider" means an organization approved by the department to conduct and authorize presumptive eligibility determinations pursuant to 441—subrule 76.7(1).

"Qualified entity" means an individual, under the supervision and authority of a presumptive provider, who has been determined by the department to be capable of making presumptive Medicaid eligibility determinations pursuant to 441—subrule 76.7(2).

"Reasonably compatible" or *"reasonable compatibility"* means the standard by which the total attested countable income or resources for each person's household size is compared with the total amount from available EDS or AVS used by the department. Attested income or resources must meet one of the following three criteria to meet the standards for reasonable compatibility:

1. Both the total attested income or resources and the total income or resources from the EDS or AVS are above, at, or below the applicable income or resource limit for Medicaid or hawki; or
2. The total attested income is within 10 percent of the total income from EDS or the total resources are below the resource limit for the applicable program; or
3. The total attested income or resources exceeds the total income or resources from EDS or AVS.

If the attested income or resources meet any of the reasonable compatibility criteria, the income or resources are considered to be verified.

"Reasonable opportunity period" means the 90-day period allowed for applicants and members to provide satisfactory documentation of citizenship, nationality, or qualified alien status pursuant to subparagraph 75.11(2)*"c"*(4).

"Refugee" means the same as defined in 8 U.S.C. §1101(a) INA 101 (a)(42).

"Retroactive period" means the three calendar months immediately preceding the month in which an application is filed.

"Sibling" means an individual who shares at least one common parent with another individual.

"Spouse" means a party to a legally recognized marriage, including a common-law marriage.

"Stepparent" means a person who is not the parent of the dependent child, but is the legal spouse of the dependent child's parent. A stepparent is considered a parent under a coverage group that is subject to MAGI methodology pursuant to 42 CFR 435.603.

"Supply" or *"supplying"* means the requested information is received by the department by the specified due date.

"Tax dependent" means an individual who can be claimed by another individual as a dependent for federal income tax purposes.

"Transfer of assets" means the transfer of resources or income for less than fair market value as provided in rule 441—75.23(249A).

"Unborn child" includes an unborn child during the entire term of pregnancy.

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

441—75.2(249A) Categories of persons covered. Persons who meet the criteria of one of the categorical groups below receive Medicaid if they meet the eligibility requirements of a related coverage group described in rules 441—75.3(249A) through 441—75.8(249A) and the general conditions of eligibility described within this chapter.

75.2(1) *Family-related Medicaid.* Medicaid is available to the following categories of persons who meet the eligibility requirements of one of the family-related Medicaid coverage groups described in rule 441—75.3(249A), the general conditions of eligibility specified in Division I of this chapter, and the eligibility factors specific to family-related medical assistance described in Division II of this chapter unless stated otherwise within this chapter:

a. Children under the age of 19.

b. Parents and caretakers.

c. Pregnant women.

d. Persons in foster care, a subsidized adoption arrangement, or subsidized guardianship.

e. Former foster care youth.

f. Persons living in a medical institution.

75.2(2) *Persons who need breast or cervical cancer treatment.* Pursuant to rule 441—75.4(249A), Medicaid is available to persons who have been screened and found to need treatment for breast or cervical cancer.

75.2(3) *Persons aged 19 through 64.* Medicaid is available to persons who are aged 19 or older and under the age of 65 who meet the eligibility requirements of the Iowa health and wellness plan (IHAWP) as described in subrule 75.5(1) and 441—Chapter 74.

75.2(4) *Persons who are refugees.* Medicaid is available to refugees who meet the requirements described in subrules 75.5(3) and 75.5(4) and who do not meet the requirements of another Medicaid coverage group or hawki.

75.2(5) *Aged, blind, or disabled persons.* The following coverage groups are available to persons who are aged, blind, or disabled and who meet the eligibility criteria of a coverage group described in rule 441—75.6(249A) and the general conditions of eligibility specified in this chapter:

a. Persons receiving SSI or state supplementary assistance or eligible for, but not receiving, SSI.

b. Aged, blind or disabled persons ineligible for SSI or state supplementary assistance due to income or other requirements.

c. Certain persons essential to the welfare of an aged, blind, or disabled person.

d. Persons residing in a medical institution.

e. Persons participating in Medicare savings programs.

f. Working persons with disabilities.

g. Children with disabilities.

h. Persons who may be eligible for additional services that are not available through regular Medicaid, and a waiver of federal policy has been approved. These are known as waiver services and are defined in 441—Chapter 83.

441—75.3(249A) Family-related Medicaid. Medicaid will be available to children, parents and other caretakers and to pregnant women who meet the eligibility requirements of a coverage group described within this rule and the general conditions of eligibility described in this chapter.

75.3(1) *Family medical assistance program (FMAP).* Medicaid will be available to low-income children and to the children's parent or other caretaker if the following criteria are met:

a. Children must meet the requirements described in rule 441—75.50(249A), and the parent or other caretaker must meet the requirements described in rule 441—75.51(249A).

b. Countable household income must not exceed the FMAP limits prescribed in rule 441—75.74(249A). Financial eligibility will be determined according to MAGI methodology pursuant to Division III of this chapter.

75.3(2) *Pregnant women, infants, and children (mothers and children (MAC)).* Medicaid will be available to pregnant women, infants (under one year of age), and children who have not attained the age of 19 if the following criteria are met.

a. Income.

(1) Household income must not exceed the applicable limits for the MAC program as stated in rule 441—75.74(249A).

(2) In establishing eligibility for pregnant women, infants, and children, income and household size will be determined pursuant to rule 441—75.72(249A).

(3) In establishing eligibility for a pregnant woman or any person whose MAGI household size includes a pregnant woman, the unborn child (or children) will be considered when determining the number of persons in the household. Attestation of pregnancy will be accepted in accordance with subrule 75.72(5).

b. Eligibility for pregnant women under this rule will begin no earlier than the first day of the month in which conception occurred and will continue throughout the pregnancy when requirements described in rule 441—75.18(249A) are met.

c. The effect of age on eligibility for an infant or a child will be determined pursuant to rule 441—75.52(249A).

d. When determining eligibility under this coverage group, the requirement to live with a parent or other caretaker as specified at subrule 75.50(2) and the age and school attendance provisions specified in subrule 75.50(1) do not apply.

e. A woman who was both eligible and enrolled in Medicaid on the date her pregnancy ends will be entitled to receive Medicaid through the postpartum period in accordance with subrule 75.3(4).

f. If an infant loses eligibility under this coverage group at the time of the first birthday due to exceeding the income limit for children or if a child loses eligibility at the time of the nineteenth birthday, but the infant or child is receiving inpatient services in a medical institution, Medicaid will continue under this coverage group for the duration of continuous inpatient services.

75.3(3) *Newborn children.* Medicaid will be available without an application to newborn children of women who are determined eligible for Medicaid for the month of the child's birth or for emergency services for labor and delivery for the child's birth. Eligibility begins with the month of the birth and continues through the month of the first birthday as long as the child remains an Iowa resident.

a. The department will accept any written or verbal statement as verification of the newborn's birth date unless the department determines the birth date is questionable.

b. In order for Medicaid to continue after the month of the first birthday, a redetermination of eligibility must be completed.

75.3(4) *Postpartum eligibility following pregnancy.* Medicaid will continue to be available for a period of 12 months beginning the first of the month following the end of pregnancy and continuing for 12 months for a woman who was both eligible and enrolled in Medicaid on the date her pregnancy ends.

a. Except as described in this subrule, the woman is not required to meet any eligibility criteria described in this chapter or the reenrollment requirements in rule 441—76.14(249A) during the 12-month postpartum period.

b. The woman will not be required to file an application.

c. Pregnant women determined eligible only for emergency services pursuant to subrule 75.11(4) are eligible under this provision.

75.3(5) *Healthy and well kids in Iowa (hawki).* Hawki will be available to children under the age of 19 who are not eligible for Medicaid and who meet the provisions of 441—Chapter 86.

75.3(6) *Transitional Medicaid.*

a. Eligible persons. Transitional Medicaid will be available for a period of up to 12 months to the following persons:

(1) A dependent child who becomes ineligible for FMAP due to increased income from employment of the dependent child or the child's parent or other caretaker;

(2) The child's parent or caretaker who becomes ineligible for FMAP due to increased income from employment of the dependent child or the child's parent or other caretaker; and

(3) The following household members of persons described in subparagraph 75.3(6)*"a"*(1) or *"a"*(2) who currently meet all FMAP requirements, except for income:

1. Persons who were in the home prior to FMAP discontinuance but did not receive FMAP at the time; and

2. Persons who entered the home prior to FMAP discontinuance or during the transitional Medicaid period.

b. Increase in income from employment. Increased income from employment includes but is not limited to the following:

(1) Beginning employment.

(2) Increased rate of pay.

(3) Increased hours of employment.

c. Transitional Medicaid and continuous eligibility. Transitional Medicaid eligibility rules supersede continuous eligibility rules for a child as described in rule 441—75.19(249A).

d. FMAP received in three of six months. In order to receive transitional Medicaid coverage under the provisions of this subrule, at least one of the individuals described in subparagraph 75.3(6)*"a"*(1) or *"a"*(2) must have received FMAP during at least three of the six months immediately preceding the month in which ineligibility occurred. The months the member receives FMAP due to continuous eligibility as described in rule 441—75.19(249A) do not count toward the transitional Medicaid requirement of receiving FMAP for at least three of the last six months. If there is an increase in income from employment when a child's continuous eligibility is ending, the child will not be redetermined to the transitional Medicaid coverage group.

e. Period of transitional coverage. The 12 months of transitional Medicaid coverage begin the day following discontinuance of FMAP eligibility and will continue for a consecutive 12-month period without regard to income changes, subject to paragraphs 75.3(6)*"g," "h,"* and *"i."*

f. Reserved.

g. Fraud. Transitional Medicaid will not be allowed under the provisions of this subrule when it has been determined that the member received FMAP in any of the six months immediately preceding the month of discontinuance as the result of fraud. Fraud is defined in accordance with Iowa Code section 239B.14.

h. Eligible child. During the transitional Medicaid period, assistance will be discontinued at the end of the first month in which there is no longer an eligible child living in the household who meets the requirements in rule 441—75.50(249A).

i. Other conditions of eligibility. Members must meet all applicable general conditions of eligibility described in this chapter except for the income limits described in rule 441—75.74(249A).

j. Transitional period ends. Transitional Medicaid will be discontinued beginning with the first month following the month in which the household no longer meets the eligibility criteria. Notice will be

provided to the household in accordance with adequate and timely notice provisions as specified in rule 441—16.2(17A).

75.3(7) *Extended Medicaid.*

a. Eligible persons. Extended Medicaid will be available for a period of up to four months to the following individuals:

(1) A dependent child who becomes ineligible for FMAP due to receipt of income from alimony or other spousal support;

(2) The child's parent or caretaker who becomes ineligible for FMAP due to receipt of income from alimony or other spousal support; and

(3) The following household members of persons described in subparagraph 75.3(7)*"a"*(1) or *"a"*(2) who currently meet all FMAP requirements, except for income:

1. Persons who were in the home prior to FMAP discontinuance but did not receive FMAP at the time; and

2. Persons who enter the home prior to FMAP discontinuance or during the extended Medicaid period.

b. FMAP received in three of six months. In order to receive extended Medicaid coverage under the provisions of this subrule, at least one member must have received FMAP during at least three of the six months immediately preceding the month in which ineligibility occurred.

c. Period of extended coverage. The four months of extended Medicaid coverage begins the day following discontinuance of FMAP eligibility and will continue for four consecutive months, subject to paragraph 75.3(7)*"f."*

d. Reserved.

e. Other conditions of eligibility. Members must meet all applicable general conditions of eligibility described in this chapter except for the income limits described in rule 441—75.74(249A).

f. Extended period ends. Extended Medicaid will be discontinued beginning with the first month following the month in which the household no longer meets eligibility criteria. Notice will be provided to the household in accordance with adequate and timely notice provisions as specified in rule 441—16.2(17A).

75.3(8) *Children in foster care, subsidized adoption arrangement, or subsidized guardianship arrangement not eligible under Title IV-E or Title XVI of the Act.* Medicaid will be available to persons under the age of 21 if the following criteria are met:

a. For the child medical assistance program (CMAP), the person is in foster care or a subsidized adoption arrangement in accordance with subparagraph 75.3(8)*"a"*(1), *"a"*(2), or *"a"*(3) and the person is not eligible for assistance under Title IV-E or Title XVI of the Act.

(1) The person is placed in licensed foster care for which the state pays foster care maintenance payments pursuant to Iowa Code section 234.35 and rule 441—156.20(234).

(2) The person is a special needs child in an adoption assistance agreement with the department pursuant to rule 441—201.5(600), regardless of whether the adoption assistance agreement provides for adoption subsidy maintenance payments.

(3) The person is a special needs child who resides in Iowa in a private home with the child's adoptive parent(s) and is in an adoption assistance agreement with another state with which Iowa has a reciprocity agreement as follows:

1. The other state is a member of the interstate compact on adoption and medical assistance (ICAMA); and

2. The other state provides medical assistance benefits pursuant to a program funded under Title XIX of the Act under the optional group in Section 1902(a)(10)(A)(ii)(VIII) of the Act to children residing in that state (at least until aged 18) for whom there is a state adoption assistance agreement in effect with the state of Iowa other than under Title IV-E of the Act.

b. For the subsidized guardianship medically needy program, the person resides in Iowa in a private home pursuant to a court-approved subsidized guardianship arrangement under 441—Chapter 204 and the person is not eligible for assistance under Title IV-E or Title XVI of the Act. As authorized under 42 CFR 435.308, this reasonable classification of individuals is a separate coverage

group from the medical assistance available to medically needy persons described in rule 441—75.8(249A).

c. There are no financial eligibility requirements for these coverage groups.

d. The effect of reaching age 21 on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

e. The age requirements and the requirement to live with a parent or other caretaker as provided in rule 441—75.50(249A) do not apply for persons under this coverage group.

75.3(9) *Children in foster care, subsidized adoption arrangement, or subsidized guardianship arrangement and eligible under Title IV-E.*

a. Medicaid will be available to a child under the age of 21 who is eligible under Title IV-E of the Act and for whom any of the following is provided:

(1) Foster care maintenance payments for a child placed in licensed foster care pursuant to Iowa Code section 234.35 and rule 441—156.20(234).

(2) Guardianship assistance pursuant to rule 441—204.4(234), regardless of whether the guardianship assistance agreement provides for guardianship subsidy maintenance payments.

(3) Adoption assistance pursuant to rule 441—201.5(600), regardless of whether the adoption assistance agreement provides for adoption subsidy maintenance payments.

b. IV-E assistance from another state. Medicaid will be available to children under the age of 21 who are eligible for federal foster care maintenance payments, adoption assistance, or guardianship assistance under Title IV-E of the Act from another state and live in Iowa, including children with an adoption or guardianship assistance agreement that does not provide for maintenance payments.

c. There are no financial eligibility requirements for these coverage groups.

d. The effect of reaching age 21 on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

e. The age requirements and the requirement to live with a parent or other caretaker as provided in rule 441—75.50(249A) do not apply for persons under this coverage group.

75.3(10) *State-only funded medical assistance for children in foster care or a subsidized adoption arrangement for whom the department has financial responsibility in whole or in part.*

a. When the department is responsible for foster care maintenance payments for a child placed in licensed foster care pursuant to Iowa Code section 234.35 and rule 441—156.20(234), or has negotiated an adoption assistance agreement pursuant to rule 441—201.5(600) for a child living in a private home regardless of whether the agreement provides for adoption subsidy maintenance payments, state-only funded medical assistance will be available to the child if:

(1) The child is under the age of 21, lives in Iowa, and is not otherwise eligible under a category for which federal financial participation is available; or

(2) The child is under the age of 21, lives in another state, and is not eligible for benefits from the other state pursuant to a program funded under Title XIX of the Act, notwithstanding the residency requirements of 441—75.10(249A).

b. There are no financial eligibility requirements for this coverage group.

c. The effect of reaching the age of 21 on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

d. The age requirements and the requirement to live with a parent or other caretaker as provided in rule 441—75.50(249A) do not apply for persons under this coverage group.

75.3(11) *State-only funded medical assistance for children in a court-approved subsidized guardianship home for whom the department has financial responsibility in whole or in part.*

a. When the department has negotiated a subsidized guardianship agreement for a child pursuant to 441—Chapter 204, state-only funded medical assistance will be available to the child under this subrule if the child is under the age of 21 and living in a private home pursuant to a court-approved subsidized guardianship agreement if:

(1) The child lives in Iowa and is not eligible for Medicaid under a category for which federal financial participation is available due to reasons other than:

1. Failure to provide information, or

2. Failure to comply with other procedural requirements; or

(2) Notwithstanding the residency requirements of rule 441—75.10(249A), the child lives in another state and is not eligible for benefits from the other state pursuant to a program funded under Title XIX of the Act, due to reasons other than:

1. Failure to provide information, or

2. Failure to comply with other procedural requirements.

b. There are no financial eligibility requirements for this coverage group.

c. The effect of reaching the age of 21 on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

d. The age requirements and the requirement to live with a parent or other caretaker as provided in rule 441—75.50(249A) do not apply for persons under this coverage group.

75.3(12) *Medicaid for former foster care youth (EMIYA).* Medicaid will be available to a person who meets all of the following conditions:

a. The person is at least 18 years of age (or such higher age to which foster care is provided to the person, as provided in paragraph 75.3(12)*"c"*) and under 26 years of age. The effect of reaching the age of 26 on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

b. The person is:

(1) Not described in and is not enrolled under any of subclauses (I) through (VII) of Section 1902(a)(10)(A)(i) of Title XIX of the Act; or

(2) Described in any of such subclauses but has income that exceeds the level of income applicable under Iowa's state Medicaid plan for eligibility to enroll for Medicaid under such subclause.

c. The person was in foster care as defined in Iowa Code section 232.2(20B):

(1) Under the responsibility of Iowa or a tribe within Iowa on the date of attaining 18 years of age or such higher age as described in Iowa Code section 234.1 on or prior to December 31, 2022; or

(2) Under the responsibility of any state on the date of attaining 18 years of age or such higher age as defined under Section 1902(a)(10)(A)(i) of the Act on or after January 1, 2023.

d. The person was enrolled in the Iowa Medicaid program under Title XIX of the Act on the date of attaining 18 years of age or such higher age as described in Iowa Code section 234.1 on or prior to December 31, 2022; or

e. The person was enrolled in Medicaid in any state on the date of attaining 18 years of age or such higher age as defined under Section 1902(a)(10)(A)(i) of the Act on or after January 1, 2023.

f. There are no financial eligibility requirements for this coverage group.

75.3(13) *Persons under 21 receiving care in a medical facility who would be eligible under a special income standard.* Medicaid will be available to persons under the age of 21 who meet the requirements in paragraph 75.6(4)*"b."*

75.3(14) *Presumptive eligibility for family-related medical assistance.* Medicaid will be temporarily available to the following persons who are determined to be presumptively eligible for Medicaid pursuant to rule 441—75.7(249A):

a. Infants (within MAC income limits specified in rule 441—75.74(249A));

b. Children (within hawki income limits specified in 441—subrule 86.2(2));

c. Parents and other caretakers (within FMAP income limits specified in rule 441—75.74(249A));

d. Pregnant women (within MAC income limits specified in rule 441—75.74(249A)); and

e. EMIYA.

75.3(15) *Family-related medically needy.* Pursuant to rule 441—75.8(249A), Medicaid will be available to children under the age of 19 and pregnant women who would be eligible for a family-related coverage group except for excess income. The coverage group is also available to a "parent" and "caretaker" as defined in rule 441—75.1(249A) who meet the requirements described in rule 441—75.8(249A) and who would be eligible for a family-related coverage group or IHAWP except for excess income.

This rule is intended to implement Iowa Code sections 249A.3, 249A.3A and 249A.4.

441—75.4(249A) Persons who have been screened and found to need breast or cervical cancer treatment (BCCT).

75.4(1) Medicaid is available to persons who meet the eligibility requirements described within this rule and the general conditions of eligibility described in this chapter.

a. Medicaid will be available to persons who:

(1) Are under the age of 65:

(2) Have been screened for breast or cervical cancer under the National Breast and Cervical Cancer Early Detection Program (NBCCEDP) established under Title XV of the Public Health Service Act as amended to August 1, 2025, and have been found to need BCCT (including a precancerous condition);

(3) Do not otherwise have creditable coverage, as that term is defined by the Health Insurance Portability and Accountability Act (HIPAA) (42 U.S.C. Section 300gg-3(c)(1)). An individual is not considered to have creditable coverage just because the individual may receive medical services provided by the Indian Health Service, a tribal organization, or an Urban Indian Organization; and

(4) Are not eligible for Medicaid under Iowa Code section 249A.3(1).

b. Eligibility established under this subrule continues until the person is:

(1) No longer receiving BCCT;

(2) Aged 65 or older; or

(3) Covered by creditable coverage or eligible for Medicaid under Iowa Code section 249A.3(1).

c. Persons applying for this coverage group are not subject to MAGI methodologies described in Division III of this chapter. Income eligibility is determined by the NBCCEDP.

75.4(2) Presumptive eligibility. Medicaid is temporarily available to persons who have been screened for breast or cervical cancer and found to need treatment for the cancer and who are determined to be presumptively eligible for Medicaid under BCCT pursuant to rule 441—75.7(249A).

441—75.5(249A) Persons under age 65; refugees. Medicaid is available to persons who are under age 65 and to persons admitted to the United States as refugees who meet the eligibility requirements of a coverage group described within this rule.

75.5(1) *Iowa health and wellness plan (IHAWP).* This coverage group is available to persons who are aged 19 or older and under the age of 65 who meet the eligibility requirements of the IHAWP as described in 441—Chapter 74 and who are not eligible for Medicaid under a family-related or non-MAGI-related coverage group.

75.5(2) *Presumptive eligibility for IHAWP.* Medicaid will be temporarily available to persons who are aged 19 or older and under the age of 65 who are determined to be presumptively eligible for IHAWP medical assistance pursuant to rule 441—75.7(249A).

75.5(3) *Refugee medical assistance (RMA).* RMA is available to refugees, subject to the time limit set forth in rule 441—60.7(217) and paragraph 75.5(3)*"a,"* when the requirements of this rule are met and eligibility does not exist under another Medicaid coverage group or hawki.

a. The time limit begins the month of entry, regardless of which day during the month is the refugee's date of entry. The time limit applies to each person, not to each case or household.

b. The refugee must meet the immigration status and other non-financial requirements described in 441—Chapter 60.

c. Financial eligibility will be determined according to MAGI methodology pursuant to Division III of this chapter. Countable household income must not exceed the FMAP limits prescribed at rule 441—75.74(249A).

d. For purposes of Medicaid, the refugee is not required to meet the work and training requirements specified in rule 441—60.9(217).

75.5(4) *Extended coverage for refugees.* RMA will be available to a refugee for the remainder of the time limit described in subrule 75.5(3) when the refugee, who is a member, becomes ineligible for RMA or Medicaid under another coverage group solely due to earnings of a household member and eligibility does not exist under another coverage group.

a. A refugee will not be required to meet any minimum program participation time frames to receive RMA coverage under this subrule.

b. A person who returns to the household after the family becomes ineligible for RMA or Medicaid may be included in the extended RMA household if the person was included in the RMA or Medicaid household the month the family became ineligible for RMA or other Medicaid.

441—75.6(249A) Aged, blind or disabled. Medicaid is available to persons who are aged, blind or disabled and who meet the eligibility requirements of a coverage group described within this rule, the general conditions of eligibility, and the eligibility factors specific to non-MAGI-related Medicaid described in Division IV unless stated otherwise within this chapter.

75.6(1) *Persons receiving SSI or state supplementary assistance; persons eligible for but not receiving SSI.*

a. SSI recipients. Medicaid will be available to all persons receiving SSI payments as authorized by the SSA under Title XVI of the Act.

b. State supplementary assistance recipients. Medicaid will be available to all recipients of state supplementary assistance as authorized by Iowa Code chapter 249, 441—Chapters 50 through 54 and 177, and Title XVI of the Act. This applies to mandatory and optional state supplementary assistance payments, whether administered by the department or the SSA.

c. Persons who meet the income and resource requirements of SSI. Medicaid will be available to aged, blind, or disabled persons as described below who meet the income and resource guidelines of SSI but who are not receiving SSI:

(1) Aged and blind persons, as defined in rule 441—75.1(249A).

(2) Disabled persons, as determined pursuant to rule 441—75.81(249A).

(3) In establishing eligibility for children for this coverage group, resources of the child and ineligible parent or stepparent, regardless of age, will be disregarded.

(4) In establishing eligibility for adults for this coverage group, resources of non-MAGI persons will be treated according to SSI policies.

d. Persons who do not receive an SSI payment but are considered as SSI recipients. Medicaid will be available to a person who is not receiving an SSI payment because the SSA has determined that the person exceeds the income limit when the department still considers the person to be an SSI recipient.

75.6(2) *Persons who are not eligible for SSI or state supplementary assistance.*

a. Persons who are ineligible for SSI because of requirements that do not apply under Title XIX of the Act. Medicaid will be available to persons who would be eligible for SSI except for an eligibility requirement used in that program that is specifically prohibited under Title XIX of the Act.

b. Persons who would be eligible for SSI or state supplementary assistance but for social security cost-of-living increases received. Medicaid will be available to all current social security recipients who meet the following conditions:

(1) They were entitled to and received concurrently in any month after April 1977 SSI and social security or state supplementary assistance and social security,

(2) They subsequently lost eligibility for SSI or state supplementary assistance, and

(3) They would be eligible for SSI or state supplementary assistance if all of the social security cost-of-living increases that they and their financially responsible spouses, parents, and dependent children received since they were last eligible for and received social security and SSI (or state supplementary assistance) concurrently were deducted from their income. Spouses, parents, and dependent children are considered financially responsible if their income would be considered in determining the applicant's eligibility.

c. Persons who would be eligible for SSI or state supplementary assistance, except that they receive social security benefits from a parent's account based on disability. Medicaid will be available to persons who receive SSI or state supplementary assistance after their eighteenth birthday because of a disability or blindness that began before the age of 22 and who would continue to receive SSI or state supplementary assistance except that they become entitled to or receive an increase in social security benefits from a parent's account.

d. Persons ineligible due to October 1, 1972, social security increase. Medicaid will be available to persons and families whose assistance grants were canceled as a result of the increase in social

security benefits October 1, 1972, as long as these persons and families would be eligible for an assistance grant if the increase were not considered.

e. Persons who would be eligible for SSI or state supplementary assistance but for increases in social security benefits because of elimination of the actuarial reduction formula and cost-of-living increases received. Medicaid will be available to all current social security recipients who meet all of the following conditions:

(1) They were eligible for a social security benefit in December of 1983.

(2) They were eligible for and received a widow's or widower's disability benefit and SSI or state supplementary assistance for January of 1984.

(3) They became ineligible for SSI or state supplementary assistance because of an increase in their widow's or widower's benefit that resulted from the elimination of the reduction factor in the first month in which the increase was paid and in which a retroactive payment of that increase for prior months was not made.

(4) They have been continuously eligible for a widow's or widower's benefit from the first month the increase was received.

(5) They would be eligible for SSI or state supplementary assistance benefits if the amount of the increase from elimination of the reduction factor and any subsequent cost-of-living adjustments were disregarded.

(6) They submitted an application prior to July 1, 1988.

f. Widows and widowers who are no longer eligible for SSI or state supplementary assistance because of the receipt of social security benefits. Medicaid will be available to widows and widowers who meet the following conditions:

(1) They have applied for and received or were considered recipients of SSI or state supplementary assistance.

(2) They apply for and receive Title II widow's or widower's insurance benefits or any other Title II old age or survivor's benefits, if eligible for widow's or widower's benefits.

(3) They were not entitled to Part A Medicare hospital insurance benefits at the time of application and receipt of Title II old age or survivor's benefits. They are not currently entitled to Part A Medicare hospital insurance benefits.

(4) They are no longer eligible for SSI or state supplementary assistance solely because of the receipt of their social security benefits.

g. Continued Medicaid for disabled children from August 22, 1996. Medicaid will be available to persons who were receiving SSI as of August 22, 1996, and who would continue to be eligible for SSI but for Section 211(a) of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193) as amended to August 1, 2025, and 42 U.S.C. 1382c(a)(3).

75.6(3) *Certain persons essential to the welfare of Title XVI beneficiaries.* Medicaid will be available to the person living with and essential to the welfare of a Title XVI beneficiary, provided the essential person was eligible for Medicaid as of December 31, 1973. The person will continue to be eligible for Medicaid as long as the person continues to meet the definition of "essential person" in effect for the Old Age Assistance, Aid to the Blind, or Aid to the Permanently and Totally Disabled public assistance programs on December 31, 1973, and as determined by SSA.

75.6(4) *Persons residing in a medical institution.*

a. Persons who would be eligible for SSI or state supplementary assistance except for their institutional status. Medicaid will be available to persons receiving care in a medical institution who would be eligible for SSI or state supplementary assistance if they were not institutionalized.

b. Persons receiving care in a medical facility who would be eligible under a special income standard.

(1) Medicaid will be available to persons who:

1. Meet level of care requirements as set forth in rules 441—78.3(249A), 441—81.2(249A), 441—82.6(3) and 441—82.7(249A).

2. Receive care in a hospital, nursing facility, psychiatric medical institution, intermediate care facility for the intellectually disabled (ICF-ID), or Medicare-certified skilled nursing facility.

3. Have gross countable monthly income that does not exceed 300 percent of the federal SSI benefits for one.

4. Either meets all SSI eligibility requirements except for income or is under age 21 pursuant to subrule 75.3(14).

(2) For all persons in this coverage group, income will be considered as provided for non-MAGI-related coverage groups under rule 441—75.80(249A). In establishing eligibility for persons aged 21 or older for this coverage group, resources will be considered as provided for non-MAGI-related coverage groups.

(3) A person in this group will not be eligible until the person has been institutionalized for a period of 30 consecutive days, and eligibility will be effective no earlier than the first day of the month in which the 30-day period begins. A period of 30 days means beginning from 12 a.m. of the day of admission to the medical institution and ending no earlier than 12 midnight of the thirtieth day following the beginning of the period.

1. A person who enters a medical institution and who dies prior to completion of the 30-day period will be considered to meet the 30-day period provision.

2. Only one 30-day period is required to establish eligibility during a continuous stay in a medical institution. Discharge during a subsequent month, creating a partial month of care, does not affect eligibility for that partial month regardless of whether the eligibility determination was completed prior to discharge.

3. A temporary absence of not more than 14 full consecutive days during which the person remains under the jurisdiction of the institution does not interrupt the 30-day period. In order to remain under the jurisdiction of the institution, a person must first have been physically admitted to the institution.

75.6(5) *Medicare savings programs.* The purpose of the coverage groups within this subrule is to assist low-income persons with the payments of Medicare premiums, coinsurance, and deductibles. These groups are known as Medicare savings programs.

a. Qualified Medicare beneficiary (QMB) program.

(1) Medicaid will be available to persons who are entitled to hospital insurance under Part A of Medicare to cover the cost of the Medicare Part A and B premiums, coinsurance, and deductibles, providing the following conditions are met:

1. The person's monthly income does not exceed 100 percent of the FPL applicable to the family size.

2. The amount of income will be determined as under the SSI program.

3. The person's resources do not exceed three times the maximum resource level allowed under the SSI program, annually adjusted by increases in the consumer price index for inflation as defined in Section 1905(p)(1)(C) of the Act.

(2) The amount of resources will be determined as under the SSI program unless the person lives and is expected to live at least 30 consecutive days in a medical institution and has a spouse at home, in which case the resource determination will be made according to subrules 75.82(3) and 75.82(4).

(3) Income will not include any amount of social security income attributable to the cost-of-living increase beginning January 1 until the annual revision of the FPL on April 1.

(4) The effective date of eligibility is the first of the month after the month of decision.

(5) Pursuant to 42 CFR 435.909(b), SSI recipients are automatically enrolled in the QMB group.

b. Qualified disabled and working persons. Medicaid will be available to cover the cost of the premium for Part A of Medicare (hospital insurance benefits) for qualified disabled and working persons.

(1) Qualified disabled and working persons are persons who meet the following requirements:

1. The person's monthly income does not exceed 200 percent of the applicable FPL for the family size.

2. The person's resources do not exceed twice the maximum amount allowed under the SSI program.

3. The person is not eligible for any other Medicaid benefits.

4. The person is entitled to enroll in Medicare Part A of Title XVIII under Section 1818A of the Act (as added by Section 6012 of the Omnibus Budget Reconciliation Act (OBRA) 1989).

(2) The amount of the person's income and resources will be determined as under the SSI program.

c. Specified low-income Medicare beneficiaries.

(1) Medicaid will be available to persons who are entitled to hospital insurance under Part A of Medicare to cover the cost of the Medicare Part B premium, provided the following conditions are met:

1. The person's monthly income exceeds 100 percent of the FPL but is less than 120 percent of the FPL applicable to a family of the size involved.

2. The person's resources do not exceed three times the maximum resource level allowed under the SSI program, annually adjusted by increases in the consumer price index for inflation as defined in section 1905(p)(1)(C) of the Act.

(2) The amount of income and resources will be determined as under the SSI program unless the person lives and is expected to live at least 30 consecutive days in a medical institution and has a spouse at home, in which case the resource determination will be made according to subrules 75.82(3) and 75.82(4).

(3) Income will not include any amount of social security income attributable to the cost-of-living increase beginning January 1 until the annual revision of the FPL on April 1.

(4) The effective date of eligibility will be as set forth in 441—subrule 76.13(1).

d. Expanded specified low-income Medicare beneficiaries.

(1) Medicaid benefits to cover the cost of the Medicare Part B premium will be available to persons who are entitled to Medicare Part A provided the following conditions are met:

1. The person is not otherwise eligible for Medicaid.

2. The person's monthly income is at least 120 percent of the FPL but is less than 135 percent of the FPL applicable to a family of the size involved.

3. The person's resources do not exceed three times the maximum resource level allowed under the SSI program, annually adjusted by increases in the consumer price index for inflation as defined in Section 1905(p)(1)(C) of the Act.

(2) The amount of the income and resources will be determined the same as under the SSI program unless the person lives and is expected to live at least 30 consecutive days in a medical institution and has a spouse at home, in which case the resource determination will be made according to subrules 75.82(3) and 75.82(4).

(3) Income will not include any amount of social security income attributable to the cost-of-living increase beginning January 1 until the annual revision of the FPL on April 1.

(4) The effective date of eligibility will be as set forth in 441—subrule 76.13(1).

75.6(6) *Medicaid for employed people with disabilities (MEPD).*

a. Medicaid will be available to persons who meet all of the following conditions:

(1) They are disabled as determined pursuant to rule 441—75.81(249A), except that being engaged in substantial gainful activity will not preclude a determination of disability.

(2) They are less than 65 years of age.

(3) They are members of families (including families of one) whose income is less than 250 percent of the FPL for the family. Family income will include gross income of all family members, less SSI program disregards, exemptions, and exclusions, including the earned income disregards. The social security cost-of-living increase will be excluded in the current calendar year for January until April.

(4) They receive earned income from employment or self-employment or are eligible pursuant to paragraph 75.6(6)*"c."*

(5) They would be eligible for Medicaid under another coverage group set out in this rule (other than the medically needy coverage groups in rule 441—75.8(249A)), disregarding all income, up to $10,000 of available resources for an individual and $21,000 for a couple, and any additional resources held by the disabled individual in a retirement account, a medical savings account, or an assistive technology account.

(6) They have paid any premium assessed pursuant to paragraph 75.6(6)*"b."*

b. Persons whose gross income is greater than 150 percent of the FPL.

(1) For a person whose gross income exceeds 150 percent of the FPL for an individual, eligibility is conditional upon payment of a premium. Gross income includes all earned and unearned income of the conditionally eligible person, except that income attributable to a social security cost-of-living adjustment will be included only in determining premium liability based on a subsequently published FPL. A monthly premium will be assessed at the time of application and at the annual review. The premium amounts and the FPL increments above 150 percent of the FPL used to assess premiums will be adjusted annually on August 1.

(2) Beginning with the month of application, the monthly premium amount will be established based on projected average monthly income. The monthly premium established will not be increased for any reason before the next eligibility review. The premium will not be reduced due to a change in the FPL but may be reduced or eliminated prospectively before the next eligibility review if a reduction in projected average monthly income is verified.

(3) Eligible persons are required to complete and return forms specified by the department with income information during the twelfth month of the annual enrollment period to determine the premium to be assessed for the next 12-month enrollment period.

(4) Premiums will be assessed as follows:

IF THE INCOME OF THE APPLICANT IS ABOVE:	THE MONTHLY PREMIUM IS:
150% of Federal Poverty Level	$43
165% of Federal Poverty Level	$59
180% of Federal Poverty Level	$70
200% of Federal Poverty Level	$82
225% of Federal Poverty Level	$97
250% of Federal Poverty Level	$113
300% of Federal Poverty Level	$141
350% of Federal Poverty Level	$171
400% of Federal Poverty Level	$202
450% of Federal Poverty Level	$233
550% of Federal Poverty Level	$291
650% of Federal Poverty Level	$351
750% of Federal Poverty Level	$413
850% of Federal Poverty Level	$488
1000% of Federal Poverty Level	$586
1150% of Federal Poverty Level	$685
1300% of Federal Poverty Level	$790
1480% of Federal Poverty Level	$913

(5) Eligibility is contingent upon the payment of any assessed premiums. Medicaid eligibility will not be made effective for a month until the premium assessed for the month is paid. The premium must be paid within three months of the month of coverage or of the month of initial billing, whichever is later, for the person to be eligible for the month.

(6) When the department notifies the applicant of the amount of the premiums, the applicant shall pay any premiums due as follows:

1. The premium for each month is due the fourteenth day of the month the premium is to cover.

EXCEPTIONS: The premium for the month of initial billing is due the fourteenth day of the following month; premiums for any months prior to the month of initial billing are due on the fourteenth day of the third month following the month of billing.

2. If the fourteenth day falls on a weekend or a state holiday, payment is due the first working day following the holiday or weekend.

3. When any premium payment due in the month it is to cover is not received by the due date, Medicaid eligibility will be canceled.

(7) Payments received will be applied in the following order:

1. To the month in which the payment is received if the premium for the current calendar month is unpaid.

2. To the following month when the payment is received after a billing statement has been issued for the following month.

3. To prior months when a full payment has not been received. Payments will be applied beginning with the most recent unpaid month before the current calendar month, then the oldest unpaid prior month and forward until all prior months have been paid.

4. When premiums for all months above have been paid, any excess will be held and applied to any months for which eligibility is subsequently established, as specified in numbered paragraphs 75.6(6)*"b"*(7)"1," "2," and "3" above, and then to future months when a premium becomes due.

5. Any excess on an inactive account will be refunded to the client after two calendar months of inactivity, or no longer being assessed a monthly premium, or upon request from the client.

(8) An individual's case may be reopened when Medicaid eligibility is canceled for nonpayment of premium. However, the full premium must be received by the department on or before the last day of the month following the month the premium is to cover.

(9) Premiums may be submitted in the form of money orders or personal checks to the address printed on the coupon attached to the MEPD billing statement.

(10) Once an individual is canceled from Medicaid due to nonpayment of premiums, the individual must reapply to establish Medicaid eligibility unless the reopening provisions of this subrule apply.

(11) When a premium due in the month it is to cover is not received by the due date, a notice of decision will be issued to cancel Medicaid. The notice will be provided in accordance with 441—Chapter 16 and will include reopening provisions that apply if payment is received, as well as appeal rights under 441—Chapter 7.

(12) A form specified by the department will be used for billing and collection.

c. Members in this coverage group who become unable to work due to a change in their medical condition or who lose employment will remain eligible for a period of six months from the month of the change in their medical condition or loss of employment as long as they intend to return to work and continue to meet all other eligibility criteria under this subrule. Members shall submit a form prescribed by the department to report on the end of their employment and their intent to return to employment.

d. For purposes of this subrule, the following definitions apply:

"Assistive technology" is the systematic application of technologies, engineering, methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with disabilities in areas that include education, rehabilitation, technology devices, and assistive technology services.

"Assistive technology accounts" include funds in contracts, savings, trust or other financial accounts, financial instruments or other arrangements with a definite cash value set aside and designated for the purchase, lease or acquisition of assistive technology, assistive technology devices, or assistive technology services. Assistive technology accounts must be held separate from other accounts, and funds and must be used to purchase, lease or otherwise acquire assistive technology, assistive technology services, or assistive technology devices for the working person with a disability when a physician, certified vocational rehabilitation counselor, licensed physical therapist, licensed speech therapist, or licensed occupational therapist has established the medical necessity of the device, technology, or service and determined the technology, device, or service can reasonably be expected to enhance the individual's employment.

"Assistive technology device" is any item, piece of equipment, product system, or component part, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities or address or eliminate architectural, communication, or other barriers confronted by persons with disabilities.

"Assistive technology service" means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device or other assistive technology. It includes but is not limited to services referred to or described in the Assistive Technology Act of 1998, 29 U.S.C. §3002(4).

"Family," if the individual is under the age of 18 and unmarried, includes parents living with the individual, unmarried siblings under the age of 18 and living with the individual, and children of the individual who live with the individual. If the individual is 18 years of age or older, or married, "family" includes the individual's spouse living with the individual and any children living with the individual who are under the age of 18 and unmarried. No other persons will be considered members of an individual's family. An individual living alone or with others not listed above will be considered to be a family of one.

"Medical savings account" means an account exempt from federal income taxation pursuant to Section 220 of the United States Internal Revenue Code (26 U.S.C. §220).

"Retirement account" means any retirement or pension fund or account, listed in Iowa Code section 627.6(8)*"f"* as exempt from execution, regardless of the amount of contribution, the interest generated, or the total amount in the fund or account.

75.6(7) *Medicaid for kids with special needs (MKSN).* Medicaid will be available to children who meet all of the following conditions on or after January 1, 2009:

a. The child is under 19 years of age.

b. The child is disabled as determined pursuant to rule 441—75.81(249A) based on the disability standards for children used for SSI benefits under Title XVI of the Act but without regard to any income or asset eligibility requirements of the SSI program.

c. The child is enrolled in any group health plan available through the employer of a parent living in the same household as the child if the employer contributes at least 50 percent of the total cost of annual premiums for that coverage. The parent shall enroll the child and pay any employee premium required to maintain coverage for the child.

d. The child's household has income at or below 300 percent of the FPL applicable to a family of that size.

(1) For this purpose, the child's household includes any of the following persons who are living with the child and are not receiving Medicaid on another case:

1. The child's parents.
2. The child's unmarried siblings under the age of 19.
3. The child's spouse.
4. The child's children.
5. The children of the child's spouse.

(2) Only those persons identified in subparagraph 75.6(7)*"d"*(1) will be considered a member of the child's household. A person who receives medically needy coverage with a spenddown or limited benefits such as Medicare savings programs is not considered to be "receiving Medicaid" for the purposes of subparagraph *"d"*(1). A child who lives alone or with persons not identified in subparagraph *"d"*(1) will be considered as having a household of one.

(3) For this purpose, all unearned and earned income of the household, unless specifically exempted, disregarded, deducted for work expenses, or diverted, will be considered in determining initial and continuing eligibility.

75.6(8) *Persons eligible for waiver services.* Medicaid will be available to members eligible for waiver services as defined in 441—Chapter 83.

441—75.7(249A) Presumptive eligibility. Medicaid will be temporarily available to persons who are determined to be presumptively eligible for Medicaid pursuant to this subrule. Presumptive eligibility will be determined by a qualified entity (QE) and will be based solely on the applicant's attested circumstances as provided to the QE and entered by the QE directly online into the Medicaid Presumptive Eligibility Portal (MPEP) system. Verification cannot be requested or required for a presumptive eligibility determination.

75.7(1) *Application process.* Persons and families requesting assistance under this subrule shall apply with a QE using the methods described in 441—subrule 76.7(3). The requirements for filing date of application, effective date of coverage, signature on application, notice and appeal rights, and full Medicaid eligibility determinations described in 441—subrules 76.7(4) through 76.7(7) apply.

75.7(2) *Eligibility requirements applicable to all presumptive eligibility determinations except as stated otherwise within this rule.* The following eligibility requirements are applicable to all presumptive eligibility determinations, except as stated otherwise within this rule.

a. Household size. Household size will be determined using MAGI methodology as described in rule 441—75.72(249A).

b. Countable income. Countable income will be determined using MAGI methodology as described in rule 441—75.73(249A).

c. Citizenship or qualified noncitizen status. The person for whom assistance is requested must be a citizen of the United States or a qualified noncitizen as defined in 441—75.11(249A), except for a pregnant woman described in paragraph 75.7(3)*"c."*

d. Iowa residency. The person for whom assistance is requested must be a resident of Iowa as described in rule 441—75.10(249A).

e. Prior presumptive eligibility. A person will not be determined presumptively eligible more than once in a 12 calendar month period, except as allowed in paragraph 75.7(3)*"g."* The first month of the 12 calendar month period begins with the calendar month the application is received by the qualified entity.

75.7(3) *Categories of eligibility and specific requirements.* The following categories of persons are eligible for a presumptive determination. Persons applying for a presumptive determination must meet all specific requirements related to the category of coverage in addition to the requirements in subrule 75.7(2), except as stated otherwise within this subrule. For categories where age is an eligibility factor, the effect of reaching an age limit on the person's eligibility will be determined pursuant to rule 441—75.52(249A).

a. Presumptive eligibility for children. Presumptive eligibility is available to children who meet the following requirements:

(1) Age—the child must be under the age of 19 as described in rule 441—75.52(249A).

(2) Income limits—household income must not exceed:

1. The MAC program limit for infants and the applicable household size as specified in rule 441—75.74(249A) when the child is under the age of one; or

2. The hawki program limit for a household of the same size as specified in 441—subrule 86.2(2) when the child is aged 0 through 18.

b. Presumptive eligibility for parents and other caretakers. Presumptive eligibility will be available to a parent or other caretaker who meets the following requirements:

(1) Household income must not exceed the family medical assistance program income limits specified in rule 441—75.74(249A).

(2) The parent or caretaker lives with a dependent child as described in subrule 75.50(2) and has primary responsibility for the child's care as described in subrule 75.51(2).

c. Presumptive eligibility for pregnant women. Presumptive eligibility for ambulatory prenatal care is available to a woman who is pregnant and who also meets the following requirements:

(1) Household income must not exceed the MAC program limit for pregnant women specified at rule 441—75.74(249A) for the applicable household size.

(2) A pregnant woman will not be required to meet the citizen or noncitizen requirements of rule 441—75.11(249A).

d. Presumptive eligibility for IHAWP. Presumptive eligibility for IHAWP is available to a person who meets the following requirements:

(1) The non-financial eligibility requirements described in rule 441—74.2(249A,249N).

(2) Household income not exceeding 133 percent of the FPL based on the size of the household pursuant to rule 441—74.4(249A,249N).

e. Presumptive eligibility for former foster care youth. Presumptive eligibility will be available to a person who is under the age of 26, was formerly in foster care, and meets the requirements described in subrule 75.3(12).

f. Presumptive eligibility for persons who have been screened and found to need treatment for breast or cervical cancer. Presumptive eligibility is available to a person who has been screened and found to need treatment for either breast or cervical cancer, subject to the following:

(1) The person must be determined to meet the eligibility requirements described in subrule 75.4(1).

(2) The person will not be required to meet the eligibility requirements described in paragraph 75.7(2)*"a," "b,"* or *"c."*

g. Presumptive eligibility more than once in a 12 calendar month period. A person will be determined presumptively eligible only once in a 12 calendar month period beginning with the calendar month the application is received by the qualified entity, except as follows:

(1) A new period of presumptive eligibility will begin each time a person is screened as described in subparagraph 75.4(1)*"a"* and determined to need treatment for a new occurrence of breast or cervical cancer.

(2) A pregnant woman may be determined presumptively eligible for Medicaid once per pregnancy but no more than once per pregnancy.

75.7(4) *Presumptive eligibility period.* Presumptive eligibility is effective on the date that a qualified entity completes the presumptive eligibility determination pursuant to 441—subrule 76.7(5) and ends as described in the paragraphs below.

a. For persons determined presumptively eligible under paragraphs 75.7(3)*"b"* through *"f,"* presumptive eligibility will continue until:

(1) In the case of a person on whose behalf a Medicaid application has not been filed, the last day of the calendar month following the month of the presumptive eligibility determination; or

(2) In the case of a person on whose behalf a Medicaid application has been filed, the day on which a decision is made on that application. Withdrawal of a Medicaid application before a decision is made will not affect the person's eligibility during the presumptive period.

b. For children determined presumptively eligible under paragraph 75.7(3)*"a,"* presumptive eligibility will continue until:

(1) In the case of a child on whose behalf a Medicaid application has not been filed, the last day of the calendar month following the month of the presumptive eligibility determination; or

(2) In the case of a child on whose behalf a Medicaid (including hawki) application has been filed, the day the child is determined eligible for Medicaid, the last day of the month before the child is determined eligible for hawki, or the day the child is determined ineligible for both Medicaid and hawki. Withdrawal of a Medicaid (including hawki) application before a decision is made will not affect the child's eligibility during the presumptive period.

75.7(5) *Services covered.*

a. Persons determined presumptively eligible under paragraphs 75.7(3)*"a," "b," "e,"* and *"f"* will be entitled to all Medicaid-covered services, including early and periodic screening, diagnosis, and treatment (EPSDT) services for children. Payment of claims for Medicaid services provided during the presumptive period is not dependent upon the department's determination of Medicaid or hawki eligibility.

b. Covered services for pregnant women determined presumptively eligible under paragraph 75.7(3)*"c"* will be limited to ambulatory prenatal care services during the presumptive period. Payment of claims for ambulatory prenatal care services is not dependent upon a determination of Medicaid eligibility by the department. "Ambulatory prenatal care" means all Medicaid-covered services, except inpatient hospital or institutional care and charges associated with delivery of the baby (including miscarriage or termination of a pregnancy).

c. Persons determined presumptively eligible under paragraph 75.7(3)*"d"* will be limited to all services offered under IHAWP pursuant to 441—Chapter 74. Payment of claims for services offered under IHAWP and provided during the presumptive eligibility period is not dependent upon the department's determination of IHAWP eligibility.

441—75.8(249A) Medically needy persons.

75.8(1) *Medically needy definitions.* For purposes of this rule, the following definitions apply:

"Break in assistance" for medically needy means the lapse of more than three months from the end of the medically needy certification period to the beginning of the next current certification period.

"Certification period" for medically needy means the period of time not to exceed two consecutive months in which a person is conditionally eligible.

"Client" for medically needy means all of the following:

1. A medically needy applicant;
2. A medically needy member;
3. A person who is conditionally eligible for Medicaid under the medically needy coverage group; and
4. A person whose income or assets are considered in determining eligibility for an applicant or member.

"Conditionally eligible" means that a person has completed the application process and has been assigned a medically needy certification period and spenddown amount but has not met the spenddown amount for the certification period.

"Family-related medically needy" means those persons who would be eligible for a family-related coverage group pursuant to rule 441—75.3(249A) except for excess income.

"FMAP-related medically needy" means those persons who would be eligible for FMAP pursuant to subrule 75.3(1) except for excess income.

"Incurred medical expenses" for the medically needy program means:

1. Medical bills paid by a client, responsible relative, or state or political subdivision program other than Medicaid during the retroactive certification period or certification period, or
2. Unpaid medical expenses for which the client or responsible relative remains obligated.

"Member" for the medically needy program means a medically needy person who has income at or less than the medically needy income level (MNIL) or who has reduced countable income to the MNIL during the certification period through spenddown.

"Necessary medical and remedial services" for the medically needy program means medical services recognized by law that are currently covered under the Medicaid program.

"Needy specified relative" means a nonparental specified relative, as defined for the family investment program (FIP) in 441—subrule 41.3(1), who meets all of the eligibility requirements of the FMAP coverage group pursuant to subrule 75.3(1).

"Noncovered Medicaid services" for the medically needy program means medical services that are not covered under Medicaid because the provider was not enrolled in Medicaid, the services are ones that are otherwise not covered under Medicaid, the bill is for a responsible relative who is not included in the Medically needy eligibility determination pursuant to subrule 75.8(3) or the bill is for services delivered before the start of a certification period.

"Obligated medical expense" for the medically needy program means a medical expense for which the client or responsible relative continues to be legally liable.

"Ongoing eligibility" for the medically needy program means that eligibility continues for an SSI-related, family-related, or FMAP-related medically needy person with a zero spenddown.

"Recertification" in the medically needy coverage group means establishing a new certification period when the previous period has expired and there has not been a break in assistance.

"Responsible relative" for medically needy means a spouse, parent, or stepparent of the applicant or member who lives with the applicant or member.

"Retroactive certification period" for the medically needy program means one, two, or three calendar months prior to the date of application. When applicable pursuant to 441—subrule 76.13(3), the retroactive certification period begins with the first day of the first month within the three-month period that Medicaid-covered services were received and continues to the end of the month immediately prior to the month of application.

"Retroactive period" means the three calendar months immediately preceding the month in which an application is filed and applies when applicable pursuant to 441—subrule 76.13(3).

"Spenddown" means the process by which a medically needy person obligates excess income for allowable medical expenses to reduce income to the appropriate MNIL.

"SSI-related medically needy" means those persons whose eligibility is determined using regulations governing the supplemental security income (SSI) program except for income or resources.

75.8(2) *Coverage groups.* Medically needy will be available to the following persons who meet the general conditions of eligibility described in this chapter:

a. Pregnant women. Pregnant women who would be eligible for a family-related coverage group pursuant to rule 441—75.3(249A) except for excess income. For family-related programs, pregnant women will have the unborn child or children counted in the household size as if the child or children were born and living with them pursuant to subrule 75.72(5).

b. FMAP-related persons under 19. Persons under the age of 19 who would be eligible for a family-related coverage group pursuant to rule 441—75.3(249A) except for excess income.

c. SSI-related persons. Persons who would be eligible for SSI except for excess income or resources.

d. FMAP-related parents and caretakers. Parents and caretakers who:

(1) Meet the requirements of rule 441—75.51(249A) and whose income exceeds the limits for FMAP; and

(2) Live with a dependent child who meets the requirements of rule 441—75.50(249A).

75.8(3) *Family-related eligible group.*

a. The eligible group consists of all eligible people specified below and living together, except when one or more of these people receive SSI under Title XVI of the Act. There will be at least one eligible parent or needy specified relative and at least one dependent child in the eligible group, except when the only eligible child is receiving SSI. The parent or needy specified relative may be the only FMAP-related eligible group member receiving Medicaid if:

(1) The only dependent child receives SSI, or

(2) The dependent child is ineligible for Medicaid, or

(3) The parent or needy specific relative voluntarily chooses to exclude the dependent child or children in order to receive coverage for the parent or needy relative.

b. The following persons will be included (except as otherwise provided in these rules) without regard to the person's employment status, income, or resources:

(1) All dependent children who are siblings of whole or half blood or adoptive.

(2) Any parent of such children if the parent is living in the same home as the dependent children.

c. The following persons may be included:

(1) The needy specified relative who assumes the role of parent.

(2) The needy specified relative who acts as payee when the parent is in the home but is unable to act as payee.

(3) An incapacitated stepparent, upon request, when the stepparent is the legal spouse of the parent and the incapacitated stepparent does not have a child in the eligible group.

1. A stepparent is considered incapacitated when a clearly identifiable physical or mental defect has a demonstrable effect upon earning capacity or the performance of the homemaking duties required to maintain a home for the stepchild. The incapacity shall be expected to last for a period of at least 30 days from the date of application.

2. The determination of incapacity shall be supported by medical or psychological evidence. The evidence may be obtained from either an independent licensed physician or psychologist or the state rehabilitation agency. The evidence may be submitted either by letter from the physician or on a form specified by the department. When an examination is required and other resources are not available to meet the expense of the examination, the physician will be authorized to make the examination and submit the claim for payment on a form specified by the department. A finding of eligibility for social security benefits or SSI benefits based on disability or blindness is acceptable proof of incapacity.

75.8(4) *Resources and income of all persons considered.*

a. Resources of all parents and other caretakers and of all potentially eligible individuals living together, except as specified at paragraph 75.8(4)*"b"* or those excluded in accordance with the provisions of paragraph 75.8(4)*"d,"* will be considered in determining eligibility of adults. Resources of all parents and other caretakers and of all potentially eligible individuals living together will be

disregarded in determining eligibility of children. Income of all parents and other caretakers and of all potentially eligible individuals living together, except as specified in paragraph 75.8(4)*"b"* or those excluded in accordance with the provisions of paragraph 75.8(4)*"d,"* will be considered in determining eligibility.

b. The amount of income of the responsible relative that has been counted as available to a family-related household other than the medically needy applicant or member household or SSI individual will not be considered in determining the countable income for the medically needy applicant or member household.

c. The resource determination will be according to subrules 75.82(3) and 75.82(4) when one spouse is expected to reside at least 30 consecutive days in a medical institution.

d. Certain persons may be voluntarily excluded from the family-related medically needy eligibility determination as follows:

(1) Exclusions from the eligibility determination. In determining eligibility under the family-related medically needy coverage groups described in paragraphs 75.8(2)*"a," "b,"* and *"d,"* the following persons may be excluded from consideration when determining medically needy eligibility of other household members:

1. Siblings (of whole or half blood, or adoptive) of eligible children.
2. Self-supporting parents of minor unmarried parents.
3. Stepparents of eligible children.
4. Children living with a parent or caretaker.

(2) Needs, income, and resource exclusions. The needs, income, and resources of persons who are voluntarily excluded will also be excluded. If a self-supporting parent of a minor unmarried parent is voluntarily excluded, then the minor unmarried parent will not be counted in the household size when determining eligibility for the minor unmarried parent's child. However, the income and resources of the minor unmarried parent will be used in determining eligibility for the unmarried minor parent's child. If a stepparent is voluntarily excluded, the legally recognized natural or adoptive parent will not be counted in the household size when determining eligibility for the natural or adoptive parent's children. However, the income and resources of the natural or adoptive parent will be used in determining eligibility for the natural or adoptive parent's children.

(3) Medicaid entitlement. Persons whose needs are voluntarily excluded from the eligibility determination will not be entitled to Medicaid under this or any other coverage group.

(4) Situations where a parent's needs are excluded. In situations where the parent's needs are excluded but the parent's income and resources are considered in the eligibility determination (e.g., minor unmarried parent living with self-supporting parents), the excluded parent will be allowed the earned income deduction, child care expenses, and work incentive disregard as provided at paragraph 75.8(6)*"a."*

(5) Situations where a child's needs, income, and resources are excluded. In situations where the child's needs, income, and resources are excluded from the eligibility determination pursuant to subparagraph 75.8(4)*"d"*(2), and the child's income is not sufficient to meet the child's needs, the parent will be allowed to divert income to meet the unmet needs of the excluded child. The maximum amount to be diverted will be the difference between the schedule of basic needs of all potentially eligible individuals living together with the child included and the schedule of basic needs with the child excluded, in accordance with the FIP provisions in 441—subrule 41.9(2), minus any countable income of the child.

75.8(5) *Resources.*

a. The resource limit for adults in SSI-related households will be $10,000 per household.

b. Disposal of resources for less than fair market value by SSI-related applicants or members is governed by rule 441—75.23(249A).

c. The resource limit for family-related adults will be $10,000 per household. In establishing eligibility for children for this coverage group, resources of all persons in the medically needy household, regardless of age, will be disregarded. In establishing eligibility for adults for this coverage group, resources will be considered according to rule 441—41.7(239B).

d. The resources of SSI-related persons will be treated according to SSI policies.

e. When a resource is jointly owned by SSI-related persons and family-related persons, the resource will be treated according to SSI policies for the SSI-related person and according to the policies described in paragraph 75.8(5)*"c"* for the family-related persons.

75.8(6) *Income.* All unearned and earned income, unless specifically exempted, disregarded, deducted for work expenses, or diverted, will be considered in determining initial and continuing eligibility.

a. Income policies for family-related medically needy coverage groups. MAGI income and household size policies do not apply to the family-related medically needy coverage groups described in subrule 75.8(2). When determining eligibility for a family-related medically needy coverage group described in subrule 75.8(2), the department will determine countable income as described in the following subparagraphs.

(1) Earned income. "Earned income" means income in the form of a salary, wages, tips, bonuses, commission earned as an employee, income from Job Corps, or profit from self-employment. Earned income from commissions, wages, tips, bonuses, Job Corps, or salary means the total gross amount irrespective of the expenses of employment.

(2) Earned income deductions. Deductions from earned income will be made as follows:

1. Each person in the household whose gross nonexempt earned income is considered in determining eligibility is entitled to one 20 percent earned income deduction from the monthly gross earnings. The deduction is intended to include work-related expenses other than child care such as taxes, transportation, meals, and uniforms.

2. Each person in the household is entitled to a deduction for child or incapacitated adult care expenses for employment-related hours subject to the following limitations:

- The going rate in the community up to $175 per month for each child aged two or older or each incapacitated adult.
- The going rate in the community up to $200 per month for each child under the age of two.
- No deduction is allowed for any portion of the cost of care that is paid for by a third party such as but not limited to the child care assistance program.
- Stepparents and self-supporting parents on minor parent cases will be allowed incapacitated adult care or child care expenses for the ineligible dependents of the stepparent or self-supporting parent.
- No deduction is allowed when both parents are in the home and one parent is not employed during the hours that care is needed if the parent at home during those hours is physically and mentally able to provide the care.
- A deduction is allowable only when the care covers the actual employment hours plus a reasonable period of time for commuting, or the period of time when the person who would normally care for the child or incapacitated adult is employed at such hours that the person is required to sleep during the waking hours of the child or incapacitated adult, excluding any hours a child is in school.
- Any special needs of a physically or mentally handicapped child or adult will be taken into consideration in determining the deduction allowed.
- If the amount claimed is questionable, the expense shall be verified by a receipt or a statement from the provider of care. The expense will be allowed when paid to any person except a parent or legal guardian of the child or another member of the household.

(3) With respect to self-employment, a person is considered to be self-employed if the requirements of FIP in 441—paragraph 41.8(2)*"e"* are met. Income will be considered earned income when it is produced as a result of the performance of services by an individual.

1. Earned income means the net profit from self-employment, defined as gross income less the allowable costs of producing the income as allowed for FIP pursuant to 441—paragraph 41.8(2)*"e"* for a non-home based enterprise.

2. In determining net profit for a self-employed enterprise in the home other than providing room and board, renting apartments or providing child care services, the costs allowed for FIP pursuant to 441—paragraph 41.8(2)*"e"* will be allowed except deductions are limited to 10 percent of the total gross income to cover the costs of upkeep for the home.

(4) When the client is renting out apartments in the client's home, the following will be deducted from the gross rentals received to determine the profit:

1. Shelter expense in excess of that set forth on the chart of basic needs components for FIP in 441—subrule 41.9(2).

2. That portion of expense for utilities furnished to tenants that exceeds the amount set forth on the chart of basic needs components for FIP in 441—subrule 41.9(2).

3. Ten percent of gross rentals to cover the cost of upkeep.

(5) In determining profit from furnishing board, room, operating a family life home, or providing nursing care, the following amounts will be deducted from the payments received:

1. $41 plus an amount equivalent to the monthly maximum Supplemental Nutrition Assistance Program benefit for a one-member household for a boarder and roomer or an individual in the home to receive nursing care, or $41 for a roomer, or an amount equivalent to the monthly maximum food assistance program benefit for a one-member household for a boarder.

2. Ten percent of the total payment to cover the cost of upkeep for individuals receiving a room or nursing care.

(6) Gross income from providing child care in the applicant's or member's own home will include the total payments received for the service and any payment received due to the Child Nutrition Amendments of 1978 as amended to August 1, 2025, for the cost of providing meals to children.

1. In determining profit from providing child care services in the applicant's or member's own home, 40 percent of the total gross income received will be deducted to cover the costs of producing the income unless the applicant or member requests to have actual expenses in excess of the 40 percent considered.

2. When the applicant or member requests to have expenses in excess of the 40 percent considered, profit will be determined in the same manner as specified at numbered paragraph 75.8(6)*"a"*(3)"2."

(7) Unearned income. Unearned income is any income in cash that is not gained by labor or service. When taxes are withheld from unearned income, the amount considered will be the net income after the withholding of taxes (Federal Insurance Contributions Act as amended to August 1, 2025, state and federal income taxes). Net unearned income will be determined by deducting reasonable income-producing costs from the gross unearned income. Money left after this deduction will be considered gross income available to meet the needs of the eligible group.

1. Social security income is the amount of the entitlement before withholding of a Medicare premium.

2. When the client sells property on contract, proceeds from the sale will be considered exempt as income. The portion of any payment that represents principal is considered a resource upon receipt as defined for FIP in 441—subrule 41.7(4). The interest portion of the payment is considered a resource the month following the month of receipt.

3. Support payments in cash will be considered as unearned income in determining initial and continuing eligibility.

- Any nonexempt cash support payment for a member of the eligible group made while the application is pending will be treated as unearned income.
- Support payments will be considered as unearned income in the month in which the IV-A agency (the department's income maintenance area) is notified of the payment by the IV-D agency (child support services). The amount of income to consider will be the actual amount paid or the monthly entitlement, whichever is less.
- Support payments reported by child support services during a past month for which eligibility is being determined will be used to determine eligibility for the month. Support payments anticipated to be received in future months will be used to determine eligibility for future months. When support payments terminate in the month of decision of a family-related application, both support payments already received and support payments anticipated to be received in the month of decision will be used to determine eligibility for that month.

(8) Income will be diverted to meet the unmet needs of ineligible children and to permit payment of court-ordered support to children not living with the parent as allowed for FIP pursuant to 441—subrule 41.8(4).

(9) The following FIP policies also apply to determining income eligibility for family-related medically needy: 441—subrules 41.8(3), 41.8(5), 41.8(6), 41.8(7), and 41.8(8) and 441—paragraphs 41.8(9)*"c," "g," "h,"* and *"i."*

b. Income policies as specified in federal SSI regulations regarding treatment of earned and unearned income are applied to SSI-related persons when determining initial and continuing eligibility.

c. The monthly income will be determined prospectively unless actual income is available.

d. The income for the certification period will be determined by adding both months' net income together to arrive at a total.

e. The income for the retroactive certification period when applicable pursuant to 441—subrule 76.13(3) will be determined by adding each month of the retroactive period to arrive at a total.

75.8(7) *Medically needy income level (MNIL).*

a. The MNIL is based on 133 1/3 percent of the schedule of basic needs, as provided for FIP in 441—subrule 41.9(2) with households of one treated as households of two, as follows:

Number of Persons	1	2	3	4	5	6	7	8	9	10
MNIL	$483	$483	$566	$666	$733	$816	$891	$975	$1058	$1158

Each additional person $116

b. When determining household size for the MNIL, all potentially eligibles and all individuals whose income is considered as specified in subrule 75.8(4) shall be included unless the person has been excluded according to the provisions of paragraph 75.8(4)*"d."*

c. The MNIL for the certification period will be determined by adding both months' MNIL to arrive at a total. The MNIL for the retroactive certification period when applicable pursuant to 441—subrule 76.13(3) will be determined by adding each month of the retroactive period to arrive at a total.

d. The total net countable income for the certification period will be compared to the total MNIL for the certification period based on family size as specified in paragraph 75.8(7)*"b."* If the total countable net income is equal to or less than the total MNIL, the medically needy individuals will be eligible for Medicaid. If the total countable net income exceeds the total MNIL, the medically needy individuals will not be eligible for Medicaid unless incurred medical expenses equal or exceed the difference between the net income and the MNIL.

e. Effective date of approval. Eligibility during the certification period, or the retroactive certification period when applicable pursuant to 441—subrule 76.13(3), will be effective as of the first day of the first month of the certification period or the retroactive certification period when the MNIL is met.

75.8(8) *Verification of medical expenses to be used in spenddown calculation.* The applicant or member shall submit evidence of medical expenses that are for noncovered Medicaid services and for covered services incurred prior to the certification period to the department on a claim form, which shall be completed by the medical provider.

a. Verification of medical expenses for the applicant or member that are covered Medicaid services and occurred during the certification period shall be submitted by the provider to Iowa Medicaid on a claim form. The applicant or member shall inform the provider of the applicant's or member's spenddown obligation at the time services are rendered or at the time the applicant or member receives notification of a spenddown obligation. In cases where the provider is uncooperative or where returning to the provider would constitute an unreasonable requirement on the applicant or member, the worker will obtain the claim form from the provider.

b. Verification of allowable expenses incurred for transportation to receive medical care as specified in rule 441—78.13(249A) will be on forms specified by the department. Applicants who have not established that they met spenddown in the current certification period will be allowed 12 months

following the end of the certification period to submit medical expenses for that period or 12 months following the date of the notice of decision when the certification period had ended prior to the notice of decision.

75.8(9) *Spenddown calculation.*

a. Medical expenses that are incurred during the certification period may be used to meet spenddown. Medical expenses incurred prior to a certification period will be used to meet spenddown if not already used to meet spenddown in a previous certification period and if all of the following requirements are met:

(1) The expenses remain unpaid as of the first day of the certification period.

(2) The expenses are not Medicaid-payable in a previous certification period or the retroactive certification period when applicable pursuant to 441—subrule 76.13(3).

(3) The expenses are not incurred during any prior certification period with the exception of the retroactive period, when applicable pursuant to 441—subrule 76.13(3), in which the person was conditionally eligible but did not meet spenddown.

(4) Notwithstanding subparagraphs 75.8(9)*"a"*(1) through *"a"*(3), paid medical expenses from the retroactive period can be used to meet spenddown in the retroactive period or in the certification period for the two months immediately following the retroactive period.

b. Spenddown will be adjusted under the following circumstances:

(1) When a bill for a Medicaid-covered service incurred during the certification period has been applied to meet spenddown if a bill for a covered service incurred prior to the certification period is subsequently received.

(2) When a bill for a noncovered Medicaid service is subsequently received with a service date prior to the Medicaid-covered service.

(3) When an unpaid bill for a Medicaid-covered service incurred during the certification period has been applied to meet spenddown if a paid bill for a covered service incurred in the certification period is subsequently received with a service date prior to the date of the notice of spenddown status.

c. Order of deduction. Incurred medical expenses, including those reimbursed by a state or political subdivision program other than Medicaid but excluding those otherwise subject to payment by a third party, will be deducted in the following order:

(1) Medicare and other health insurance premiums, deductibles, or coinsurance charges.

EXCEPTION: When some of the household members are eligible for full Medicaid benefits under the Health Insurance Premium Payment Program (HIPP), as provided in rule 441—75.21(249A), the health insurance premium will not be allowed as a deduction to meet the spenddown obligation of household members in the medically needy coverage group.

(2) An average statewide monthly standard deduction for the cost of medically necessary personal care services provided in a licensed residential care facility will be allowed as a deduction for spenddown. These personal care services include assistance with activities of daily living such as preparation of a special diet, personal hygiene and bathing, dressing, ambulation, toilet use, transferring, eating, and managing medication. The average statewide monthly standard deduction for personal care services will be based on the average per day rate of health care costs associated with residential care facilities participating in the state supplementary assistance program for a 30.4-day month as computed by multiplying the previous year's average per day rate by the inflation factor increase during the preceding calendar year ending December 31 of the consumer price index for all urban Consumers as published by the United States Bureau of Labor Statistics.

(3) Medical expenses for necessary medical and remedial services that are recognized under state law but not covered by Medicaid, chronologically by date of submission.

(4) Medical expenses for acupuncture, chronologically by date of submission.

(5) Medical expenses for necessary medical and remedial services that are covered by Medicaid, chronologically by date of submission.

d. When spenddown has been met and a bill is received with a service date after spenddown has been met, the bill will not be deducted to meet spenddown.

e. When incurred medical expenses have reduced income to the applicable MNIL, the individuals will be eligible for Medicaid.

f. Medical expenses reimbursed by a public program other than Medicaid prior to the certification period will not be considered a medical deduction.

75.8(10) *Medicaid services.* Persons eligible for Medicaid as medically needy will be eligible for all services covered by Medicaid except:

a. Care in a nursing facility or an ICF-ID.

b. Care in an institution for mental disease.

c. Care in a Medicare-certified skilled nursing facility.

75.8(11) *Reviews.* Reviews of eligibility will be made for SSI-related and family-related medically needy members with a zero spenddown as often as circumstances indicate but in no instance will the period of time between reviews exceed 12 months. Family-related medically needy persons and SSI-related needy persons shall complete forms specified by the department as part of the review process when requested to do so by the department.

75.8(12) *Redetermination.* When an SSI-related or family-related member who has had ongoing eligibility because of a zero spenddown has income that exceeds the MNIL, a redetermination of eligibility will be completed to change the member's eligibility to a two-month certification with spenddown. This redetermination will be effective the month the income exceeds the MNIL or the first month following timely notice.

a. The department will determine eligibility for SSI-related medically needy when an SSI recipient has been determined to be ineligible for SSI due to excess income or resources in one or more of the months after the effective date of the SSI eligibility decision.

b. All eligibility factors will be reviewed on redeterminations of eligibility.

75.8(13) *Recertifications.* A new application must be submitted when the certification period has expired and there has been a break in assistance as defined at subrule 75.8(1). When the certification period has expired and there has not been a break in assistance, the family-related members and SSI-related members shall use forms specified by the department to be recertified.

75.8(14) *Disability determinations.* An applicant receiving social security disability benefits under Title II of the Act or railroad retirement benefits based on the Act's definition of disability by the Railroad Retirement Board will be deemed disabled without any further determination. In other cases under the medically needy program, the department will conduct an independent determination of disability unless the applicant has been denied SSI benefits based on lack of disability and the applicant does not allege either (1) a disabling condition different from or in addition to that considered by the SSA or (2) that the applicant's condition has changed or deteriorated since the most recent SSA determination.

a. In conducting an independent determination of disability, the department will use the same criteria required by federal law to be used by the SSA in determining disability for purposes of SSI under Title XVI of the Act. The disability determination services division of Iowa workforce development will make the initial disability determination on behalf of the department.

b. For an independent determination of disability, the applicant or the applicant's authorized representative shall complete, sign, and submit forms as specified by the department.

c. In connection with any independent determination of disability, the department will determine whether reexamination of the person's medical condition will be necessary for periodic redeterminations of eligibility. When reexamination is required, the member or the member's authorized representative shall complete and submit the same forms specified by the department as required in paragraph 75.8(14)*"b."*

441—75.9(249A) Furnishing of social security number.

75.9(1) *Requirement.* As a condition of eligibility, except as provided by subrule 75.9(2), a Medicaid client must provide to the department all social security numbers issued to each individual (including children) for whom Medicaid is sought.

75.9(2) *Exceptions to requirement.* The requirement of subrule 75.9(1) does not apply to an individual who:

a. Is not eligible to receive a social security number;

b. 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; or

c. 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 the 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.

75.9(3) *Cooperation in obtaining social security number.* If a social security number has not been issued or is not known, the individual seeking Medicaid must cooperate with the department in applying for a social security number with the SSA or in requesting the SSA to furnish the number.

441—75.10(249A) Residency requirements. Residency in Iowa is a condition of eligibility for medical assistance.

75.10(1) *Definitions.* The following definitions apply for the purposes of this subrule:

a. Institution. "Institution" means an "institution" or a "medical institution" as those terms are defined in 42 CFR §435.1010. For purposes of state placement, "institution" also includes foster care homes licensed as set forth in 45 CFR §1355.20 and providing food, shelter and supportive services to one or more persons unrelated to the proprietor.

b. Incapable of expressing intent regarding residency. For purposes of this rule, an individual is considered to be "incapable of indicating intent regarding residency" if the individual:

(1) Has an IQ of 49 or less or has a mental age of seven or less;

(2) Has been judged legally incompetent; or

(3) Has been determined to be incapable of indicating intent regarding residency by a physician, psychologist or other person licensed by the state in the field of intellectual disability.

c. Iowa resident. An Iowa resident 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.

75.10(2) *Determination of residency.* State residency is determined according to the following criteria. If more than one criterion applies, the applicable criterion listed first determines the individual's residency.

a. Individuals receiving Title IV-E payments. Individuals who are receiving federal foster care maintenance payments or have a guardianship assistance agreement or have an adoption assistance agreement under Title IV-E of the Act are considered to be residents of the state where the child lives.

b. Cases of disputed residency. If two or more states do not agree on an individual's state of residence, the state where the individual is physically located is the state of residence.

c. Temporary absence from state of residence. An individual who was a resident of a state pursuant to the other criteria of this rule, who is temporarily absent from that state, and who intends to return to that state when the purpose of the absence has been accomplished remains a resident of that state during the absence unless another state has determined that the person is a resident there for Medicaid purposes.

d. Individuals placed by a state in an out-of-state institution. If any agency of a state, including an entity recognized under state law as being under contract with the state for such purposes, arranges for an individual to be placed in an institution located in another state, the state arranging or actually making the placement is considered the individual's state of residence during that placement.

(1) Any action beyond providing information to the individual and the individual's family constitutes arranging or making a placement. However, the following actions do not constitute arranging or making a placement:

1. Providing basic information to individuals about another state's Medicaid program and information about the availability of health care services and providing facilities in another state.

2. Assisting an individual in locating an institution in another state, provided the individual is not incapable of indicating intent regarding residency and independently decides to move.

(2) When a competent individual leaves an out-of-state institution in which the individual was placed by a state, that individual's state of residence is the state where the individual is physically located.

e. Individuals receiving a state supplementary assistance payment. Individuals who are receiving a state supplementary assistance payment pursuant to 42 U.S.C. §1382e (including payments from Iowa pursuant to 441—Chapters 50 through 54 and Chapter 177) are considered to be residents of the state paying the supplementary assistance.

f. Individuals aged 21 and over who are residing in an institution and who are capable of indicating intent regarding residency. For an individual aged 21 or over who is residing in an institution and who is capable of indicating intent regarding residency, the state of residence is the state where the individual is living and intends to reside.

g. Individuals aged 21 and over who are residing in an institution and who became incapable of indicating intent regarding residency before the age of 21. For an individual aged 21 or over who is residing in an institution and who became incapable of indicating intent regarding residency before the age of 21, the state of residence is:

(1) That of the parent applying for Medicaid on the individual's behalf if the parents reside in separate states (if a legal guardian has been appointed and parental rights are terminated, the state of residence of the guardian is used instead of that of the parent);

(2) The parent's or legal guardian's state of residence at the time of placement (if a legal guardian has been appointed and parental rights are terminated, the state of residence of the guardian is used instead of that of the parent);

(3) The current state of residence of the parent or legal guardian who files the application if the individual is residing in an institution in that state (if a legal guardian has been appointed and parental rights are terminated, the state of residence of the guardian is used instead of that of the parent); or

(4) The state of residence of the individual or party who files an application if the individual has been abandoned by the individual's parent(s), does not have a legal guardian, and is residing in an institution in that state.

h. Individuals aged 21 and over who are residing in an institution and who became incapable of indicating intent regarding residency at or after the age of 21. For an individual aged 21 or over who is residing in an institution and who became incapable of indicating intent regarding residency at or after the age of 21, the state of residence is the state in which the individual is physically present.

i. Individuals aged 21 and over who are not residing in an institution and who are incapable of indicating intent regarding residency. For an individual aged 21 or over who is not residing in an institution and who is incapable of indicating intent regarding residency, the state of residence is the state where the individual is living.

j. Individuals aged 21 and over who are not residing in an institution and who are capable of indicating intent regarding residency. For an individual aged 21 or over who is not residing in an institution and who is capable of indicating intent regarding residency, the state of residence is the state where the individual is living and either:

(1) Intends to reside, with or without a fixed address; or

(2) Entered with a job commitment or to seek employment, whether or not currently employed.

k. Individuals under the age of 21 who are residing in an institution and who are not married or emancipated. For an individual under the age of 21 who is residing in an institution and who is neither married nor emancipated, the state of residence is:

(1) The parent's or legal guardian's state of residence at the time of placement (if a legal guardian has been appointed and parental rights are terminated, the state of residence of the guardian is used instead of that of the parent);

(2) The current state of residence of the parent or legal guardian who files the application if the individual is residing in an institution in that state (if a legal guardian has been appointed and parental rights are terminated, the state of residence of the guardian is used instead of that of the parent); or

(3) The state of residence of the individual or party who files an application if the individual has been abandoned by the individual's parent(s), does not have a legal guardian, and is residing in an institution in that state.

l. Individuals under the age of 21 who are capable of indicating intent regarding residency and who are married or emancipated. For an individual under the age of 21 who is capable of indicating intent regarding residency and who is married or emancipated from the individual's parent, the state of residence is determined in accordance with paragraph 75.10(2)*"j."*

m. Other individuals under the age of 21. For an individual under the age of 21 who is not described in paragraph 75.10(2)*"k"* or *"l,"* the state of residence is:

(1) The state where the individual resides, with or without a fixed address; or

(2) The state of residency of the parent or caretaker, determined in accordance with paragraph 75.10(2)*"j,"* with whom the individual resides.

441—75.11(249A) Citizenship or alienage requirements.

75.11(1) *Definitions.* For purposes of this rule, the following definitions apply.

"Care and services necessary for the treatment of an emergency medical condition" means services provided in a hospital, clinic, office or other facility that is equipped to furnish the required care for an emergency medical condition, provided the care and services are not related to an organ transplant procedure furnished on or after August 10, 1993. Payment for emergency medical services will be limited to medical services that are required and directly related to the treatment of the emergency medical condition.

"Citizen" and *"citizenship"* includes both citizens of the United States and nationals of the United States as defined in 8 U.S.C. §1101(a)(22).

"Federal means-tested program" means all federal programs that are means-tested, with the exception of:

1. Medical assistance for care and services necessary for the treatment of an emergency medical condition not related to an organ transplant procedure furnished on or after August 10, 1993.
2. Short-term, non-cash, in-kind emergency disaster relief.
3. Assistance or benefits under the National School Lunch Act as amended to August 1, 2025.
4. Assistance or benefits under the Child Nutrition Act of 1966 as amended to August 1, 2025.
5. Public health assistance (not including any assistance under Title XIX of the Act) for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not the symptoms are caused by a communicable disease.
6. Payments of foster care and adoption assistance under Parts B and E of Title IV of the Act for a parent or a child who would, in the absence of numbered paragraph "1," be eligible to have payments made on the child's behalf under such part but only if the foster or adoptive parent (or parents) of the child is a qualified alien as defined in Section 431 of the Act.
7. Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the attorney general of the United States in the attorney general's sole and unreviewable discretion after consultation with appropriate federal agencies and departments that:

- Deliver in-kind services at the community level, including through public or private nonprofit agencies;
- Do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and
- Are necessary for the protection of life or safety.

8. Programs of student assistance under Titles IV, V, IX, and X of the Higher Education Act of 1965 as amended to August 1, 2025, and Titles III, VII, and VIII of the Public Health Services Act as amended to August 1, 2025.

9. Means-tested programs under the Elementary and Secondary Education Act of 1965 as amended to August 1, 2025.

10. Benefits under the Head Start Act, as amended to August 1, 2025.

11. Benefits funded through an employment and training program of the U.S. Department of Labor.

"INA" means the Immigration and Naturalization Act as amended to August 1, 2025, unless another effective date is specified.

"Noncitizen" means the same as "alien" as defined in 8 U.S.C. §1101(a)(3).

"Qualified noncitizen" means the same as "qualified alien" as defined in 8 U.S.C. §1641(b) and (c). A qualified noncitizen 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. An individual 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);

8. A Cuban/Haitian entrant to the United States as described in Section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422) as amended to August 1, 2025;

9. A battered noncitizen as described in 8 U.S.C. Section 1641(c);

10. Certified as a victim of trafficking as described in Section 107(b)(1)(A) of Public Law 106-386 as amended to August 1, 2025;

11. An American Indian born in Canada to whom Section 289 of the INA applies or is a member of a federally recognized Indian tribe as defined in 25 U.S.C. Section 450b(e) as amended to August 1, 2025;

12. Under the age of 21 and is lawfully residing in the United States as allowed by 42 U.S.C. Section 1396b(v)(4)(A)(ii); 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 Public Law 116-260 and as amended to August 1, 2025.

"Qualifying quarters" includes all of the qualifying quarters of coverage as defined under Title II of the Act 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 quarter of coverage that is creditable under Title II of the Act 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 so credited.

75.11(2) *Citizenship and alienage.*

a. Eligibility. To be eligible for Medicaid, 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 FR 61415 dated November 11, 1997, and as amended to August 1, 2025) in the United States since before 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 75.11(2)*"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 numbered paragraph "1," "4," or "9" under the definition of "qualified noncitizen" in subrule 75.11(1).

(11) An Amerasian admitted as described in 8 U.S.C. Section 1612(b)(2)(A)(i)(V).

(12) A Cuban/Haitian entrant as described in Section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422) as amended to August 1, 2025.

(13) A certified victim of trafficking as described in Section 107(b)(1)(A) of Public Law 106-386 as amended to August 1, 2025.

(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, 2025.

(15) An Iraqi or Afghan immigrant treated as a refugee pursuant to Section 1244(g) of Public Law 110-181 as amended to August 1, 2025, or to Section 602(b)(8) of Public Law 111-8 as amended to August 1, 2025.

(16) An Afghan paroled into the United States treated as a refugee pursuant to Section 2502 of Public Law 117-43 as amended to August 1, 2025.

(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 Public Law 116-260 and as amended to August 1, 2025.

(18) A conditional entrant pursuant to Section 203(a)(7) of the INA as in effect before April 1, 1980.

b. Attestation of citizenship or qualified noncitizen status. As a condition of eligibility, each applicant and member shall attest in writing to the applicant's or member's citizenship or qualified noncitizen status by signing the applicable form identified in subparagraph 75.11(2)*"b"*(1), *"b"*(2), *"b"*(3), or *"b"*(4). The attestation may be provided, in writing and under penalty of perjury, by an adult member of the individual's household, an authorized representative as defined in rule 441—76.1(249A), or, if the individual is a minor or incapacitated, by someone acting responsibly for the individual provided the person acting responsibly attests to having knowledge of the individual's status.

(1) All applicants for Medicaid shall attest to their citizenship or qualified noncitizen status by signing forms prescribed by the department that contain the declaration of their citizenship or qualified noncitizen status.

(2) Family-related Medicaid members and members subject to MAGI methodology shall attest to their citizenship or qualified noncitizen status by completing and signing forms prescribed by the department that contain the declaration of their citizenship or qualified noncitizen status.

(3) Non-MAGI-related Medicaid members not actually receiving SSI who have been continuous members since August 1, 1988, shall attest to their citizenship or qualified noncitizen status by signing the application form described in subparagraph 75.11(2)*"b"*(1) at time of review.

(4) The department will prescribe forms for an attestation of citizenship or qualified noncitizen status that will meet the requirements of subrule 75.11(2) for children under the age of 19 who are otherwise eligible pursuant to rule 441—76.4(249A).

c. Verification of citizenship and identity or qualified noncitizen status. An applicant or member attestation of citizenship or qualified noncitizen status must be verified as a condition of eligibility for

Medicaid. An applicant or member who attests to citizenship must also verify their identity. The verification of citizenship status is acceptable as identity verification, except as stated otherwise within this subrule.

(1) Verification by electronic data sources. The department will accept applicant or member attestation of citizenship or qualified noncitizen status as verified when the attestation is consistent with available EDS.

(2) Satisfactory documentation of citizenship and identity is required. Except for the persons identified in paragraph 75.11(2)*"i,"* applicants or members for whom an attestation of United States citizenship has been made pursuant to paragraph 75.11(2)*"b"* shall present satisfactory documentation of the attested status and their identity when the attestation is not verified by available electronic data sources. Satisfactory documentation is identified in paragraphs 75.11(2)*"d," "e," "f," "g,"* and *"h."* The provisions of the reasonable opportunity period described in subparagraphs 75.11(2)*"c"*(4) and *"c"*(5) apply.

(3) Satisfactory documentation of qualified noncitizen status is required. Except for persons receiving SSI benefits under Title XVI of the Act, applicants or members for whom an attestation of a qualified noncitizen status has been made pursuant to paragraph 75.11(2)*"b"* shall present satisfactory documentation of the attested status when the attestation is not verified by available EDS. Satisfactory documentation of qualified noncitizen status is identified in paragraph 75.11(2)*"j."* The department will request documentation in writing from the applicant or member. The provisions of the reasonable opportunity period described in subparagraphs 75.11(2)*"c"*(4) and *"c"*(5) applies.

(4) Reasonable opportunity period for providing satisfactory documentation. Applicants and members will be allowed a reasonable opportunity period of 90 days to provide satisfactory documentation of citizenship and identity or qualified noncitizen status. The reasonable opportunity period begins on the date a written request for documentation or a notice pursuant to subparagraph 75.11(2)*"c"*(3) or *"c"*(7) above is issued to an applicant or member, whichever is later, and continues for 90 days.

(5) Medicaid approval pending reasonable opportunity period. Medicaid will be approved for new applicants and continue for members not previously required to provide documentation of citizenship and identity or qualified noncitizen status until the end of the reasonable opportunity period, subject to 441—subrule 76.16(1).

(6) No retroactive eligibility until citizenship and identity or qualified noncitizen status is verified. Retroactive eligibility pursuant to 441—subrule 76.13(3) is available only after citizenship and identity or qualified noncitizen status has been verified with EDS or documentation has been provided pursuant to paragraph 75.11(2)*"d," "e," "f," "g," "h,"* or *"j."* When applicable, the retroactive months are outside the reasonable opportunity period during which Medicaid coverage may be provided without required documentation of citizenship and identity or qualified noncitizen status.

(7) Verification of citizenship and identity or qualified noncitizen status not required. Applicants who reapply following a break in coverage and members who are subject to an eligibility review are not required to reverify citizenship and identity or qualified noncitizen status unless:

1. The individual reports a change in citizenship or qualified noncitizen status;
2. The individual's qualified noncitizen status is a type the department has determined is subject to change; or
3. The department receives information indicating a potential change in the individual's citizenship or qualified noncitizen status.

d. Standalone evidence of citizenship and identity. Any one of the documents described in 42 CFR 435.407(a) will be accepted as sufficient evidence of citizenship and identity. In addition, provision of an individual's name, social security number, and date of birth to the department will constitute satisfactory documentation of citizenship and identity if submission of the name, social security number, and date of birth to the SSA produces a data match response that substantiates the individual's citizenship and identity. If submission of the name, social security number, and date of birth to the SSA does not produce a data match response that substantiates the individual's citizenship and identity, the department will issue a written request for documentation or a notice to the applicant or member pursuant to

subparagraph 75.11(2)*"c"*(4) giving the applicant or member 90 days to correct any errors in the name, social security number, or date of birth submitted; to correct any errors in the SSA's records; or to provide other documentation of citizenship and identity pursuant to paragraphs 75.11(2)*"d"* through *"h."*

e. Combination evidence of citizenship.

(1) If an applicant does not provide documentary evidence of citizenship and identity from the list in paragraph 75.11(2)*"d,"* information or documentation as described in 42 CFR 435.407(b) will be accepted as satisfactory evidence to establish citizenship if accompanied by an identity document listed in paragraph 75.11(2)*"f"*:

(2) If the applicant does not have one of the documents listed in paragraph 75.11(2)*"d"* or *"e,"* they may submit an affidavit provided by the department, signed by another individual under penalty of perjury who can reasonably attest to the applicant's citizenship, that contains the applicant's name, date of birth, and place of U.S. birth. The affidavit does not have to be notarized.

f. Evidence of identity. Any of the following documents described in 42 CFR 435.407(c) or (d) will be accepted as proof of identify, 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.

g. Reserved.

h. Documentary evidence. The department will accept documents in accordance with 42 CFR 435.407(f) and provide assistance in a timely manner to individuals who need assistance in securing satisfactory documentary evidence of citizenship or identity in accordance with 42 CFR 435.407(e).

i. Persons not required to verify citizenship and identity status. A person for whom an attestation of United States citizenship has been made pursuant to paragraph 75.11(2)*"b"* is not required to present documentation of citizenship and identity for Medicaid eligibility 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 Act (Medicare).

(2) The person is receiving federal social security disability insurance (SSDI) benefits under Title II of the Act, Section 223 or 202, based on disability (as defined in Section 223(d)).

(3) The person is receiving SSI benefits under Title XVI of the Act.

(4) The person is or was exempted while assisted by child welfare services funded under Part B of Title IV of the Act on the basis of being a child in foster care as defined in Iowa Code section 232.2. This exemption does not apply and the person is subject to the citizenship and identity documentation requirements described in paragraph 75.11(2)*"c"* when services under Part B of Title IV 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 or adoption assistance funded under Part E of Title IV of the Act. This exemption does not apply and the person is subject to the citizenship and identity documentation requirements described in paragraph 75.11(2)*"c"* when services under Part E of Title IV were terminated due to failure to meet citizenship requirements.

(6) The person has previously presented satisfactory documentary evidence of citizenship and identity as specified by the United States Secretary of Health and Human Services.

(7) The person is or was deemed eligible for medical assistance pursuant to 42 U.S.C. Section 1396a(e)(4) on or after July 1, 2006, as the newborn of a Medicaid-eligible mother.

(8) The person is or was eligible for medical assistance pursuant to 42 U.S.C. Section 1397ll(e) as the newborn of a mother eligible for assistance under a State Children's Health Insurance Program (SCHIP) pursuant to Title XXI of the Act.

j. Satisfactory documentation of qualified noncitizen status. For the purpose of subparagraph 75.11(2)*"c"*(3), satisfactory documentation of qualified noncitizen status is documentation issued by the U.S. Citizenship and Immigration Services (USCIS) of the Department of Homeland Security (formerly Immigration and Naturalization Service (INS)) that identifies the person's qualified noncitizen status.

75.11(3) *Deeming of sponsor's income and resources.* When a qualified noncitizen admitted for lawful permanent residence (including those who applied for an immigrant visa or for adjustment of status, other than those whose status was adjusted from refugee or asylee status under 8 U.S.C. §1159 on or after December 19, 1997) is sponsored by a person who executed an affidavit of support as described in 8 U.S.C. Section 1631(a)(1) on behalf of the qualified noncitizen, the income and resources of each sponsor will be deemed to determine eligibility only for the sponsored qualified noncitizen and not for any nonsponsored members of the sponsored qualified noncitizen's household as follows:

a. Income. For the family-related and non-MAGI-related coverage groups described in rules 441—75.3(249A) through 441—75.9(249A) applicable to the sponsored qualified noncitizen, the amount deemed to the sponsored qualified noncitizen will be the total gross countable income of each sponsor less the following deductions that will be applied to both family-related and non-MAGI-related applicants or members:

(1) The deductions described at 20 CFR §416.1166a, except that the amount to be deemed from each sponsor will be divided by the number of noncitizens sponsored by that sponsor.

(2) Diversion from countable earned and unearned income of the sponsor for the following:

1. Alimony or child support payments to persons not living with the sponsor.

2. Payments made to persons not living with the sponsor but who are claimed (or could be claimed) by the sponsor for federal income tax purposes.

b. Resources for non-MAGI-related coverage groups. When the sponsored qualified noncitizen's coverage group is non-MAGI-related, the total gross countable resources of each sponsor will be deemed to determine eligibility of the sponsored qualified noncitizen pursuant to 20 CFR §416.1204 less the applicable following deduction: $2,000 if the sponsor does not live with a spouse, $3,000 if the sponsor lives with a spouse who is not a sponsor, or $4,000 if the sponsor lives with a spouse who is also the qualified noncitizen's sponsor. Resources are not considered for family-related coverage groups and therefore not deemed to a sponsored qualified noncitizen applying for or receiving under a family-related coverage group.

c. An indigent qualified noncitizen is exempt from the deeming of a sponsor's income and resources for 12 months after indigence is determined. A qualified noncitizen will be considered indigent if the following are true:

(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 FPL for the sponsored qualified noncitizen's household size.

d. A battered qualified noncitizen as described in 8 U.S.C. Section 1641(c) is exempt from the deeming of a sponsor's income and resources for 12 months.

e. Deeming of the sponsor's income and resources does not apply when:

(1) The sponsored qualified noncitizen attains citizenship through naturalization pursuant to Chapter 2 of Title II of the INA as amended to August 1, 2025.

(2) The sponsored qualified noncitizen has earned 40 qualifying quarters of coverage as defined in Title II of the Act or can be credited with 40 qualifying quarters as defined in subrule 75.11(1).

(3) The sponsored qualified noncitizen or the sponsor dies.

(4) The sponsored qualified noncitizen is a lawfully residing child under the age of 21 as allowed by 42 U.S.C. Section 1396b(v)(4)(A)(ii).

(5) For non-MAGI-related Medicaid, the sponsored qualified noncitizen becomes blind or disabled as defined under Title XVI of the Act after admission to the United States as a lawful permanent resident.

(6) For non-MAGI-related Medicaid, three years after the date the sponsored qualified noncitizen was admitted to the United States as a lawful permanent resident.

75.11(4) *Eligibility for payment of emergency medical services.* Noncitizens who do not meet the provisions of subrule 75.11(2) and who would otherwise qualify except for their noncitizen status are eligible to receive Medicaid for care and services necessary for the treatment of an emergency medical condition as defined in subrule 75.11(1). To qualify for payment under this provision, the noncitizen

must meet all other eligibility criteria, including state residence requirements in rule 441—75.10(249A), with the exception of rule 441—75.9(249A) and subrules 75.11(2) and 75.11(3).

441—75.12(249A) Inmates of public institutions. A person is not eligible for medical assistance for any care or services received while the person is an inmate of a public institution. For the purpose of this rule, "inmate of a public institution" and "public institution" mean the same as defined in 42 CFR Section 435.1010.

75.12(1) *Suspension.* Medical assistance will be suspended rather than canceled while a person is an inmate of a public institution if all of the following conditions are met:

a. The department is notified of the person's entry into the public institution through either:

(1) A daily report that is provided to the department by the public institution and includes the person's first name and last name and the date the person entered the institution; or

(2) Other verified notice received by the department.

b. The person has entered a public institution on or after January 1, 2012, and has been in the public institution for 30 days or more.

c. On the date of entry into the public institution, the person was a Medicaid member.

d. The person is eligible for medical assistance as an individual except for institutional status.

75.12(2) *Coverage during suspension.* While medical assistance is suspended, payment will be made only for services limited to inpatient hospital claims only.

75.12(3) *Reinstatement.* The Medicaid case for an inmate who is released from a public institution while Medicaid is suspended will be reopened without an application if both of the following conditions are met:

a. The department is notified of the person's release from the public institution through either:

(1) A daily report provided to the department by the public institution that includes the person's first name and last name and the date the person was released from the institution; or

(2) Other verified notice received by the department.

b. All information available to the department indicates that the person is currently eligible for Iowa Medicaid as an individual.

This rule is intended to implement Iowa Code section 249A.3 and 2011 Iowa Acts, Senate File 482, division IX.

441—75.13 Reserved.

441—75.14(249A) Establishing liability and obtaining support.

75.14(1) As a condition of eligibility, adult Medicaid applicants and members shall cooperate in obtaining medical support for themselves and for any other person in the household for whom Medicaid is requested or received and for whom the applicant or member can legally assign rights for medical support, except when the member has good cause for refusal to cooperate as defined in subrule 75.14(7).

a. The adult applicant shall agree to cooperate in obtaining medical support at the time of application.

b. The adult member shall cooperate in the following:

(1) Identifying and locating parties liable for the support of household members receiving Medicaid.

(2) Establishing liability for the support of household members receiving Medicaid, including establishment of paternity if paternity has not previously been established.

(3) Obtaining medical support and payments for medical care for household members receiving Medicaid.

c. Cooperation is defined as including the following actions by the adult member upon request:

(1) Appearing at the child support services as defined in 441—Chapter 95 to provide verbal or written information or documentary evidence known to, possessed by or reasonably obtainable by the member that is relevant to achieving the objectives of the child support recovery program.

(2) Appearing as a witness at judicial or other hearings or proceedings.

(3) Providing information, or attesting to the lack of information, under penalty of perjury.

d. Upon request, the adult member shall cooperate with the department in supplying information with respect to potentially liable parties, the receipt of medical support or payments for medical care, and the establishment of liability for support to the extent necessary to establish eligibility for assistance.

e. Upon request, the adult member shall cooperate with child support services by supplying all known information and documents pertaining to the location of potentially liable parties and taking action as may be necessary to secure medical support and payments for medical care or to establish liability. This includes completing and signing documents determined to be necessary by the state's attorney for any relevant judicial or administrative process.

f. Child support services will make the determination of whether or not the adult member has cooperated for the purposes of this rule.

75.14(2) Failure of an adult applicant to agree to cooperate or an adult member to cooperate will result in denial or cancellation of the noncooperating adult's Medicaid benefits. In family-related Medicaid cases, all exclusions, expenses and deductions described in rule 441—75.73(249A) will be allowed when otherwise applicable.

75.14(3) Each Medicaid member who is required to cooperate with child support services shall have the opportunity to claim good cause for refusing to cooperate in establishing liability or securing medical support and payments for medical care. The provisions set forth in subrules 75.14(7) through 75.14(11) will be used when making a determination of the existence of good cause.

75.14(4) Each Medicaid member shall assign to the department any rights to medical support and payments for medical care from any other person for which the person can legally make assignment. This shall include rights to medical support and payments for medical care on the member's own behalf or on behalf of any other person in the household who receives Medicaid.

An assignment is effective the same date the notice of eligibility is issued and is effective for the entire period for which eligibility is granted. Support payments not intended for medical support will not be assigned to the department.

75.14(5) Pregnant women establishing eligibility under the MAC coverage group as provided in subrule 75.3(2) will be exempt from the provisions in this rule for any born child for whom the pregnant woman applies for or receives Medicaid. Additionally, any previously pregnant woman eligible for postpartum coverage under the provision of subrule 75.3(4) will not be subject to the provisions in this rule until after the end of the month in which the postpartum period expires.

Pregnant women establishing eligibility under any other coverage groups, except those set forth in subrule 75.3(2) or 75.3(4), will be subject to the provisions in this rule when establishing eligibility for born children. However, when a pregnant woman who is subject to these provisions fails to cooperate, the woman will lose eligibility under her current coverage group and her eligibility for Medicaid will be automatically redetermined under subrule 75.3(2).

75.14(6) Notwithstanding subrule 75.14(5), any pregnant woman or previously pregnant woman establishing eligibility under subrule 75.3(2) or 75.3(4) will not be exempt from the provisions of 75.14(4) that require an adult member to assign any rights to medical support and payments for medical care.

75.14(7) Good cause exists when it is determined that cooperation in establishing liability and securing support is against the best interests of the child.

a. The department will determine that cooperation is against the child's best interest when the member's cooperation in establishing liability or securing support is reasonably anticipated to result in:

(1) Physical or emotional harm to the child for whom support is to be sought;

(2) Physical or emotional harm to the parent or other caretaker with whom the child is living which reduces the person's capacity to care for the child adequately.

b. The department will determine that cooperation is against the child's best interest when at least one of the following circumstances exists and the department believes that because of the existence of that circumstance, in the particular case, proceeding to establish liability or secure support would be detrimental to the child for whom support would be sought:

(1) The child was conceived as the result of incest or forcible rape.

(2) Legal proceedings for the adoption of the child are pending before a court of competent jurisdiction.

(3) The member is currently being assisted by a public or licensed private social agency to resolve the issue of whether to keep the child or relinquish the child for adoption and the discussions have not gone on for more than three months.

c. Physical harm and emotional harm shall be of a serious nature in order to justify a finding of good cause. A finding of good cause for emotional harm will be based only upon a demonstration of an emotional impairment that substantially affects the individual's functioning.

d. When the good cause determination is based in whole or in part upon the anticipation of emotional harm to the child, the parent, or the other caretaker, the following shall be considered:

(1) The present emotional state of the individual subject to emotional harm.

(2) The emotional health history of the individual subject to emotional harm.

(3) Intensity and probable duration of the emotional impairment.

(4) The degree of cooperation required.

(5) The extent of involvement of the child in the liability establishment or support enforcement activity to be undertaken.

75.14(8) Each Medicaid member who is required to cooperate with child support services will have the opportunity to claim good cause for refusing to cooperate in establishing liability or securing support payments.

a. Before requiring cooperation, the department will notify the member of the right to claim good cause as an exception to the cooperation requirement and of all the requirements applicable to a good cause determination.

b. The initial notice advising of the right to refuse to cooperate for good cause will:

(1) Advise the member of the potential benefits the child may derive from the establishment of liability and securing support.

(2) Advise the member that by law cooperation in establishing liability and securing support is a condition of eligibility for the Medicaid program.

(3) Advise the member of the sanctions provided for refusal to cooperate without good cause.

(4) Advise the member that good cause for refusal to cooperate may be claimed and that if the department determines, in accordance with these rules, that there is good cause, the member will be excused from the cooperation requirement.

(5) Advise the member that upon request, or following a claim of good cause, the department will provide further notice with additional details concerning good cause.

c. When the member makes a claim of good cause or requests additional information regarding the right to file a claim of good cause, the department will issue a second notice. To claim good cause, the member shall sign and date a form prescribed by the department and return it. This form:

(1) Indicates that the member must provide corroborative evidence of good cause circumstance and must, when requested, furnish sufficient information to permit the county office to investigate the circumstances.

(2) Informs the member that, upon request, the department will provide reasonable assistance in obtaining the corroborative evidence.

(3) Informs the member that on the basis of the corroborative evidence supplied and the department's investigation, when necessary, the department will determine whether cooperation would be against the best interests of the child for whom support would be sought.

(4) Lists the circumstances under which cooperation may be determined to be against the best interests of the child.

(5) Informs the member that child support recovery services may review the findings and basis for a good cause determination and may participate in any hearings concerning the issue of good cause.

(6) Informs the member that child support recovery services may attempt to establish liability and collect support in those cases where it is determined that this can be done without risk to the member if done without the member's participation.

d. The member who refuses to cooperate and who claims to have good cause for refusing to cooperate has the burden of establishing the existence of a good cause circumstance. Failure to meet these requirements shall constitute a sufficient basis for the department to determine that good cause does not exist. The member shall:

(1) Specify the circumstances that the member believes provide sufficient good cause for not cooperating.

(2) Corroborate the good cause circumstances.

(3) When requested, provide sufficient information to permit an investigation.

75.14(9) The department will determine whether good cause exists for each Medicaid member who claims to have good cause.

a. The department will notify the member of its determination that good cause does or does not exist. The determination will:

(1) Be in writing.

(2) Contain the findings and basis for determination.

(3) Be entered in the case record.

b. The determination of whether good cause exists will be made within 45 days from the day the good cause claim is made. The department may exceed this time standard only when:

(1) The case record documents that the department needs additional time because the information required to verify the claim cannot be obtained within the time standard, or

(2) The case record documents that the claimant did not provide corroborative evidence within the time period set forth in subrule 75.14(10).

c. When the department determines that good cause does not exist:

(1) The member will be so notified and be afforded an opportunity to cooperate, withdraw the application for assistance, or have the case closed; and

(2) Continued refusal to cooperate will result in the loss of Medicaid for the person who refuses to cooperate.

d. The department will make a good cause determination based on the corroborative evidence supplied by the member only after it has examined the evidence and found that it verifies the good cause claim.

e. Before making a final determination of good cause for refusing to cooperate, the department will:

(1) Afford child support services the opportunity to review and comment on the findings and basis for the proposed determination, and

(2) Consider any recommendation from child support services.

f. Child support services may participate in any appeal hearing that results from a member's appeal of a department action with respect to a decision on a claim of good cause.

g. Assistance will not be denied, delayed, or discontinued pending a determination of good cause for refusal to cooperate when the member has specified the circumstances under which good cause can be claimed and provided the corroborative evidence and any additional information needed to establish good cause.

h. The department will:

(1) Periodically, but not less frequently than every six months, review those cases in which the department has determined that good cause exists based on a circumstance that is subject to change.

(2) When it determines that circumstances have changed so that good cause no longer exists, rescind its findings and proceed to enforce the requirements pertaining to cooperation in establishing liability and securing support.

75.14(10) The member who claims good cause shall provide corroborative evidence within 20 days from the day the claim was made. In exceptional cases where the department determines that the member requires additional time because of the difficulty in obtaining the corroborative evidence, the department will allow a reasonable additional period upon approval by the worker's immediate supervisor.

a. A good cause claim may be corroborated with the following types of evidence:

(1) Birth certificates or medical or law enforcement records that indicate that the child was conceived as the result of incest or forcible rape.

(2) Court documents or other records that indicate that legal proceedings for adoption are pending before a court of competent jurisdiction.

(3) Court, medical, criminal, child protective services, social services, psychological, or law enforcement records that indicate that the potentially liable person might inflict physical or emotional harm on the child.

(4) Medical records that indicate emotional health history and present emotional health status of the parent or other caretaker or the children for whom support would be sought; also, written statements from a mental health professional indicating a diagnosis or prognosis concerning the emotional health of the parent or other caretaker or the child for whom support would be sought.

(5) A written statement from a public or licensed private social agency that the member is being assisted by the agency to resolve the issue of whether to keep the child or relinquish the child for adoption.

(6) Sworn statements from individuals other than the member with knowledge of the circumstances that provide the basis for the good cause claim.

b. When, after examining the corroborative evidence submitted by the member, the department wishes to request additional corroborative evidence needed to permit a good cause determination, the department will:

(1) Promptly notify the member that additional corroborative evidence is needed, and

(2) Specify the type of corroborative evidence needed.

c. When the member requests assistance in securing evidence, the department will:

(1) Advise the member how to obtain the necessary documents, and

(2) Make a reasonable effort to obtain any specific documents which the member is not reasonably able to obtain without assistance.

d. When a claim is based on the member's anticipation of physical harm and corroborative evidence is not submitted in support of the claim:

(1) The department will investigate the good cause claim when it believes that the claim is credible without corroborative evidence and corroborative evidence is not available.

(2) Good cause will be found when the claimant's statement and investigation satisfies the department that the member has good cause for refusing to cooperate.

(3) A determination that good cause exists will be reviewed and approved or disapproved by a supervisor and the findings will be recorded in the case record.

e. The department may further verify the good cause claim when the member's statement of the claim together with the corroborative evidence do not provide sufficient basis for making a determination. When the department determines that it is necessary, the department may conduct an investigation of good cause claims to determine whether good cause exists.

f. When it conducts an investigation of a good cause claim, the department will:

(1) Contact the potentially liable person from whom support would be sought when the contact is determined to be necessary to establish the good cause claim.

(2) Before making the necessary contact, notify the member so the member may present additional corroborative evidence or information so that contact with the potentially liable person becomes unnecessary, withdraw the application for assistance or have the case closed, or have the good cause claim denied.

75.14(11) Enforcement without parent or other caretaker's cooperation. When the department makes a determination that good cause exists, the department will also make a determination of whether child support services can proceed without risk of harm to the child, parent, or other caretaker when the enforcement or collection activities do not involve their participation.

a. Child support services will have an opportunity to review and comment on the findings and basis for the proposed determination and the department will consider any recommendations from child support services.

b. The determination will be in writing, contain the department's findings and basis for the determination, and be entered into the case record.

c. When the department excuses cooperation but determines that child support services may proceed to establish liability or enforce support, the department will notify the member to enable the individual to have the case closed.

441—75.15(249A) Medical resources. Medical resources include health and accident insurance, eligibility for care through the Department of Veterans Affairs, specialized child health services, services received through Title XVIII of the Act (Medicare), and other resources for meeting the cost of medical care that may be available to the member. These resources must be used when reasonably available.

75.15(1) The department will approve payment only for those services or that part of the cost of a given service for which no medical resources exist unless pay and chase provisions as defined in rule 441—75.1(249A) are applicable.

75.15(2) As a condition of eligibility for Medicaid, a person who has the legal capacity to execute an assignment shall do all of the following:

a. Assign to the department all rights to payments of medical care from any third party to the extent that payment has been made under the Medicaid program. The applicant's signature on the application form listed in 441—paragraph 76.2(1)*"c"* shall constitute agreement to the assignment. The assignment shall be effective for the entire period during which Medicaid makes payment for medical care.

b. Cooperate with the department in obtaining third-party payments. The member or someone acting on the member's behalf shall:

(1) File a claim or submit an application for any reasonably available medical resource, and

(2) Cooperate in the processing of the claim or application.

c. Cooperate with the department in identifying and providing information to assist the department in pursuing any third party who may be liable to pay for medical care and services available under the Medicaid program.

75.15(3) Good cause for failure to cooperate in the filing or processing of a claim or application will be considered to exist when the member, or someone acting on behalf of a minor or legally incompetent adult member, is physically or mentally incapable of cooperation. Good cause will be considered to exist when cooperation is reasonably anticipated to result in:

a. Physical or emotional harm to the member for whom medical resources are being sought;

b. Physical or emotional harm to the parent or payee, acting on the behalf of a minor or legally incompetent adult member, for whom medical resources are being sought.

75.15(4) Failure to cooperate as required in subrule 75.15(2) without good cause as defined in subrule 75.15(3) will result in the termination of Medicaid benefits. The department will make the determination of good cause based on information and evidence provided by the member or by someone acting on the member's behalf.

a. The Medicaid benefits of a minor or legally incompetent adult member will not be terminated for failure to cooperate in reporting medical resources.

b. When a parent or payee acting on behalf of a minor or legally incompetent adult member fails to file a claim or application for reasonably available medical resources or fails to cooperate in the processing of a claim or application without good cause, the Medicaid benefits of the parent or payee will be terminated.

This rule is intended to implement Iowa Code sections 249A.4, 249A.5, and 249A.54.

441—75.16(249A) Medical assistance lien.

75.16(1) When the Medicaid program pays for a member's medical care or expenses, the department will have a lien upon all monetary claims that the member may have against third parties for those expenses. Monetary claims will include medical malpractice claims for injuries sustained on or after July 1, 2011. The lien will be to the extent of the Medicaid payments only.

a. A lien is not effective unless the department files a notice of lien with the clerk of the district court in the county where the member resides and with the member's attorney when the member's eligibility for Medicaid is established. The notice of lien will be filed before the third party has concluded a final settlement with the member, the member's attorney, or other representative.

b. The third party shall obtain a written determination from the department concerning the amount of the lien before a settlement is deemed final.

(1) A compromise, including but not limited to notification, settlement, waiver or release of a claim, does not defeat the department's lien except pursuant to the written agreement of the director or the director's designee under which the department would receive less than full reimbursement of the amounts it expended.

(2) A settlement, award, or judgment structured in any manner not to include medical expenses or an action brought by a member or on behalf of a member that fails to state a claim for recovery of medical expenses does not defeat the department's lien if there is any recovery on the member's claim.

c. All notifications required by law shall be directed to the department. Notification shall be considered made as of the time the notification is deposited so addressed, postage prepaid, in the United States Postal Service system.

75.16(2) The department may pursue its rights to recover either directly from any third party or from any recovery obtained by or on behalf of any member. If a member incurs the obligation to pay attorney fees and court costs for the purpose of enforcing a monetary claim to which the department has a lien under this rule, upon the receipt of the judgment or settlement of the total claim, of which the lien for Medicaid payments is a part, the court costs and reasonable attorney fees will first be deducted from this total judgment or settlement. One-third of the remaining balance will then be deducted and paid to the member. From the remaining balance, the lien of the department will be paid. Any amount remaining will be paid to the member. An attorney acting on behalf of a member for the purpose of enforcing a claim to which the department has a lien shall not collect from the member any amount as attorney fees that is in excess of the amount the attorney customarily would collect on claims not subject to this rule. The department will provide computer-generated documents or claim forms describing the services for which it has paid upon request of any affected member or the member's attorney. The documents may also be provided to a third party where necessary to establish the extent of the department's claim.

75.16(3) In those cases where appropriate notification is not given to the department or where the department's recovery rights are otherwise adversely affected by an action of the member or someone acting on the member's behalf, Medicaid benefits will be terminated. The Medicaid benefits of a minor child or a legally incompetent adult member will not be terminated under this subrule. Subsequent eligibility for Medicaid benefits will be denied until an amount equal to the unrecovered claim has been reimbursed to the department or the individual produces documentation of incurred medical expense equal to the amount of the unrecovered claim. The incurred medical expense will not be paid by the Medicaid program.

a. The member, or someone acting on the member's behalf, shall provide information and verification as required to establish the availability of medical or third-party resources.

b. The member or person acting on the member's behalf shall complete a form prescribed by the department, in a timely manner at the time of application, when any change in medical resources occurs during the application period, and when any changes in medical resources occur after the application is approved. A report will be considered timely when made within ten days from:

(1) The date that health insurance begins, changes, or ends.

(2) The date that eligibility begins for care through the Department of Veterans Affairs, specialized child health services, Title XVIII of the Act (Medicare) and other resources.

(3) The date the member, or someone acting on the member's behalf, files an insurance claim against an insured third party for the payment of medical expenses that otherwise would be paid by Medicaid.

(4) The date the member, or someone acting on the member's behalf, retains an attorney with the expectation of seeking restitution for injuries from a possibly liable third party, and the medical expenses resulting from those injuries would otherwise be paid by Medicaid.

(5) The date that the member, or someone acting on the member's behalf, receives a partial or total settlement for the payment of medical expenses that would otherwise be paid by Medicaid. The member may report the change in person, by telephone, by mail, or by using forms prescribed by the department when annual reviews are completed and when the client requests a form.

c. The member, or someone acting on the member's behalf, shall complete a form prescribed by the department when the department has reason to believe that the member has sustained an accident-related injury. Failure to cooperate in completing and returning this form or in giving complete and accurate information will result in the termination of Medicaid benefits.

d. When the recovery rights of the department are adversely affected by the actions of a parent or payee acting on behalf of a minor or legally incompetent adult member, the Medicaid benefits of the parent or payee will be terminated. When a parent or payee fails to cooperate in completing or returning any form required by the department, or fails to give complete and accurate information concerning the accident-related injuries of a minor legally incompetent adult member, the department will terminate the Medicaid benefits of the parent or payee.

e. The member, or someone acting on the member's behalf, shall refund to the department from any settlement or payment received the amount of any medical expenses paid by Medicaid. Failure of the member to do so will result in the termination of Medicaid benefits. In those instances where a parent or payee, acting on behalf of a minor or legally incompetent adult member, fails to refund a settlement overpayment to the department, the Medicaid benefits of the parent or payee will be terminated.

75.16(4) Third party and provider responsibilities.

a. The health care services provider shall inform the department by appropriate notation on Form CMS-1500 that other coverage exists but did not cover the service being billed or that payment was denied.

b. The health care services provider shall notify the department in writing by mailing copies of any billing information sent to a member, an attorney, an insurer or other third party after a claim has been submitted to or paid by the department.

c. An attorney representing an applicant for Medicaid or a past or present Medicaid member on a claim to which the department has filed a lien under this rule shall notify the department of the claim of which the attorney has actual knowledge, before filing a claim, commencing an action or negotiating a settlement offer. Actual knowledge shall include the notice to the attorney pursuant to subrule 75.16(1). The mailing and deposit in a U.S. post office or public mailing box of the notice, addressed to the department at its state or local office location, is adequate legal notice of the claim.

75.16(5) *Department's lien.*

a. The department's liens are valid and binding on an attorney, insurer or other third party only upon notice by the department or unless the attorney, insurer or other third party has actual notice that the member is receiving Medicaid from the department and only to the extent that the attorney, insurer or third party has not made payment to the member or an assignee of the member prior to the notice. Any information released to an attorney, insurer or other third party by the health care services provider that indicates that reimbursement from the state was contemplated or received will be construed as giving the attorney, insurer or other third party actual knowledge of the department's involvement. For example, information supplied by a health care services provider that indicates Medicaid involvement will be construed as showing involvement by the department under Iowa Code section 249A.54. Payment of benefits by an insurer or third party pursuant to the rights of the lienholder in this rule discharges the attorney, insurer or other third party from liability to the member or the member's assignee to the extent of the payment to the department.

b. When the department has reason to believe that an attorney is representing a member on a claim to which the department filed a lien under this rule, the department will issue notice to that attorney of the department's lien rights.

c. When the department has reason to believe that an insurer is liable for the costs of a member's medical expenses, the department will issue notice to the insurer of the department's lien rights.

d. The mailing and deposit in a U.S. post office or public mailing box of the notice, addressed to the attorney or insurer, is adequate legal notice of the department's subrogation rights.

75.16(6) For purposes of this rule, the term "third party" includes an attorney, individual, institution, corporation, or public or private agency that is or may be liable to pay part or all of the medical costs incurred as a result of injury, disease or disability by or on behalf of an applicant for Medicaid or a past or present Medicaid member.

75.16(7) The department may enforce its lien by a civil action against any liable third party.

This rule is intended to implement Iowa Code sections 249A.4, 249A.5, and 249A.54.

441—75.17 Reserved.

441—75.18(249A) Continuous eligibility for pregnant women.

75.18(1) A pregnant woman who was eligible and enrolled in Medicaid under the provisions of this chapter prior to the end of her pregnancy shall remain continuously eligible throughout the pregnancy and the 12-month postpartum period as provided in subrule 75.3(4), regardless of changes in circumstances, except if any of the following occur:

a. The woman requests voluntary termination of eligibility.

b. The woman ceases to be a resident of the state of Iowa.

c. Iowa Medicaid finds that the woman's eligibility was determined incorrectly at the most recent determination or redetermination of eligibility because of agency error or fraud, abuse, or perjury.

d. The woman dies.

75.18(2) Except as described in subrule 75.3(4), the woman is not required to meet any eligibility criteria described in this chapter or the reenrollment requirements at 441—paragraph 76.14(1)*"a"* during the pregnancy and 12-month postpartum period.

75.18(3) At the end of the 12-month postpartum period, the woman will be subject to the reenrollment requirements at 441—paragraph 76.14(1)*"b."*

75.18(4) Pregnant women determined eligible only for emergency services pursuant to subrule 75.11(4) are eligible under this provision.

441—75.19(249A) Continuous eligibility for children. A child under the age of 19 who is determined eligible for ongoing Medicaid will retain that eligibility for up to 12 months regardless of changes in family circumstances, except as described in this rule.

75.19(1) *Exceptions to coverage.* This rule does not apply to the following:

a. Children whose eligibility was determined under the newborn coverage group described in subrule 75.3(3).

b. Children whose eligibility was determined under the medically needy coverage group described in rule 441—75.8(249A).

c. Children whose Medicaid is state-funded only.

d. Children eligible only in a retroactive month pursuant to 441—subrule 76.13(3).

e. Children whose U.S. citizenship and identity, or noncitizenship status, is not verified within the reasonable opportunity period described in paragraph 75.11(2)*"c."*

f. Children whose eligibility was determined under express lane procedures described in rule 441—76.4(249A).

g. Children whose initial eligibility was established incorrectly.

75.19(2) *Duration of coverage.* Coverage under this rule will extend through the earliest of the following:

a. The month of the household's annual eligibility review;

b. The month when the child reaches the age of 19, except as stated in rule 441—75.52(249A);

c. The month when the child ceases to be a resident of Iowa or fails to provide the department with adequate information to determine whether the child meets residency requirements pursuant to rule 441—75.10(249A);

d. The month that voluntary termination of eligibility is requested; or

e. The month the child is determined to be deceased.

75.19(3) *Assignment of review date.* Children entering an existing Medicaid household will be assigned the same annual eligibility review date as that established for the household.

441—75.20(249A) Medical assistance corrective payments. If a decision by the department or SSA following an appeal on a denied application for any of the coverage groups set forth in 441—75.3(249A) through 441—75.8(249A) is favorable to the claimant, reimbursement will be made to the claimant for any medical bills paid by the claimant during the period between the date of the denial on the initial application and the date regular Medicaid coverage began when the bills were for medical services rendered in the period now determined to be an eligible period based on the following conditions:

75.20(1) These bills must be for services covered by the Medicaid program as set forth in 441—Chapter 78.

75.20(2) Reimbursement will be based on Medicaid rates for services in effect at the time the services were provided.

75.20(3) If a county relief agency has paid medical bills on the member's behalf and has not received reimbursement through assignment as set forth in 441—Chapter 80, the department will reimburse the county relief agency directly on the same basis as if the reimbursement was made to the member.

75.20(4) Members and county relief agencies may file claims for payment under this subrule on forms prescribed the department. These forms are available from the county office. All requests for reimbursement will be acted upon within 60 days of receipt of the forms in the county office.

75.20(5) Any adverse action taken by the department with respect to an application for reimbursement is appealable under 441—Chapter 7.

441—75.21(249A) Health insurance premium payment (HIPP) program. Under the HIPP program, the department will pay for the cost of premiums, coinsurance, copayments, and deductibles for Medicaid-eligible individuals when the department determines that those costs will be less than the cost of paying for the individual's care through Medicaid, including managed care capitation fees. Payment will include only the cost to the Medicaid-eligible individual or household.

75.21(1) *Definitions.* For purposes of this rule, the following definitions apply:

"Absent parent" means a noncustodial parent or a parent who is not living with the member.

"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 441—subrule 76.9(2); or with other legal authority to represent the applicant or member in the application process, renewal of eligibility and other ongoing communications with the department.

"Capitation payment" means a monthly payment to the managed care contractor on behalf of each member for the provision of health services under the managed care organization contract. Payment is made by the department regardless of whether the member receives services during the month. The managed care capitation payment varies based on the eligible member's sex, age, and eligibility aid type.

"Cost-effective" means a determination has been made that a savings will accrue to the department by paying the insurance premium, cost sharing, wrap benefits, and administrative cost.

"Cost sharing" means the member's portions of in-network health care costs not covered by an insurance plan. "Cost sharing" includes copayments, coinsurance and deductibles, which vary among health care plans.

"Custodian" means the person recognized as representing the interests of the member for Medicaid assistance. When the member reaches the age of 18 and the custodian is not used in determining Medicaid eligibility, there shall be legal documentation in place that the custodian is now the responsible person or authorized representative.

"Employer-sponsored insurance" or *"ESI"* means any health insurance plan paid for by a business on behalf of its employees.

"High-deductible health plan" or *"HDHP"* means a health insurance plan that meets the definition found in Section 223(c)(2) of the United States Internal Revenue Code as amended to August 1, 2025.

"HIPP-eligible member" or *"HIPP enrollee"* means a person whose Medicaid eligibility is calculated in the cost-effective determination for HIPP.

"Household" means the group of people who are used in the budgeting and size when determining Medicaid eligibility.

"Individual plan" means an insurance plan purchased through a government-run health insurance marketplace or through a local broker or agent.

"Insurance plan" means major medical comprehensive health coverage provided through an employer, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) as amended to August 1, 2025, a government-run health insurance marketplace, or a local broker or agent. Dental and vision plans are not considered to be insurance plans for purposes of this definition.

"Member" means an individual who has been determined eligible for Medicaid assistance and is enrolled to receive assistance.

"Policyholder" means the person in whose name an insurance policy is registered.

"Responsible person" means an individual recognized by the department pursuant to 441—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.

"Wrap benefits" means the services covered under the Medicaid state plans that are not paid for by insurance plans (i.e., waiver services, transportation).

75.21(2) *Insurance plans.* Participation in an insurance plan is not a condition of Medicaid eligibility. The department will pay for the cost of the insurance plan premiums, coinsurance, copayment, and deductibles of an insurance plan for a member if:

a. A member is enrolled in or can be added to the insurance plan; and

b. The insurance plan is cost-effective as described in subrule 75.21(3).

75.21(3) *Cost-effectiveness.* An insurance plan shall be considered cost-effective when the amount the department would pay for the member's insurance premiums, cost sharing, wrap benefits, and administrative costs is likely to be less than the amount the department would pay through Medicaid, including managed care capitation fees. When determining the cost-effectiveness of an insurance plan, the following data will be considered:

a. The cost to the member or household for the insurance premium, coinsurance, copayments and deductibles. Costs paid by an employer or other plan sponsor will not be considered in the cost-effectiveness determination.

b. The cost of care through Medicaid, including managed care capitation fees, the department would pay for the member.

c. The estimated cost of wrap benefits per member based on the member's sex, age, and eligibility aid type.

d. The specific health-related circumstances of the members covered under the health plan. The HIPP Medical History Questionnaire will be used to obtain this information. When the information indicates any health conditions that could be expected to result prospectively in higher-than-average bills for any Medicaid member:

(1) If the member is currently covered by the insurance plan, the department will request from the policyholder, or from the responsible person for the member, an insurance summary of the member's paid claims for the previous 12 months. If there is sufficient evidence to indicate that such claims can be expected to continue in the next 12 months, the claims will be considered in determining the cost-effectiveness of the insurance plan. The cost of the insurance plan premium, member's cost sharing, and administrative cost are compared to the actual claims to determine the cost-effectiveness of providing the coverage.

(2) If the member was not covered by the health plan in the previous 12 months, fee-for-service paid Medicaid claims may be used to project the cost-effectiveness of the plan.

e. Annual administrative expenditures of $150 per HIPP member covered under the health plan.

f. Whether the estimated savings to the department for members covered under the health insurance plan is at least $5 per month per household.

75.21(4) *Coverage of non-Medicaid-eligible family members.* When an insurance plan is determined to be cost-effective, the department will pay for insurance premiums for non-Medicaid-eligible family members if a non-Medicaid-eligible family member must be enrolled in the insurance plan in order to obtain coverage for the Medicaid-eligible family members. However:

a. The needs of the non-Medicaid-eligible family members will not be taken into consideration when determining cost-effectiveness; and

b. Payments for deductibles, coinsurances or other cost-sharing obligations will not be made on behalf of family members who are not Medicaid-eligible.

75.21(5) *Insurance plans ineligible for reimbursement.* Premiums will not be paid for insurance plans under any of the following circumstances:

a. The insurance plan is that of an absent parent.

b. The insurance plan is an indemnity policy that supplements the policyholder's income or pays only a predetermined amount for services covered under the policy (e.g., $50 per day for hospital services instead of 80 percent of the charge).

c. The insurance plan is a school plan offered on the basis of attendance or enrollment at the school.

d. The insurance premium is used to meet a spenddown obligation under the medically needy program, as provided in rule 441—75.8(249A), when all persons in the household are eligible or potentially eligible only under the medically needy program. When some of the household members are eligible for full Medicaid benefits under coverage groups other than medically needy, the premium will be paid if it is determined to be cost-effective when considering only the persons receiving full Medicaid coverage. In those cases, the insurance premium will not be allowed as a deduction to meet the spenddown obligation for those persons in the household participating in the medically needy program.

e. The insurance plan is designed to provide coverage only for a temporary period of time (e.g., 30 to 180 days).

f. The persons covered under the insurance plan are not Medicaid-eligible on the date the decision regarding eligibility for the HIPP program is made. No retroactive payments will be made if the case is not Medicaid-eligible on the date of decision.

g. The person is eligible only for a coverage group that does not provide full Medicaid services.

h. Insurance coverage is provided through the Iowa Comprehensive Health Insurance Association in accordance with Iowa Code chapter 514E.

i. Insurance on the member(s) is maintained by someone who does not live with the member(s), is not the legal guardian of the member(s), is not a responsible person, or does not have legal permission to access the Medicaid information of the member(s) (e.g., self-supporting adult children).

j. The member has Medicare. If other members in the household are covered by the insurance plan, cost-effectiveness is determined without including the Medicare-covered member.

k. The insurance plan does not provide major medical coverage but pays only for specific situations (i.e., accident plans) or illnesses (i.e., cancer policy).

l. The health plan pays secondary to another plan.

m. The only Medicaid member is in foster care.

n. The member is active for Medicaid under Medicaid for children with disabilities (i.e., MKSN) pursuant to subrule 75.6(7). Any other Medicaid members in the household who are covered by the health plan will be determined for cost-effectiveness.

o. The insurance plan is limited due to preexisting conditions.

p. The insurance plan is a subsidized insurance plan purchased through a government-run health insurance exchange.

q. On the date the decision regarding eligibility for the HIPP program is made, the insurance is no longer available.

r. The insurance plan is an HDHP.

75.21(6) *Department evaluation of ESI plans.* When evaluating ESI plans available through an employer, if there is more than one cost-effective insurance plan available, the department will pay the premium for only one plan. The member may choose the cost-effective plan in which to enroll.

75.21(7) *Effective date of premium payment.* The effective date of premium payments for a cost-effective health plan will be determined as follows:

a. Premium payments shall begin the later of:

(1) The first day of the month in which the Employer's Statement of Earnings, HIPP Program Application, or the automated HIPP referral is received by the HIPP unit; or

(2) The first day of the first month in which the health plan is determined to be cost-effective.

b. If the person is not enrolled in the insurance plan when eligibility for participation in the HIPP program is established, premium payments will begin in the month in which the first premium payment is due after enrollment occurs.

c. If there was a lapse in coverage during the application process (e.g., the health plan is dropped and reenrollment occurs at a later date), premium payments will not be made for any period of time before the current effective date of coverage.

d. In no case will payments be made for premiums that were used as a deduction to income for determining client participation or the amount of the spenddown obligation.

e. The Employer Verification of Insurance Coverage will be used to verify the effective date of coverage and costs for persons enrolled in group health plans through an employer.

f. The effective date of coverage of an insurance plan not obtained through an employer will be verified by a copy of the certificate of coverage for the plan or by some other verification from the insurer.

75.21(8) *Method of premium payment.* Payments of premiums will be made directly to the insurance carrier, except as follows:

a. The department may arrange for payment to an employer in order to circumvent a payroll deduction.

b. When an employer will not agree to accept premium payments from the department in lieu of a payroll deduction to the employee's wages, the department will reimburse the employee directly for payroll deductions or for payments made directly to the employer for the payment of premiums. The department will issue reimbursement to the employee five working days before the employee's pay date.

c. When premium payments are occurring through an automatic withdrawal from a bank account by the insurance carrier, the department may reimburse the policyholder for those withdrawals.

d. Payments for COBRA coverage will be made directly to the insurance carrier, the COBRA administrator, or the former employer. Payments may be made directly to the former employee only in those cases where:

(1) Information cannot be obtained for direct payment; or

(2) The department pays for only part of the total premium.

75.21(9) *Payment of claims.* Claims from medical providers for persons participating in this program will be paid in the same manner as claims are paid for other persons with a third-party resource in accordance with the provisions of 441—Chapters 79 and 80.

75.21(10) *Reviews of cost-effectiveness and eligibility.* Reviews of cost-effectiveness and eligibility will be completed annually and may be conducted more frequently at the discretion of the department.

a. Annual review of ESI cost-effectiveness and eligibility will be completed using the HIPP Program Review form.

b. Annual review of individual health plan cost-effectiveness and eligibility will be the HIPP Private Policy Review form.

c. Failure of the household to cooperate in the annual review process will result in cancellation of premium payment.

d. Redeterminations will be completed whenever:

(1) A premium rate, copayment, deductible, or coinsurance changes;

(2) A person covered under the policy loses full Medicaid eligibility;

(3) Changes in employment or hours of employment affect the availability of an insurance plan;

(4) The insurance carrier changes;

(5) The policyholder leaves the Medicaid home;

(6) There is a decrease in the services covered under the policy; or

(7) The Medicaid category of coverage changes.

e. The policyholder shall report changes that may affect the availability of the insurance plan reimbursed by the HIPP program, or changes that affect the cost-effectiveness of the policy, within ten calendar days from the date of the change.

f. If a change in the number of members in the Medicaid household causes the health plan not to be cost-effective, lesser health plan options, as defined in paragraph 75.21(15)*"a,"* will be considered if they are available and cost-effective.

g. When employment ends, hours of employment are reduced, or some other qualifying event affecting the availability of the group health plan occurs, the department will verify whether coverage may be continued under the provisions of COBRA.

(1) The Employer Verification of COBRA Eligibility form may be used for this purpose.

(2) If it is cost-effective to do so, the department will pay premiums to maintain insurance coverage for members after the occurrence of the event that would otherwise result in termination of coverage.

75.21(11) *Time frames for determining cost-effectiveness.* The department will determine cost-effectiveness of the insurance plan and notify the applicant of the decision regarding payment of the premiums within 65 calendar days from the date an application or referral (as defined in subrule 75.21(7)) is received. Additional time may be taken when, for reasons beyond the control of the department or the applicant, information needed to establish cost-effectiveness cannot be obtained within the 65-day period.

75.21(12) *Notices.*

a. Adequate notice will be provided to the household under the following circumstances:

(1) To inform the household of the initial decision on cost-effectiveness and premium payment.

(2) To inform the household that premium payments are being discontinued because Medicaid eligibility has been lost by all persons covered under the health plan.

(3) The insurance plan is no longer available to the family (e.g., the employer no longer provides health insurance coverage or the policy is terminated by the insurance company).

b. The department will provide timely and adequate notice as defined in rule 441—16.2(17A) to inform the household of a decision to discontinue payment of the health insurance premium because:

(1) The department has determined the insurance plan is no longer cost-effective; or

(2) The member has failed to cooperate in providing information necessary to establish continued eligibility for the HIPP program.

75.21(13) *Rate refund.* The department is entitled to any rate refund made when the insurance carrier determines a return of premiums to the policyholder is due for any time period for which the department paid the premium.

75.21(14) *Reinstatement of HIPP eligibility.*

a. When eligibility for the HIPP program is canceled because the persons covered under the insurance plan lose Medicaid eligibility, HIPP eligibility will be reinstated when Medicaid eligibility is reestablished if all other eligibility factors are met.

b. When HIPP eligibility is canceled because of the policyholder's failure to cooperate in providing information necessary to establish continued eligibility for the HIPP program, benefits will be reinstated the first day of the first month in which cooperation occurs if all other eligibility factors are met.

75.21(15) *Amount of insurance premium paid.*

a. For ESI plans, the policyholder shall provide verification of the cost of all possible insurance plan options (i.e., single, employee/children, family).

(1) The HIPP program will pay only for the option that provides coverage to the cost-effective members of the household.

(2) The HIPP program will not pay the portion of the premium cost that is the responsibility of the employer or other plan sponsor.

b. For individual health plans, the HIPP program will pay the cost of covering the cost-effective members covered by the plan.

c. For insurance plans, if another household member must be covered to obtain coverage for the members, the HIPP program will pay the cost of covering that household member if the coverage is cost-effective as determined pursuant to subrules 75.21(3) and 75.21(4).

75.21(16) *Reporting changes.* Failure to report and verify changes may result in cancellation of HIPP benefits.

a. The policyholder shall verify changes by providing a pay stub, a summary of benefits and coverage, a rate sheet, or a letter from the insurance carrier reflecting the change.

b. Changes in employment or the employment-related insurance carrier shall be verified by the employer.

c. Any benefits paid during a period in which there was ineligibility for HIPP due to unreported changes shall be subject to recovery in accordance with the provisions of 441—Chapter 11.

d. Any underpayment that results from an unreported change will be paid effective the first day of the month in which the change is reported.

75.21(17) *Discontinuation of premium payments.*

a. When the household loses Medicaid eligibility, premium payments will be discontinued as of the month of Medicaid ineligibility.

b. When only part of the household loses Medicaid eligibility, the department will complete a review in order to ascertain whether payment of the health insurance premium continues to be cost-effective. If the department determines that the insurance plan is no longer cost-effective, premium payment will be discontinued pending timely and adequate notice.

c. If the household fails to cooperate in providing information necessary to establish ongoing eligibility for the HIPP program, the department will discontinue premium payment after timely and adequate notice. The department will request all information in writing and allow the household ten calendar days in which to provide it.

d. If the policyholder leaves the Medicaid household, premium payments will be discontinued pending timely and adequate notice.

e. If the insurance plan is no longer available or the policy has lapsed, premium payments will be discontinued as of the effective date of the termination of the coverage.

441—75.22(249A) AIDS/HIV health insurance premium payment program. For the purposes of this rule, "AIDS" and "HIV" mean the same as defined in Iowa Code section 141A.1.

75.22(1) *Conditions of eligibility.* The department will pay for the cost of continuing health insurance coverage to persons with AIDS or an HIV-related illness when the following criteria are met:

a. The person with AIDS or an HIV-related illness shall be the policyholder, or the spouse of the policyholder, of an individual or group health plan.

b. The person shall be a resident of Iowa in accordance with the provisions of rule 441—75.10(249A).

c. The person shall not be eligible for Medicaid. The person shall be required to apply for Medicaid benefits when it appears Medicaid eligibility may exist. Persons who are required to meet a spenddown obligation under the medically needy program, as provided in rule 441—75.8(249A), are not considered Medicaid-eligible for the purpose of establishing eligibility under these provisions. When Medicaid eligibility is attained, premium payments shall be made under the provisions of rule 441—75.21(249A) if all criteria of that rule are met.

d. A physician's statement shall be provided verifying the policyholder or the spouse of the policyholder suffers from AIDS or an HIV-related illness. The physician's statement shall also verify that the policyholder or the spouse of the policyholder is or will be unable to continue employment in the person's current position or that hours of employment will be significantly reduced due to AIDS or an HIV-related illness. The Physician's Verification of Diagnosis form shall be used to obtain this information from the physician.

e. Gross income shall not exceed 300 percent of the FPL for a family of the same size. The gross income of all family members will be counted using the definition of gross income under the SSI program.

f. Liquid resources shall not exceed $10,000 per household. The following are examples of countable resources:

(1) Unobligated cash.

(2) Bank accounts.

(3) Stocks, bonds, and certificates of deposit, excluding IRS-defined retirement plans.

g. The health insurance plan must be cost-effective based on the amount of the premium and the services covered.

75.22(2) *Application process.*

a. Application. Persons applying for participation in this program shall complete the AIDS/HIV HIPP Application. The applicant shall be required to provide documentation of income and assets. The application will be available from and may be filed at any county office or the department.

An application will be considered as filed on the date an AIDS/HIV HIPP Application containing the applicant's name, address and signature is received and date-stamped in any county office or the department.

b. Time limit for decision. Every reasonable effort will be made to render a decision within 30 days. Additional time for rendering a decision may be taken when, due to circumstances beyond the control of the applicant or the department, a decision regarding the applicant's eligibility cannot be reached within 30 days (e.g., verification from a third party has not been received).

c. Eligible on the day of decision. No payments will be made for current or retroactive premiums if the person with AIDS or an HIV-related illness is deceased prior to a final eligibility determination being made on the application, if the insurance plan has lapsed, or if the person has otherwise lost coverage under the insurance plan.

d. Waiting list. After funds appropriated for this purpose are obligated, the department will deny pending applications. The department will mail a notice of decision within ten calendar days following the determination that funds have been obligated. The notice will state that the applicant meets eligibility requirements but no funds are available and that the applicant will be placed on the waiting list or that the applicant does not meet eligibility requirements. Applicants not awarded funding who meet the eligibility requirements will be placed on a statewide waiting list according to the order in which the completed applications were filed. In the event that more than one application is received at one time, applicants will be entered on the waiting list on the basis of the day of the month of the applicant's birthday, lowest number being first on the waiting list. Any subsequent tie will be decided by the month of birth, January being month one and the lowest number.

75.22(3) *Presumed eligibility.* The applicant may be presumed eligible to participate in the program for a period of two calendar months or until a decision regarding eligibility can be made, whichever is earlier. Presumed eligibility will be granted when all of the following occur:

a. The application is accompanied by a completed Physician's Verification of Diagnosis form.

b. The application is accompanied by a premium statement from the insurance carrier indicating the policy will lapse before an eligibility determination can be made.

c. It can be reasonably anticipated that the applicant will be determined eligible from income and resource statements on the application.

75.22(4) *Family coverage.* When the person is enrolled in a policy that provides health insurance coverage to other members of the family, only that portion of the premium required to maintain coverage for the policyholder or the policyholder's spouse with AIDS or an HIV-related illness will be paid under this rule unless modification of the policy would result in a loss of coverage for the person with AIDS or an HIV-related illness.

75.22(5) *Method of premium payment.* Premiums shall be paid in accordance with the provisions of subrule 75.21(8).

75.22(6) *Effective date of premium payment.* Premium payments will be effective with the month of application or the effective date of eligibility, whichever is later.

75.22(7) *Reviews.* The department will review circumstances of persons participating in the program quarterly to ensure eligibility criteria continue to be met. The AIDS/HIV HIPP Program Review form shall be completed by the recipient or someone acting on the recipient's behalf for this purpose.

75.22(8) *Termination of assistance.* Premium payments for otherwise eligible persons shall be paid under this rule until one of the following conditions is met:

a. The person becomes eligible for Medicaid. In which case, premium payments shall be paid in accordance with the provisions of rule 441—75.21(249A).

b. The insurance coverage is no longer available.

c. Maintaining the insurance plan is no longer considered the most cost-effective way to pay for medical services.

d. Funding appropriated for the program is exhausted.

e. The person with AIDS or an HIV-related illness dies.

f. The person fails to provide requested information necessary to establish continued eligibility for the program.

75.22(9) *Notices.*

a. An adequate notice as defined in 441—subrule 16.3(2) will be provided under the following circumstances:

(1) To inform the applicant of the initial decision regarding eligibility to participate in the program.

(2) To inform the recipient that premium payments are being discontinued under these provisions because Medicaid eligibility has been attained and premium payments will be made under the provisions of rule 441—75.21(249A).

(3) To inform the recipient that premium payments are being discontinued because the policy is no longer available.

(4) To inform the recipient that premium payments are being discontinued because funding for the program is exhausted.

(5) The person with AIDS or an HIV-related illness dies.

b. A timely and adequate notice as defined in rule 441—16.2(17A) will be provided to the recipient informing the recipient of a decision to discontinue payment of the health insurance premium when the recipient no longer meets the eligibility requirements of the program or fails to cooperate in providing information to establish eligibility.

75.22(10) *Confidentiality.* The department will protect the confidentiality of persons participating in the program in accordance with Iowa Code section 141A.9. When it is necessary for the department to contact a third party to obtain information in order to determine initial or ongoing eligibility, a Consent to Obtain and Release Information form shall be signed by the recipient authorizing the department to make the contact.

441—75.23(249A) Disposal of assets for less than fair market value after August 10, 1993. In determining Medicaid eligibility for persons described in 441—Chapters 75 and 83, a transfer of assets occurring after August 10, 1993, will affect Medicaid payment for medical services as provided in this rule.

75.23(1) *Ineligibility for services.* When an individual or spouse has transferred or disposed of assets for less than fair market value as defined in 75.23(11) on or after the look-back date specified in subrule 75.23(2), the individual shall be ineligible for medical assistance as provided in this subrule.

a. Institutionalized individual. When an institutionalized individual or the spouse of the individual disposed of assets for less than fair market value on or after the look-back date, the institutionalized individual is ineligible for medical assistance payment for nursing facility services, a level of care in any institution equivalent to that of nursing facility services, and home- and community-based waiver services. The period of ineligibility is equal to the number of months specified in subrule 75.23(3). The department will determine the beginning of the period of ineligibility as follows:

(1) Transfer before February 8, 2006. When assets were transferred before February 8, 2006, the period of ineligibility begins on the first day of the first month during which the assets were transferred, except as provided in subparagraph 75.23(1)*"a"*(3).

(2) Transfer on or after February 8, 2006. Within the limits of subparagraph 75.23(1)*"a"*(3), when the assets were transferred on or after February 8, 2006, the period of ineligibility begins on the later of:

1. The first day of the first month during which the assets were transferred; or

2. The date on which the individual is eligible for medical assistance under this chapter and would be receiving nursing facility services, a level of care in any institution equivalent to that of nursing facility services, or home- and community-based waiver services, based on an approved application for such care, but for the application of this rule.

(3) Exclusive period. The period of ineligibility due to the transfer will not begin during any other period of ineligibility under this rule.

b. Noninstitutionalized individual. When a noninstitutionalized individual or the spouse of the individual disposed of assets for less than fair market value on or after the look-back date, the individual is ineligible for medical assistance payment for home health care services, home and community care for functionally disabled elderly individuals, personal care services, and other long-term care services. The period of ineligibility is equal to the number of months specified in subrule 75.23(3). The department will determine the beginning of the period of ineligibility as follows:

(1) Transfer before February 8, 2006. When the assets were transferred before February 8, 2006, the period of ineligibility begins on the first day of the first month during which the assets were transferred, except as provided in subparagraph 75.23(1)*"b"*(3).

(2) Transfer on or after February 8, 2006. Within the limits of subparagraph 75.23(1)*"b"*(3), when the assets were transferred on or after February 8, 2006, the period of ineligibility begins on the later of:

1. The first day of the first month during which the assets were transferred; or

2. The date on which the individual is eligible for medical assistance under this chapter and would be receiving home health care services, home and community care for functionally disabled elderly individuals, personal care services, or other long-term care services, based on an approved application for such care, but for the application of this rule.

(3) Exclusive period. The period of ineligibility due to the transfer will not begin during any other period of ineligibility under this rule.

c. Client participation after period of ineligibility. Expenses incurred for long-term care services during a transfer of assets penalty period will not be deducted as medical expenses in determining client participation pursuant to subrule 75.83(2).

75.23(2) *Look-back date.*

a. Transfer before February 8, 2006. When assets were transferred before February 8, 2006, the look-back date is the date that is 36 months (or, in the case of payments from a trust or portion of a trust that are treated as assets disposed of by the individual, 60 months) before:

(1) The date an institutionalized individual is both an institutionalized individual and has applied for medical assistance; or

(2) The date a noninstitutionalized individual applies for medical assistance.

b. Transfer on or after February 8, 2006. When assets were transferred on or after February 8, 2006, the look-back date is the date that is 60 months before:

(1) The date an institutionalized individual is both an institutionalized individual and has applied for medical assistance; or

(2) The date a noninstitutionalized individual applies for medical assistance.

75.23(3) *Period of ineligibility.* The number of months of ineligibility will be equal to the total cumulative uncompensated value of all assets transferred by the individual (or the individual's spouse) on or after the look-back date specified in subrule 75.23(2), divided by the statewide average private-pay rate for nursing facility services at the time of application. The department will determine the average statewide cost to a private-pay resident for nursing facilities and update the cost annually. Current average statewide costs will be published on the department's website.

75.23(4) *Reduction of period of ineligibility.* The number of months of ineligibility otherwise determined with respect to the disposal of an asset will be reduced by the months of ineligibility applicable to the individual prior to a change in institutional status.

75.23(5) *Exceptions.* An individual will not be ineligible for medical assistance under this rule to the extent that:

a. The assets transferred were a home and title to the home was transferred to either:

(1) A spouse of the individual.

(2) A child of the individual who is under the age of 21 or is blind or permanently and totally disabled as defined in 42 U.S.C. Section 1382c.

(3) A sibling of the individual who has an equity interest in the home and who was residing in the individual's home for a period of at least one year immediately before the individual became institutionalized.

(4) A child of the individual who was residing in the individual's home for a period of at least two years immediately before the date of institutionalization and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility.

b. The assets were transferred:

(1) To the individual's spouse or to another for the sole benefit of the individual's spouse.

(2) From the individual's spouse to another for the sole benefit of the individual's spouse.

(3) To a child of the individual who is blind or permanently and totally disabled as defined in 42 U.S.C. Section 1382c or to a trust established solely for the benefit of such a child.

(4) To a trust established solely for the benefit of an individual under 65 years of age who is disabled as defined in 42 U.S.C. Section 1382c.

c. A satisfactory showing is made that one of the following is true:

(1) The individual intended to dispose of the assets either at fair market value or for other valuable consideration.

(2) The assets were transferred exclusively for a purpose other than to qualify for medical assistance.

(3) All assets transferred for less than fair market value have been returned to the individual.

d. The denial of eligibility would work an undue hardship. Undue hardship exists only when all of the following conditions are met:

(1) Applying the transfer of asset penalty would deprive the individual of medical care such that the individual's health or life would be endangered or of food, clothing, shelter, or other necessities of life.

(2) The person who transferred the resource or the person's spouse has exhausted all means including legal remedies and consultation with an attorney to recover the resource.

(3) The person's remaining available resources (after the attribution for the community spouse) are less than the monthly statewide average cost of nursing facility services to a private pay resident, counting the value of all resources, except for:

1. The home if occupied by a dependent relative or if a licensed physician verifies that the person is expected to return home.
2. Household goods.
3. A vehicle required by the client for transportation.
4. Funds for burial of $4,000 or less.

Hardship will not be found if the resource was transferred to a person who was handling the financial affairs of the client or to the spouse or children of a person handling the financial affairs of the client unless the client demonstrates that payments cannot be obtained from the funds of the person who handled the financial affairs to pay for long-term care services.

75.23(6) *Assets held in common.* In the case of an asset held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the asset, or the affected portion of the asset, will be considered to be transferred by the individual when any action is taken, either by the individual or by any other person, that reduces or eliminates the individual's ownership or control of the asset.

75.23(7) *Transfer by spouse.* In the case of a transfer by a spouse of an individual that results in a period of ineligibility for medical assistance under the state plan for the individual, the period of ineligibility will be apportioned between the individual and the individual's spouse if the spouse otherwise becomes eligible for medical assistance under the state plan. The remaining penalty period will be evenly divided on a monthly basis, with any remaining month of penalty (prorated as a half month to each spouse) applied to the spouse who initiated the transfer action.

If a spouse subsequently dies prior to the end of the penalty period, the remaining penalty period will be applied to the surviving spouse's period of ineligibility.

75.23(8) *Definitions.* For the purposes of this rule the following definitions apply:

"Assets" includes all income and resources of the individual and the individual's spouse, including any income or resources that the individual or the individual's spouse is entitled to but does not receive because of action by:

1. The individual or the individual's spouse.
2. A person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse.
3. Any person, including any court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse.

"Income" means the same as defined in 42 U.S.C. Section 1382a.

"Institutionalized individual" means an individual who is an inpatient in a nursing facility, who is an inpatient in a medical institution and with respect to whom payment is made based on a level of care provided in a nursing facility, or who is eligible for home- and community-based waiver services.

"Resources" means the same as defined in 42 U.S.C. Section 1382b without regard (in the case of an institutionalized individual) to the exclusion of the home and land appertaining thereto.

"Transfer or disposal of assets" means any transfer or assignment of any legal or equitable interest in any asset as defined above, including:

1. Giving away or selling an interest in an asset;
2. Placing an interest in an asset in a trust that is not available to the grantor (subparagraph 75.24(2)*"b"*(2));
3. Removing or eliminating an interest in a jointly owned asset in favor of other owners;
4. Disclaiming an inheritance of any property, interest, or right pursuant to Iowa Code section 633E.5 on or after July 1, 2000 (Iowa Code section 249A.3(11)*"c"*);

75.23(9) *Purchase of annuities.* Funds used to purchase an annuity for more than its fair market value will be treated as assets transferred for less than fair market value regardless of when the annuity was purchased or whether the conditions described in this subrule were met.

a. The entire amount used to purchase an annuity on or after February 8, 2006, with a Medicaid applicant or member as the annuitant will be treated as assets transferred for less than fair market value unless the annuity meets one of the conditions described in paragraph 75.23(9)*"b"* and also meets the condition described in paragraph 75.23(9)*"c."*

b. To be exempted from treatment as an asset transferred at less than fair market value, an annuity described in paragraph 75.23(9)*"a"* must meet one of the following conditions:

(1) The annuity is an annuity described in Subsection (b) or (q) of Section 408 of the United States Internal Revenue Code of 1986 as amended to August 1, 2025 (U.S. IRC).

(2) The annuity is purchased with proceeds from:

1. An account or trust described in Subsection (a), (c), or (p) of Section 408 of the U.S. IRC;
2. A simplified employee pension (within the meaning of Section 408(k) of the U.S. IRC); or
3. A Roth IRA described in Section 408A of the U.S. IRC.

(3) The annuity:

1. Is irrevocable and nonassignable;
2. Is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the SSA); and
3. Provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

c. To be exempted from treatment as an asset transferred at less than fair market value, an annuity described in paragraph 75.23(9)*"a"* must have Iowa named as the remainder beneficiary for at least the total amount of medical assistance paid on behalf of the annuitant or the annuitant's spouse if either is institutionalized. Iowa may be named either:

(1) In the first position; or

(2) In the second position after the spouse or minor or disabled child and in the first position if the spouse or a representative of the child disposes of any of the remainder for less than fair market value.

d. The entire amount used to purchase an annuity on or after February 8, 2006, with the spouse of a Medicaid applicant or member as the annuitant will be treated as assets transferred for less than fair market value unless Iowa is named as the remainder beneficiary for at least the total amount of medical assistance paid on behalf of the annuitant or the annuitant's spouse if either is institutionalized. Iowa may be named either:

(1) In the first position; or

(2) In the second position after the spouse or minor or disabled child and in the first position if the spouse or a representative of the child disposes of any of the remainder for less than fair market value.

75.23(10) *Purchase of promissory notes, loans, or mortgages.*

a. Funds used to purchase a promissory note, loan, or mortgage after February 8, 2006, will be treated as assets transferred for less than fair market value in the amount of the outstanding balance due on the note, loan, or mortgage as of the date of the individual's application for medical assistance for services described in subrule 75.23(1) unless the note, loan, or mortgage meets all of the following conditions:

(1) Has a repayment term that is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the SSA).

(2) Provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made.

(3) Prohibits the cancellation of the balance upon the death of the lender.

b. Funds used to purchase a promissory note, loan, or mortgage for less than its fair market value will be treated as assets transferred for less than fair market value regardless of whether the note, loan, or mortgage was:

(1) Purchased before February 8, 2006; or

(2) Purchased on or after February 8, 2006, and the conditions described in paragraph 75.23(9)*"a"* were met.

75.23(11) *Purchase of life estates.*

a. The entire amount used to purchase a life estate in another individual's home after February 8, 2006, will be treated as assets transferred for less than fair market value unless the purchaser resides in the home for at least one year after the date of the purchase.

b. Funds used to purchase a life estate in another individual's home for more than its fair market value will be treated as assets transferred for less than fair market value regardless of whether the life estate was:

(1) Purchased before February 8, 2006; or

(2) Purchased on or after February 8, 2006, and the purchaser resided in the home for one year after the date of purchase.

441—75.24(249A) Treatment of trusts established after August 10, 1993. For purposes of determining an individual's eligibility for, or the amount of, medical assistance benefits, trusts (except for trusts specified in subrule 75.24(3)) established after August 10, 1993, will be treated in accordance with subrule 75.24(2).

75.24(1) *Establishment of trust.*

a. For the purposes of this rule, an individual is considered to have established a trust if assets of the individual were used to form all or part of the principal of the trust and if any of the following individuals established the trust other than by will:

(1) The individual,

(2) The individual's spouse, or

(3) A person, including a court or administrative body:

1. With legal authority to act in place of or on behalf of the individual or the individual's spouse, or

2. Acting at the direction or upon the request of the individual or the individual's spouse.

b. The term "assets," with respect to an individual, includes all income and resources of the individual and of the individual's spouse, including any income or resources that the individual or the individual's spouse is entitled to but does not receive because of action by:

(1) The individual,

(2) The individual's spouse, or

(3) A person, including a court or administrative body:

1. With legal authority to act in place of or on behalf of the individual or the individual's spouse, or

2. Acting at the direction or upon the request of the individual or the individual's spouse.

c. In the case of a trust, the principal of which includes assets of an individual and assets of any other person or persons, the provisions of this rule apply to the portion of the trust attributable to the individual.

d. This rule applies without regard to:

(1) The purposes for which a trust is established.

(2) Whether the trustees have or exercise any discretion under the trust.

(3) Any restrictions on when or whether distribution may be made for the trust.

(4) Any restriction on the use of distributions from the trust.

e. The term "trust" includes any legal instrument or device that is similar to a trust, including a conservatorship.

75.24(2) *Treatment of revocable and irrevocable trusts.*

a. In the case of a revocable trust:

(1) The principal of the trust will be considered an available resource.

(2) Payments from the trust to or for the benefit of the individual will be considered income of the individual.

(3) Any other payments from the trust will be considered assets disposed of by the individual subject to the penalties described in rule 441—75.23(249A) and 441—Chapter 89.

b. In the case of an irrevocable trust:

(1) If there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, the portion of or income on the principal from which payment to the individual could be made will be considered an available resource to the individual and payments from that principal or income to or for the benefit of the individual will be considered income to the individual. Payments for any other purpose will be considered a transfer of assets by the individual subject to the penalties described in rule 441—75.23(249A) and 441—Chapter 89.

(2) Any portion of the trust from which, or any income on the principal from which no payment could under any circumstances be made to the individual will be considered as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed) to be assets disposed of by the individual subject to the penalties specified in subrule 75.23(3) and 441—Chapter 89. The value of the trust will be determined for this purpose by including the amount of any payments made from this portion of the trust after this date.

75.24(3) *Exceptions.* This rule does not apply to any of the following:

a. A trust that contains the assets of an individual under the age of 65 who is disabled (as defined in Section 1614(a)(3) of the Act) and that is established for the benefit of the individual by a parent, grandparent, legal guardian of the individual, or court if the state will receive all amounts remaining in the trust upon the death of the individual up to an amount equal to the total medical assistance paid on behalf of the individual.

b. A trust established for the benefit of an individual if the trust is composed only of pension, social security, and other income to the individual (and accumulated income of the trust); the state will receive all amounts remaining in the trust upon the death of the individual up to the amount equal to the total medical assistance paid on behalf of the individual. For disposition of trust amounts pursuant to Iowa Code chapter 633C, the average statewide charges and Medicaid rates are updated annually and will be published on the department's website.

c. A trust containing the assets of an individual who is disabled (as defined in Section 1614(a)(3) of the Act) that meets the following conditions:

(1) The trust is established and managed by a nonprofit association.

(2) A separate account is maintained for each beneficiary of the trust, but for purposes of investment and management of funds, the trust pools these accounts.

(3) Accounts in the trust are established solely for the benefit of individuals who are disabled (as defined in Section 1614(a)(3) of the Act) by the parent, grandparent, or legal guardian of the individuals; by the individuals; or by a court.

(4) To the extent that amounts remaining in the beneficiary's account upon death of the beneficiary are not retained by the trust, the trust pays to the state from the remaining amounts in the account an amount equal to the total amount of medical assistance paid on behalf of the beneficiary.

441—75.25(249A) Treatment of Medicaid qualifying trusts.

75.25(1) A Medicaid qualifying trust is a trust or similar legal device established on or before August 10, 1993, other than by will by a person or that person's spouse under which the person may be the beneficiary of payments from the trust and the distribution of these payments is determined by one or more trustees who are permitted to exercise any discretion with respect to the distribution to the person. Trusts or initial trust decrees established prior to April 7, 1986, solely for the benefit of an intellectually disabled person who resides in an ICF-ID are exempt.

75.25(2) The amount of income and principal from a Medicaid qualifying trust that will be considered available will be the maximum amount permitted under the terms of the trust assuming the full exercise of discretion by the trustee or trustees for the distribution of the funds.

a. Trust income considered available will be counted as income.

b. Trust principal (including accumulated income) considered available will be counted as a resource, except where the trust explicitly limits the amount of principal that can be made available on an annual or less frequent basis. Where the trust limits the amount, the principal considered available over any particular period of time will be counted as income for that period of time.

c. To the extent that the trust principal and income are available only for medical care, the principal or income will not be used to determine eligibility. To the extent that the trust is restricted to medical expenses, it will be used as a third-party resource.

441—75.26(249A) Conservatorships.

75.26(1) *Conservatorships established prior to February 9, 1994.* The department will determine whether assets from a conservatorship established prior to February 9, 1994, except one established solely for the payment of medical expenses, are available by examining the language of the order establishing the conservatorship.

a. Funds clearly conserved and available for care, support, or maintenance will be considered toward income limitations and resource limitations when applicable for the coverage group.

b. When assets in the conservatorship are not clearly available, the department may contact the conservator and request that the funds in the conservatorship be made available for current support and maintenance. When the conservator chooses not to make the funds available, the department may petition the court to have the funds released either partially or in their entirety or as periodic income payments.

c. Funds in a conservatorship that are not clearly available will be considered unavailable until the conservator or court actually makes the funds available.

d. Payments received from the conservatorship for basic or special needs are considered income.

75.26(2) *Conservatorships established on or after February 9, 1994.* Conservatorships established on or after February 9, 1994, will be treated according to the provisions of paragraphs 75.24(1)*"e"* and 75.24(2)*"b."*

441—75.27(249A) AIDS/HIV settlement payments. The following payments are exempt as income and resources when determining eligibility for or the amount of Medicaid benefits under any coverage group if the payments are kept in a separate, identifiable account:

75.27(1) *Class settlement payments.* Payments made from any fund established pursuant to a class settlement in the case of Susan Walker v. Bayer Corporation, et al., 96-C-5024 (N.D. Ill.) are exempt.

75.27(2) *Other settlement payments.* Payments made pursuant to a release of all claims in a case that is entered into in lieu of the class settlement referred to in subrule 75.27(1) and that is signed by all affected parties in the cases on or before the later of December 31, 1997, or the date that is 270 days after the date on which the release is first sent to the person (or the legal representative of the person) to whom payment is to be made are exempt.

441—75.28(249A) Recovery.

75.28(1) *Definitions.* For the purposes of this rule, the following definitions apply:

"Administrative overpayment" means medical assistance incorrectly paid to or for the client because of continuing assistance during the appeal process or allowing a deduction for the Medicare Part B premium in determining client participation while the department arranges to pay the Medicare premium directly.

"Agency error" means medical assistance incorrectly paid to or for the client because of action attributed to the department as the result of one or more of the following circumstances:

1. Misfiling or loss of forms or documents.
2. Errors in typing or copying.
3. Computer input errors.
4. Mathematical errors.
5. Failure to determine eligibility correctly or to certify assistance in the correct amount when all essential information was available to the department.
6. Failure to make prompt revisions in medical payment following changes in policies requiring the changes as of a specific date.

"Client" means a current or former Medicaid member.

"Client error" means medical assistance incorrectly paid to or for the client because the client or client's representative failed to disclose information or gave false or misleading statements, oral or written, regarding the client's income, resources, or other eligibility and benefit factors. "Client error" also means assistance incorrectly paid to or for the client because of failure by the client or client's representative to timely report as defined in rule 441—76.15(249A).

"Premiums paid for medical assistance" means monthly premiums assessed to a member or household for Medicaid or IHAWP coverage.

75.28(2) *Amount subject to recovery.* The department will recover from a client all Medicaid funds incorrectly expended to or on behalf of the client and all unpaid premiums assessed by the department for medical assistance. The incorrect expenditures or unpaid premiums may result from client or agency error or administrative overpayment.

75.28(3) *Notification.* All clients will be promptly notified when it is determined that assistance was incorrectly expended or when assessed premiums are unpaid.

a. Notification of incorrect expenditures will include:

(1) The person for whom assistance was paid;
(2) The period during which assistance was incorrectly paid;
(3) The amount of assistance subject to recovery; and
(4) The reason for the incorrect expenditure.

b. Notification of unpaid premiums will include:

(1) The amount of the premium; and
(2) The month covered by the medical assistance premium.

75.28(4) *Source of recovery.* Recovery will be made from the client or from parents of children under the age of 21 when the parents completed the application and had responsibility for reporting changes. Recovery may come from income, resources, the estate, income tax refunds, and lottery winnings of the client.

75.28(5) *Repayment.* The repayment of incorrectly expended Medicaid funds shall be made to the department. However, repayment of funds incorrectly paid to a nursing facility, a Medicare-certified

skilled nursing facility, a psychiatric medical institution for children, an ICF-ID, or a mental health institute enrolled as an inpatient psychiatric facility may be made by the client to the facility. The department will then recover the funds from the facility through a vendor adjustment.

75.28(6) *Appeals.* The client shall have the right to appeal the amount of funds subject to recovery under the provisions of 441—Chapter 7.

75.28(7) *Estate recovery.* Medical assistance, including the amount the state paid to a managed care organization (MCO) for provision of medical services, also called capitation fees, is subject to recovery from the estate of a Medicaid member, of the member's surviving spouse, or of the member's surviving child as provided in this subrule. Effective January 1, 2010, medical assistance that has been paid for Medicare cost sharing or for benefits described in Section 1902(a)(10)(E) of the Act is not subject to recovery. All assets included in the estate of the member, the surviving spouse, or the surviving child are subject to probate for the purposes of medical assistance estate recovery pursuant to Iowa Code section 249A.53(2)*"d."* The classification of the debt is defined in Iowa Code section 633.425(7).

a. Definitions. In addition to the definitions in subrule 75.28(1), the following definitions apply:

"Capitated payment/rate" means a monthly payment to the contractor on behalf of each member for the provision of health services under the contract. Payment is made regardless of whether the member receives services during the month.

"Estate." For the purpose of this subrule, the "estate" of a Medicaid member, a surviving spouse, or a surviving child shall include all real property, personal property, or any other asset in which the member, spouse, or surviving child had any legal title or interest at the time of death, or at the time a child reaches the age of 21, to the extent of that interest. An estate includes but is not limited to interest in jointly held property, retained life estates, and interests in trusts.

"Managed care organization" or *"MCO"* means an entity that:

1. Is under contract with the department to provide services to Medicaid recipients, and
2. Meets the definition of "health maintenance organization" in Iowa Code section 514B.1.

b. Debt due for member 55 years of age or older. Receipt of medical assistance when a member is 55 years of age or older creates a debt due to the department from the member's estate upon the member's death for all medical assistance provided on the member's behalf on or after July 1, 1994.

c. Debt due for member under the age of 55 in a medical institution.

(1) Receipt of medical assistance creates a debt due to the department from the member's estate upon the member's death for all medical assistance provided on the member's behalf on or after July 1, 1994, when the member:

1. Is under the age of 55;
2. Is a resident of a nursing facility, an ICF-ID, or a mental health institute; and
3. Cannot reasonably be expected to be discharged and return home.

(2) If the member is discharged from the facility and returns home before staying six consecutive months, no debt will be assessed for medical assistance payments made on the member's behalf for the time in the institution.

(3) If the member remains in the facility for six consecutive months or longer or dies before staying six consecutive months, the department will presume that the member cannot or could not reasonably be expected to be discharged and return home and a debt due will be established. The department will notify the member of the presumption and the establishment of a debt due.

d. Request for a determination of ability to return home. Upon receipt of a notice of the establishment of a debt due based on the presumption that the member cannot return home, the member or someone acting on the member's behalf may request that the department determine whether the member can or could reasonably have been expected to return home.

(1) When a written request is made within 30 days of the notice that a debt due will be established, no debt due will be established until the department has made a decision on the member's ability to return home. If the determination is that there is or was no ability to return home, a debt due will be established for all medical assistance as of the date of entry into the institution.

(2) When a written request is made more than 30 days after the notice that a debt due will be established, a debt due will be established for medical assistance provided before the request even if the determination is that the member can or could have returned home.

e. Determination of ability to return home. When the member or someone acting on the member's behalf requests a determination, the department will determine if the member can or could have returned home.

(1) The department cannot make a determination until the member has been in an institution at least six months or after the death of the member, whichever is earlier. The department will notify the member or the member's representative and the department of the determination.

(2) If the determination is that the member can or could return home, Iowa Medicaid will establish the date the return is expected or could have been expected to occur.

(3) If the determination is that the member cannot or could not return home, a debt due will be established unless the member or the member's representative asks for a reconsideration of the decision. The department will notify the member or the member's representative of the reconsideration decision.

(4) If the reconsideration decision is that the member cannot or could not return home, a debt due will be established against the member unless the decision is appealed pursuant to 441—Chapter 7. The appeal decision will determine the final outcome for the establishment of a debt due and the period when the debt is established.

f. Debt collection.

(1) A nursing facility participating in the medical assistance program shall notify the department upon the death of a member residing in the facility by submitting a form prescribed by the department.

(2) Upon receipt of the form or a report of a member's death through other means, the department will request a statement of the member's assets from the member's personal representative. The representative shall sign and return a form prescribed by the department indicating whether assets remain and, if so, what the assets are and what higher priority expenses exist.

EXCEPTION: The procedures in this subparagraph are not necessary when a probate estate has been opened because those procedures provide for an inventory, an accounting, and a final report of the estate.

g. Waiving the collection of debt.

(1) The department will waive the collection of the debt created under this subrule from the estate of the member to the extent that collection of the debt would result in either of the following:

1. Reduction in the amount received from the member's estate by a surviving spouse or by a surviving child who is under the age of 21, blind, or permanently and totally disabled at the time of the member's death.

2. Creation of an undue hardship for the person seeking a waiver of estate recovery. Undue hardship exists when total household income is less than 200 percent of the FPL for a household of the same size; total household resources do not exceed $10,000; and application of estate recovery would result in deprivation of food, clothing, shelter, or medical care such that life or health would be endangered. For this purpose, "income" and "resources" will be defined as being under FIP.

(2) To apply for a waiver of estate recovery due to undue hardship, the person shall provide a written statement and supporting verification to the department within 30 days of the notice of estate recovery pursuant to Iowa Code section 249A.53(2).

(3) The department will determine whether undue hardship exists on a case-by-case basis. Appeals of adverse decisions regarding an undue hardship determination may be filed in accordance with 441—Chapter 7.

h. Amount waived. If collection of all or part of a debt is waived pursuant to paragraph 75.28(7)*"g,"* to the extent that the person received the member's estate, the amount waived will be a debt due from the following:

(1) The estate of the member's surviving spouse, upon the death of the spouse.

(2) The estate of the member's surviving child who is blind or has a disability, upon the death of the child.

(3) A surviving child who was under 21 years of age at the time of the member's death, when the child reaches the age of 21.

(4) The estate of a surviving child who was under 21 years of age at the time of the member's death, if the child dies before reaching the age of 21.

(5) The hardship waiver recipient, when the hardship no longer exists.

(6) The estate of the recipient of the undue hardship waiver, at the time of death of the hardship waiver recipient.

i. Impact of asset disregard on debt due. The estate of a member who is eligible for Medicaid under subrule 75.82(5) will not be subject to a claim for Medicaid paid on the member's behalf up to the amount of the assets disregarded by asset disregard. Medicaid paid on behalf of the member before these conditions will be recovered from the estate, regardless of the member's having purchased precertified or approved insurance.

j. Interest on debt. Interest will accrue on a debt due under this subrule in accordance with Iowa Code section 249A.53(2)*"e."*

k. Reimbursement to a county. If a county reimburses the department for medical assistance provided under this subrule and the amount of medical assistance is subsequently repaid through a medical assistance income trust or a medical assistance special needs trust as defined in Iowa Code chapter 633C, the department will reimburse the county on a proportionate basis.

441—75.29(249A) Investigation of eligibility. An applicant or member shall cooperate when the applicant's or member's case is selected by the department 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 and resources do not affect Medicaid eligibility. (More information is contained in 481—Chapter 72.) Failure to cooperate will serve as a basis for denial of an application or discontinuance of Medicaid unless the Medicaid eligibility is determined by SSA. Once a person's eligibility is denied or discontinued for failure to cooperate, the person may reapply but will not be determined eligible until cooperation occurs.

441—75.30 to **75.49** Reserved.

DIVISION II
ELIGIBILITY FACTORS SPECIFIC TO FAMILY-RELATED COVERAGE GROUPS

441—75.50(249A) Eligibility factors specific to child. A child must meet the requirements of this rule to be eligible for FMAP or the coverage groups specified in subrules 75.3(6), 75.3(7), and 75.3(14).

75.50(1) *Age and school attendance.* Medicaid will be available to a child under the age of 18 without regard to school attendance.

a. The effect of age on the child's eligibility will be determined pursuant to rule 441—75.52(249A).

b. Medicaid will also be available to a child 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 if the following criteria are met:

(1) A child will be considered attending school full-time when enrolled or accepted in a full-time (as certified by the school or institute attended) elementary, secondary or the equivalent level of vocational or technical school or training leading to a certificate or diploma. Correspondence school is not an allowable program of study.

(2) A child will also be considered to be in regular attendance in months when the child is not attending because of an official school or training program vacation, illness, convalescence, or family emergency. A child meets the definition of regular school attendance until the child has been officially dropped from the school rolls.

(3) When a child's education is temporarily interrupted pending adjustment of an education or training program, exemption will be continued for a reasonable period of time to complete the adjustment.

75.50(2) *Residing with a parent or other caretaker.* The child shall be living in the home of a parent or other caretaker as defined in rule 441—75.1(249A). The parent or other caretaker must meet the requirements of rule 441—75.51(249A).

a. When the mother intends to place her child for adoption shortly after birth, the child will be considered as living with the mother until the time custody is actually relinquished.

b. Living with a parent or other caretaker implies the existence of a relationship involving an accepted responsibility on the part of the caretaker for the primary care of the child. A non-parental caretaker must attest to having primary responsibility for the child's care pursuant to paragraph 75.51(2) *"b."*

c. A child can receive Medicaid in one household only. In a joint custody situation, when a child lives in the home of one parent or other caretaker some of the time and also lives in the separate home of the other parent or another caretaker, who the child will be considered to be living with is determined as follows:

(1) As specified in a court order or binding separation, divorce or custody agreement, or,

(2) If there is no such order, the parent or other caretaker with whom the child spends most nights will be considered the custodial parent or other caretaker. When a child spends equal amounts of time in the home of each parent and both parents apply for Medicaid for the child, the parents must decide which parent will continue with the application. Likewise, when a child spends equal amounts of time in the home of a parent and the home of another caretaker, the parent or other caretaker must decide which caretaker will continue with the application. If the parents, or the parent and other caretaker, cannot reach a decision, the department will make the determination based on the totality of the available information.

d. Upon the determination that a child is living with a parent or other caretaker, the Medicaid household size for each applicant or member is determined according to rule 441—75.72(249A) for the purpose of determining eligibility.

441—75.51(249A) Eligibility factors specific to parents and caretakers.

75.51(1) *FMAP and other requirements.* To be eligible for FMAP or the coverage groups specified in subrules 75.3(6), 75.3(7), and 75.3(14), a parent or other caretaker must:

a. Meet the definition of "parent" or "caretaker" in rule 441—75.1(249A);

b. Live with an eligible child as defined in rule 441—75.50(249A); and

c. Satisfy the FMAP requirements specified in subrule 75.3(1) and the general conditions of eligibility specified in this chapter.

75.51(2) *Assumes primary responsibility for care of child.* To be eligible for FMAP, the parent or other caretaker living in the home with the child must assume primary responsibility for the care of the child.

a. A parent who is living with their child is presumed to have primary responsibility for the child's care.

b. For a child and a non-parental caretaker to meet the requirements of this subrule, the non-parental caretaker who is living with the child must attest to having primary responsibility for the child's care on an application or other document submitted to the department.

441—75.52(249A) The effect of age on eligibility. When age is an eligibility factor and a person has reached the age limit, the birth date impacts eligibility for the birth month.

75.52(1) A person is eligible for the entire month in which the person's birth date occurs, unless the birthday falls on the first day of the month. Ineligibility based on age will be effective the first of the month following the birth month.

75.52(2) A person whose birth date is on the first day of the month is not eligible for the age-limited coverage group for the birth month. Ineligibility based on age will be effective on the person's birth date.

75.52(3) This rule applies to the following coverage groups:

a. FMAP;

b. MAC;

c. Child medical assistance program (CMAP);
d. Subsidized guardianship medically needy program;
e. Children eligible under Title IV-E;
f. State-only funded medical assistance for children in foster care or subsidized adoption;
g. State-only funded medical assistance for children in subsidized guardianship; and
h. Medicaid for former foster care youth (EMIYA).

441—75.53(249A) Absence from the home.

75.53(1) A person who is absent from the home will not be included in the household, except when temporarily absent as described in subrule 75.53(2).

a. A parent who is permitted to live at home while serving a court-imposed sentence by performing unpaid public work or unpaid community service during the workday is considered absent from the home.

b. A parent whose absence from the home is due solely to a pattern of employment is not considered to be absent.

c. A parent whose absence is occasioned solely by reason of the performance of active duty in the uniformed services of the United States is considered absent from the home. "Uniformed service" means the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanographic and Atmospheric Administration, or Public Health Service of the United States.

75.53(2) The needs of a person who is temporarily absent from the home are included in a household if otherwise eligible. A temporary absence exists in any of the following circumstances:

a. A person is anticipated to be in a medical institution for less than a year, as verified by a physician's statement. Failure to return within one year from the date of entry into the medical institution will result in the person no longer being included in the household;

b. A child is out of the home to secure education or training as defined in paragraph 75.50(1)*"b"* as long as the child remains a dependent;

c. A parent or other caretaker is temporarily out of the home to secure education or training and was in the household before leaving the home to secure education or training. For this purpose, "education or training" means any academic or vocational training program that prepares a person for a specific professional or vocational area of employment; or

d. A person is out of the home for reasons other than reasons in paragraphs 75.53(2)*"a"* through *"c"* and intends to return to the home within three months. Failure to return within three months from the date the person left the home will result in the person no longer being included in the household.

441—75.54(249A) Pending SSI approval. When a person who would ordinarily be in the family-related Medicaid household has applied for SSI benefits, the person's needs will be included in the family-related Medicaid household pending approval of SSI.

441—75.55(249A) Resources not considered. There is no resource test to determine eligibility for family-related Medicaid coverage groups.

441—75.56(249A) Income eligibility. Unless otherwise stated within this chapter, income eligibility under family-related coverage groups will be determined using MAGI methodologies pursuant to Division III of this chapter.

441—75.57 to **75.69** Reserved.

DIVISION III
FINANCIAL ELIGIBILITY BASED ON MODIFIED ADJUSTED GROSS INCOME (MAGI)

441—75.70(249A) Financial eligibility based on MAGI. Notwithstanding any other provision of this chapter, financial eligibility for Medicaid is determined using MAGI and household income pursuant to

42 U.S.C. §1396a(e)(14) to the extent required by that section as a condition of federal funding under Title XIX of the Act. For this purpose, financial eligibility for Medicaid includes any applicable purpose for which a determination of income is required for a coverage group that is subject to MAGI methodology as specified in rule 441—75.71(249A) and defined in rule 441—75.1(249A), including the imposition of any premiums or cost sharing.

441—75.71(249A) Coverage groups subject to MAGI methodology. Financial eligibility will be determined under MAGI methodology for the following coverage groups:

1. FMAP as described in subrule 75.3(1).
2. MAC program as described in subrule 75.3(2).
3. Hawki as described in 441—Chapter 86.
4. IHAWP as described in 441—Chapter 74.
5. RMA as described in subrule 75.5(3).

441—75.72(249A) MAGI household composition. For the purpose of determining financial eligibility, each applicant's or member's household is determined based on federal tax policy and with regard to the applicant's or member's federal tax status as described below.

75.72(1) *Applicant or member is a tax-filer.* An applicant or member who expects to file a federal tax return for the year in which the applicant or member requests Medicaid and does not expect to be claimed as a tax dependent by another taxpayer is considered a tax-filer. A tax-filer's Medicaid household includes:

a. The tax-filer,

b. The tax-filer's spouse, under either of the following circumstances:

(1) The tax-filer and spouse are living together, or

(2) The expected tax status is married filing jointly, regardless of whether the spouse is present in the home, and

c. Each dependent that the tax-filer expects to claim.

75.72(2) *Applicant or member is a tax dependent.* An applicant or member who expects to be claimed as a tax dependent on a federal tax return for the year in which the applicant or member requests Medicaid is a tax dependent. A tax dependent's Medicaid household is the same as the tax-filer who claims the dependent, except the dependent's household is determined pursuant to subrule 75.72(3) when the dependent:

a. Expects to be claimed by someone other than a spouse or parent.

b. Is a child under the age of 19 who expects to be claimed by one parent while living with two parents who do not expect to file a joint return.

c. Is a child under the age of 19 who expects to be claimed by a noncustodial parent in accordance with a court order or binding separation, divorce, or custody agreement establishing physical custody controls. If there is no such order or agreement, the custodial parent is the parent with whom the child spends most nights pursuant to subparagraph 75.50(2)*"c"*(2).

75.72(3) *Applicant or member is a non-filer (does not file taxes) and is not claimed as a tax dependent.*

a. This subrule applies to an applicant or member who:

(1) Does not expect to file a federal tax return for the year in which Medicaid is requested,

(2) Does not expect to be claimed as a tax dependent for the year in which Medicaid is requested, or

(3) Meets an exception described in paragraph 75.72(2)*"a," "b,"* or *"c."*

b. The household consists of the applicant or member and each of the following who is living with and in relation to the applicant:

(1) Parent, when the applicant or member is a child under the age of 19.

(2) Spouse.

(3) Child under the age of 19.

(4) Sibling under the age of 19, when the applicant or member is a child under the age of 19.

c. For the purpose of paragraph 75.72(3)*"b,"* "living with" must be in accordance with subrule 75.50(2).

75.72(4) *Married couples.* In the case of a married couple living together, each spouse will be included in the household of the other spouse, regardless of federal tax status.

75.72(5) *Pregnancy.*

a. Household size. In establishing eligibility for a pregnant woman or any person whose household includes a pregnant woman, the unborn child (or children if more than one fetus exists) will be considered when determining the number of persons in the household.

b. Verification of pregnancy. The applicant's or member's attestation of the pregnancy, date of conception, due date, and number of children expected to deliver will serve as verification unless questionable as determined by the department.

75.72(6) *Applicant or member attestation of federal tax status.* The department will accept the applicant's or member's statement of the applicant's or member's federal tax status and claimed dependents or such statement from an adult who is living with and in the Medicaid household of an applicant or member who is a child.

441—75.73(249A) Income under MAGI methodology. The total countable earned and unearned income of the applicant or member included in the household as defined in rule 441—75.72(249A) will be considered when determining initial and ongoing Medicaid eligibility for coverage groups that are subject to MAGI methodology as specified in rule 441—75.71(249A). For eligibility to exist, the total countable monthly income of the applicant's or member's household must be at or below the income limit for the applicable coverage group pursuant to rule 441—75.74(249A).

75.73(1) *Household member income exclusions under MAGI.* The income of a household member that meets the requirements of paragraph 75.73(1)*"a"* or *"b"* is excluded from the household's total countable income.

a. Income of children under age 19.

(1) The income of a child under the age of 19 who is:

1. Included in the household of the child's parent, and

2. Not expected to be required to file a federal tax return under 26 U.S.C. Section 6012(a)(1) for the taxable year in which Medicaid is being determined, regardless of whether a tax return is filed by the child for the tax year.

(2) A child with income of less than the threshold determined annually by the IRS is considered not expected to be required to file a tax return for the taxable year in which Medicaid is being determined.

b. Income of tax dependent other than spouse or child.

(1) The income of a tax dependent other than a spouse or a child who is not expected to be required to file a federal tax return under 26 U.S.C. Section 6012(a)(1) for the taxable year in which Medicaid is being determined is not included, regardless of whether a tax return is filed by the tax dependent for the tax year.

(2) A dependent with income of less than the threshold determined annually by the IRS is considered not expected to be required to file a tax return for the taxable year in which Medicaid is being determined.

(3) Any cash support provided to the claimed dependent by the tax-filer.

75.73(2) *Countable income under MAGI.* For the purpose of determining initial and ongoing MAGI Medicaid eligibility, countable income is the amount that remains after allowable expenses and deductions have been subtracted from gross countable income as defined in paragraph 75.73(2)*"a."* Income described in paragraph 75.73(2)*"b"* is excluded as countable income. Allowable expenses and deductions are limited to those allowed in accordance with paragraphs 75.73(2)*"c"* and *"d."*

a. Gross countable income. Gross countable income under MAGI includes income types that are considered as gross income for federal tax purposes pursuant to 26 U.S.C. Sections 61 and 71 through 91 and calculated pursuant to 26 U.S.C. Section 36B(d)(2)(B), except as specified in paragraph 75.73(2)*"b."* Gross countable income for the purpose of Medicaid eligibility under MAGI includes but is not limited to the following income types:

(1) Earned income, including salaries, wages, tips and other compensation for services that include fees, commissions, fringe benefits such as sick pay, vacation pay, severance pay, and similar items, and including foreign earned income and housing expenses of a U.S. citizen or resident who lives abroad even though these types of income may not be taxable.

(2) Gross profit derived from a self-employment trade or business as defined in paragraph 75.73(2)*"e"* and 26 U.S.C. Section 1402;

(3) Capital gains derived from dealings in assets or property;

(4) Interest (taxable and non-taxable);

(5) Rental income, including room and board;

(6) Royalties;

(7) Taxable dividends;

(8) Alimony and separate maintenance payments;

(9) Taxable annuities;

(10) Income from life insurance and endowment contracts;

(11) Pensions;

(12) Income from discharge of indebtedness;

(13) Distributive share of partnership or S-corporation gross income;

(14) Income in respect of a deceased person;

(15) Income from an interest in an estate or trust;

(16) Deemed sponsor income;

(17) Social security benefits (taxable and nontaxable);

(18) Disability payments, including government, private, temporary and permanent payments;

(19) Unemployment Insurance Benefits (UIB);

(20) Gambling winnings;

(21) Survivor's benefits; and

(22) Strike pay.

b. Income types excluded from gross income. Income that meets the following criteria is not considered when determining countable gross income under MAGI despite the fact that the income may be considered for federal tax purposes. The exclusion of these income types is in accordance with 42 CFR Section 435.603(e).

(1) An amount received as a nonrecurring lump sum from a source that is considered in determining adjusted gross income for federal tax purposes pursuant to paragraph 75.73(2)*"a"* is counted only in the month received for determining Medicaid eligibility under MAGI. A nonrecurring lump sum received from a source that is not considered in determining adjusted gross income for federal tax purposes is entirely excluded.

(2) Scholarships, awards, or fellowship grants used for education purposes and not for living expenses are excluded from income.

(3) Certain American Indian and Alaska Native income derived from distributions, payments, ownership interests, real property usage rights, and student financial assistance pursuant to 42 CFR Section 435.603(e)(3) is excluded from income.

(4) Student financial assistance provided under the Bureau of Indian Affairs education programs is excluded from income.

(5) Any other type of income that is not identified as countable in paragraph 75.73(2)*"a"* and is not otherwise included in "adjusted gross income" for federal tax purposes pursuant to 26 U.S.C. Section 62 is excluded from income.

c. Allowable expenses. Expenses that are allowed as deductions from gross income when determining a person's adjusted gross income for federal tax purposes pursuant to 26 U.S.C. Section 62 are subtracted from gross income as defined in paragraphs 75.73(2)*"a"* and *"b"* when determining countable income under MAGI. Allowable expenses include:

(1) Educator expenses.

(2) Certain business expenses of reservists, performing artists, and fee-based government officials.

(3) Health savings account contributions.

(4) Moving expenses for members of the Armed Forces.

(5) Deductible part of self-employment tax.

(6) Contributions to self-employed Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) and Qualified Plans.

(7) Self-employed health insurance contributions.

(8) Amount of penalty for early withdrawal of savings.

(9) Alimony payments made under a divorce or separation agreement executed before January 1, 2019.

(10) Certain individual retirement account (IRA) contributions.

(11) Student loan interest expense.

(12) Expenses directly related with the conduct of a self-employment trade or business, including but not limited to depreciation and capital losses.

d. MAGI Income Deduction. An amount equal to 5 percent of the FPL for the applicable household size will be subtracted from the total monthly countable MAGI income amount when:

(1) An applicant's monthly MAGI income exceeds the highest income limit of all of the coverage groups for which the applicant meets the categorical requirements, and

(2) Deducting 5 percent results in the applicant's income being within the income limit of the coverage group with the highest income limit for which the applicant meets categorical requirements.

e. Self-employment defined for MAGI purposes. A person is considered self-employed if the person:

(1) Carries on a trade or business with the goal of making a profit and is the sole proprietor of the trade or business, or

(2) Is an independent contractor and the person paying for the work has the right to control or to direct only the result of the work and not how the work will be done.

75.73(3) *Income verification.* The department will accept an applicant's or member's attestation of income and use the attested income to determine eligibility when the attested amount is reasonably compatible with electronic data sources as defined in rule 441—75.1(249A).

a. Verification not required. The department will not require the applicant or member to provide verification when attested income is reasonably compatible with EDS or verification is available to the department from other sources.

b. Verification required. When attested income is not reasonably compatible with EDS or verification is not available to the department from other sources, the applicant or member must provide verification of the income in accordance with 441—subrule 76.8(2) or provide a statement that reasonably explains the discrepancy between the attested income and electronic data sources.

75.73(4) *Budgeting procedures for determining financial eligibility under MAGI.* Initial and ongoing financial eligibility under MAGI is based on current monthly household composition and income with consideration given to any anticipated changes or fluctuation in income or expenses pursuant to 42 CFR Section 435.603(h). Total countable earned and unearned income of all persons in the applicant or member household after applicable expenses and deductions is considered in determining financial eligibility under MAGI in accordance with subrules 75.73(1) and 75.73(2).

a. Current monthly household income. Both initial and ongoing eligibility will be based on current monthly income when current income and any applicable expenses are a good indicator of future income except when the income is unemployment insurance benefits as described in paragraph 75.73(4)*"c."*

b. Change in current month's income. If the household indicates that current countable income is not indicative of future income due to a change that is reasonably expected to occur in the current or next month, the amount of monthly income used for initial and ongoing eligibility will be calculated based on the change. When the anticipated change is with unemployment insurance benefits, income will be budgeted as described in paragraph 75.73(4)*"c."*

c. Unemployment insurance benefits (UIB). When current income includes UIB, the monthly amount of UIB income used for initial and ongoing eligibility will be determined by annualizing the remaining balance according to the applicable item below:

(1) For applicants, the monthly amount is determined by using the remaining balance as of the first day of the month in which the application was filed and dividing the balance by 12. If the UIB will end in the application month, the annualized amount will be used for the application month only and no UIB income will be used for months thereafter.

(2) For members in the review process described in rule 441—76.14(249A), the monthly amount is determined by using the remaining balance as of the first day of the month of the new certification period and dividing the balance by 12. If the UIB will end in the first month of the new certification period, the annualized amount will be used for the first month and no UIB income will be used for months thereafter.

(3) For members reporting a change and not due for review as described in rule 441—76.14(249A), the monthly amount is determined by using the remaining balance as of the first day of the month in which the change can be acted upon in accordance with rule 441—76.16(249A).

d. Recurring lump-sum income. Recurring lump-sum earned and unearned income, except for the income of the self-employed, will be prorated over the number of months for which the income was received and applied to the eligibility determination for the same number of months.

(1) Income received by an individual employed under a contract will be prorated over the period of the contract.

(2) Income received at periodic intervals or intermittently will be prorated over the period covered by the income and applied to the eligibility determination for the same number of months.

EXCEPTION: Periodic or intermittent income from self-employment will be treated as described in paragraph 75.73(4)*"h."*

(3) Applicable expenses and deductions will be applied to the monthly prorated income.

e. Conversion of weekly or biweekly income to a monthly amount. When income received weekly or biweekly (once every two weeks) is projected for future months, it will be projected by adding all income received in the time period being used and dividing the result by the number of instances of income received in that time period. The result will be multiplied by four if the income is received weekly, or by two if the income is received biweekly, regardless of the number of weekly or biweekly payments to be made in future months.

f. Self-employment income. Countable income from self-employment not received on a regular weekly, biweekly, semimonthly or monthly basis will be annualized (annual income averaged over a 12-month period of time) to arrive at the monthly amount to be used to determine eligibility, even if the income is received within a short period of time during that 12-month period. Countable self-employment income is gross countable income as defined in paragraph 75.73(2)*"a"* less allowable expenses pursuant to subrule 75.73(2)*"c."* Any change in self-employment will be handled in accordance with subparagraph 75.73(4)*"f"*(3).

(1) When a self-employment enterprise that does not produce a regular weekly, biweekly, semimonthly or monthly income has been in existence for less than a year, income will be averaged over the period of time the enterprise has been in existence to arrive at a projected monthly amount to be used to determine eligibility. If the enterprise has been in existence for such a short time that there is very little income information or income in the period of time is not a good indicator of future income, the department will establish, with the cooperation of the applicant or member, a reasonable estimate of the projected monthly income to be used for eligibility.

(2) The policies outlined in this paragraph apply when self-employment income is received before the month of decision and the income is expected to continue, in the month of decision, after assistance is approved.

(3) A change in the cost of producing self-employment income is defined as an established, permanent, ongoing change in the operating expenses of a self-employment enterprise that will result in a significant change in the person's annual net income. Change in self-employment income is defined as a change that will result in a significant change in the person's annual income.

1. When an applicant or member reports that change in operating expenses has occurred and the person's self-employment income has been annualized, the department will recalculate the expenses on the basis of the change.

2. When a change in self-employment income occurs and the person's self-employment income has been annualized, the department will recalculate income and expenses on the basis of the change.

3. A change in the cost of producing self-employment income or income received from self-employment that occurs as a result of seasonal business fluctuations is not considered a change for the purpose of this subparagraph.

g. Rounding procedures. The following rounding procedures apply when determining countable MAGI income.

(1) The third digit to the right of the decimal point in any calculation of income will be dropped.

(2) When the monthly countable income is converted to a percentage of the FPL and the resulting percentage is not a whole number, the FPL percentage is rounded up to the next whole percentage.

75.73(5) *Shared living arrangements.* When an applicant or member shares living arrangements with another family or person, funds combined to meet mutual obligations for shelter and other basic needs are not income. Funds made available to the applicant or member exclusively for the applicant's or member's needs are considered income, except as described at 75.73(1)*"b"*(3).

441—75.74(249A) Income limits. The following income limits apply to the MAGI-related coverage groups specified below, as identified by the legal references provided:

Coverage Group	Legal Reference	Household Size (persons)	Income Limit (per month)
FMAP	441—subrule 75.3(1); 42 CFR Part 435.110 and 435.118; Title XIX of the Act, Section 1931	1	$447
		2	$716
		3	$872
		4	$1,033
		5	$1,177
		6	$1,330
		7	$1,481
		8	$1,633
		9	$1,784
		10	$1,950
		over 10	$1,950 plus $178 for each additional person
Mothers and Children, for pregnant women	441—subrule 75.3(2); 42 CFR Part 435.116 and 435.118; Title XIX of the Act, Section 1902	215% of the FPL for the household	
Mothers and Children, for infants under one year of age		300% of the FPL for the household	
Mothers and Children, for children aged 1 through 18 years	441—subrule 75.3(2); 42 CFR Part 435.118; Title XIX of the Act, Section 1902	167% of the FPL for the household	

441—75.75 to **75.79** Reserved.

DIVISION IV
ELIGIBILITY FACTORS SPECIFIC TO NON-MAGI-RELATED COVERAGE GROUPS, PERSONS IN MEDICAL INSTITUTIONS AND PERSONS RECEIVING LONG-TERM CARE SERVICES

441—75.80(249A) Categorical relatedness to supplemental security income (SSI). Except as otherwise provided in 441—Chapters 75 and 76, persons who are 65 years of age or older, blind, or disabled are eligible for Medicaid only if eligible for the SSI program administered by the SSA.

75.80(1) *SSI policy reference.* The statutes, regulations, and policy governing eligibility for SSI (collectively, "SSI policies") are found in Title XVI of the Act (42 U.S.C. Sections 1381 through 1383f), in the federal regulations promulgated pursuant to Title XVI of the Act (20 CFR 416.101 to 416.2227), and in Part 5 of the program operations manual system published by the SSA. The program operations manual system is available online; at SSA offices in Ames, Burlington, Carroll, Cedar Rapids, Coralville, Council Bluffs, Creston, Davenport, Des Moines, Dubuque, Fort Dodge, Marshalltown, Mason City, Ottumwa, Sioux City, Spencer, and Waterloo; and through the department.

75.80(2) *Income considered.* For non-MAGI-related Medicaid eligibility purposes, income will be considered prospectively.

75.80(3) *Trust contributions.* Income that a person contributes to a trust as specified in paragraph 75.24(3)*"b"* will not be considered for purposes of determining eligibility for non-MAGI-related Medicaid.

75.80(4) *Conditional eligibility.* For purposes of determining eligibility for non-MAGI-related Medicaid, the SSI conditional eligibility process, by which a client may receive SSI benefits while attempting to sell excess resources found at 20 CFR Sections 416.1240 through 416.1245, is not considered an eligibility methodology.

75.80(5) *Valuation of life estates and remainder interests.* In the absence of other evidence, the value of a life estate or remainder interest in property will be determined using the following table by multiplying the fair market value of the entire underlying property (including all life estates and all remainder interests) by the life estate or remainder interest decimal corresponding to the age of the life estate holder or other person whose life controls the life estate. If a Medicaid applicant or member disputes the value determined using the following table, the applicant or member may submit other evidence and the value of the life estate or remainder interest will be determined based on the preponderance of all the evidence submitted to or obtained by the department, including the value given by the following table.

Age	Life Estate	Remainder	Age	Life Estate	Remainder	Age	Life Estate	Remainder
0	.97188	.02812	37	.93026	.06974	74	.53862	.46138
1	.98988	.01012	38	.92567	.07433	75	.52149	.47851
2	.99017	.00983	39	.92083	.07917	76	.51441	.49559
3	.99008	.00992	40	.91571	.08429	77	.48742	.51258
4	.98981	.01019	41	.91030	.08970	78	.47049	.52951
5	.98938	.01062	42	.90457	.09543	79	.45357	.54643
6	.98884	.01116	43	.89855	.10145	80	.43569	.56341
7	.98822	.01178	44	.89221	.10779	81	.41967	.58033
8	.98748	.01252	45	.88558	.11442	82	.40295	.59705
9	.98663	.01337	46	.87863	.12137	83	.38642	.61358
10	.98565	.01435	47	.87137	.12863	84	.36998	.63002
11	.98453	.01547	48	.86374	.13626	85	.35359	.64641
12	.98329	.01671	49	.85578	.14422	86	.33764	.66236
13	.98198	.01802	50	.84743	.15257	87	.32262	.67738
14	.98066	.01934	51	.83674	.16126	88	.30859	.69141
15	.97937	.02063	52	.82969	.17031	89	.29526	.70474
16	.97815	.02185	53	.82028	.17972	90	.28221	.71779
17	.97700	.02300	54	.81054	.18946	91	.26955	.73045

Age	Life Estate	Remainder	Age	Life Estate	Remainder	Age	Life Estate	Remainder
18	.97590	.02410	55	.80046	.19954	92	.25771	.74229
19	.97480	.02520	56	.79006	.20994	93	.24692	.75308
20	.97365	.02635	57	.77931	.22069	94	.23728	.76272
21	.97245	.02755	58	.76822	.23178	95	.22887	.77113
22	.97120	.02880	59	.75675	.24325	96	.22181	.77819
23	.96986	.03014	60	.74491	.25509	97	.21550	.78450
24	.96841	.03159	61	.73267	.26733	98	.21000	.79000
25	.96678	.03322	62	.72002	.27998	99	.20486	.79514
26	.96495	.03505	63	.70696	.29304	100	.19975	.80025
27	.96290	.03710	64	.69352	.30648	101	.19532	.80468
28	.96062	.03938	65	.67970	.32030	102	.19054	.80946
29	.95813	.04187	66	.66551	.33449	103	.18437	.81563
30	.95543	.04457	67	.65098	.343902	104	.17856	.82144
31	.95254	.04746	68	.63610	.363690	105	.16962	.83038
32	.94942	.05058	69	.62086	.37914	106	.15488	.84512
33	.94608	.05392	70	.60522	.39478	107	.13409	.86591
34	.94250	.05750	71	.58914	.41086	108	.10068	.89932
35	.93868	.06132	72	.57261	.42739	109	.04545	.95455
36	.93460	.06540	73	.55571	.44429			

75.80(6) *Resource eligibility for non-MAGI-related Medicaid for children.* Resources of all household members will be disregarded when determining eligibility for children under any non-MAGI-related coverage group except for those groups in paragraphs 75.6(1)*"a"* and *"b"*; 75.6(2)*"a," "b," "c," "d," "e,"* and *"g"*; 75.6(4)*"a"*; and 75.6(5)*"a," "b," "c,"* and *"d."*

441—75.81(249A) Disability requirements for non-MAGI-related Medicaid.

75.81(1) *Applicants receiving federal benefits.* An applicant receiving SSI on the basis of disability, social security disability benefits under Title II of the Act, or railroad retirement benefits based on the Social Security Act's definition of disability by the Railroad Retirement Board, will be deemed disabled without further determination of disability.

75.81(2) *Applicants not receiving federal benefits.* When disability has not been established based on the receipt of social security disability or railroad retirement benefits based on the same disability criteria as used by the SSA, the department will determine eligibility for non-MAGI-related Medicaid based on disability as follows:

a. An SSA disability determination under either a social security disability (Title II) application or an SSI application is binding on the department until changed by SSA unless the applicant meets one of the following criteria:

(1) The applicant alleges a disabling condition different from, or in addition to, that considered by SSA in making its determination.

(2) The applicant alleges more than 12 months after the most recent SSA determination denying disability that the applicant's condition has changed or deteriorated since that SSA determination and alleges a new period of disability that meets the durational requirements, and has not applied to SSA for a determination with respect to these allegations.

(3) The applicant alleges less than 12 months after the most recent SSA determination denying disability that the applicant's condition has changed or deteriorated since that SSA determination, alleges a new period of disability that meets the durational requirements, and:

1. The applicant has applied to SSA for reconsideration or reopening of its disability decision and SSA refused to consider the new allegations, or

2. The applicant no longer meets the nondisability requirements for SSI but may meet the department's nondisability requirements for Medicaid eligibility.

b. When there is no binding SSA decision and the department is required to establish eligibility for non-MAGI-related Medicaid based on disability, initial determinations will be made by the department

of workforce development's disability determination services division. The applicant or the applicant's authorized representative shall complete and submit forms as prescribed by the department.

c. When an SSA decision on disability is pending when the person applies for Medicaid or when the person applies for either Title II benefits or SSI within ten working days of the Medicaid application, the department will stay a decision on disability pending the SSA decision on disability.

75.81(3) *Time frames for decisions.* Determination of eligibility based on disability will be completed within 90 days unless the applicant or an examining physician delays or fails to take a required action or there is an administrative or other emergency beyond the department's or applicant's control.

75.81(4) *Reviews of disability.* In connection with any independent determination of disability, the department will determine whether reexamination of the member's disability will be required for periodic eligibility reviews. When a disability review is required, the member or the member's authorized representative shall complete and submit forms as prescribed by the department.

75.81(5) *Members whose disability was determined by the department.* When a Medicaid member has been approved for Medicaid based on disability determined by the department and later is determined by SSA not to be disabled for SSI, the member will continue to be considered disabled for Medicaid eligibility purposes for 65 days from the date of the SSA denial. If at the end of the 65 days there is no appeal to the SSA, Medicaid will be canceled with timely notice in accordance with 441—Chapter 16. If there is an appeal to SSA within 65 days, the member will continue to be considered disabled for Medicaid eligibility purposes until a final SSA decision.

75.81(6) *Disability redeterminations for members who attain age 18.* If a member is eligible based on an independent determination of disability made under the standards applicable to persons under 18 years of age, the department will redetermine the member's disability after the member attains the age of 18 years. The member's disability will be redetermined:

a. Using the standards applicable to persons who are 18 years of age or older, and

b. Regardless of whether a review of the member's disability would otherwise be due.

441—75.82(249A) Determination of countable income and resources for persons in a medical institution. In determining eligibility for any coverage group under rules 441—75.3(249A) through 441—75.8(249A), certain factors must be considered differently for persons who reside in a medical institution, as follows.

75.82(1) *Determining income from property.*

a. Nontrust property. Where there is nontrust property, unless the document providing income specifies differently, income paid in the name of one person shall be available only to that person. If payment of income is in the name of two persons, one-half is attributed to each. If payment is in the name of several persons, including a Medicaid client, a client's spouse, or both, the income will be considered in proportion to the Medicaid client's or spouse's interest. If payment is made jointly to both spouses and no interest is specified, one-half of the couple's joint interest will be considered available for each spouse. If the client or the client's spouse can establish different ownership by a preponderance of evidence, the income will be divided in proportion to the ownership.

b. Trust property. Where there is trust property, the payment of income will be considered available as provided in the trust. In the absence of specific provisions in the trust, the income will be considered as stated above for nontrust property.

75.82(2) *Division of income between married people for non-MAGI coverage groups.*

a. Institutionalized spouse and community spouse. If there is a community spouse, only the institutionalized spouse's income will be considered in determining eligibility for the institutionalized spouse.

b. Spouses institutionalized and living together. Partners in a marriage who are residing in the same room in a medical institution will be treated as a couple until the first day of the seventh calendar month that they continuously reside in the facility. The couple may continue to be considered as a couple for Medicaid effective the first day of the seventh calendar month of continuous residency if one partner would be ineligible for Medicaid or receive reduced benefits by considering them separate individuals or

if they choose to be considered together. When spouses are treated as a couple, the combined income of the couple shall not exceed twice the amount of the income limit established in subrule 75.6(4). Persons treated together as a couple for income must be treated together for resources, and persons treated individually for income must be treated individually for resources. Spouses residing in the same room in a medical institution may be treated as individuals effective the first day of the seventh calendar month. The income of each spouse shall not exceed the income limit established in subrule 75.6(4).

c. Spouses institutionalized and living apart. Partners in a marriage who are both institutionalized, although not residing in the same room of the institution, will be treated as individuals effective the month after the month the partners cease living together. Their income will be treated separately for eligibility. If they live in the same facility after six months of continuous residence, they may be considered as a couple for Medicaid effective the first day of the seventh calendar month of continuous residency if one partner would be ineligible for Medicaid or receive reduced benefits by considering them separate individuals or if they choose to be considered together.

In the month of entry into a medical institution, income shall not exceed the amount of the income limit established in subrule 75.6(4).

75.82(3) *Attribution of resources to institutionalized spouse and community spouse.* The department will determine the attribution of a couple's resources to the institutionalized spouse and to the community spouse when the institutionalized spouse is expected to remain in a medical institution at least 30 consecutive days on or after September 30, 1989, at the beginning of the first continuous period of institutionalization.

a. When determined. The department will determine the attribution of resources between spouses at the earlier of the following:

(1) When either spouse requests that the department determine the attribution of resources at the beginning of the person's continuous stay in a medical facility prior to an application for Medicaid benefits. This request must be accompanied by a form prescribed by the department and necessary documentation.

(2) When the institutionalized spouse or someone acting on that person's behalf applies for Medicaid benefits. If the application is not made in the month of entry, the applicant shall also complete a form prescribed by the department and provide necessary documentation.

b. Information required. The couple must provide the social security number of the community spouse. The attribution process will include a match of the IRS data for both the institutionalized and community spouses.

c. Resources considered. The resources attributed shall include resources owned by both the community spouse and institutionalized spouse, except for the following resources:

(1) The home in which the spouse or relatives as defined in 441—paragraph 41.3(1)*"a"* live (including the land that appertains to the home).

(2) Household goods, personal effects, and one automobile.

(3) The value of any burial spaces held for the purpose of providing a place for the burial of either spouse or any other member of the immediate family.

(4) Other property essential to the means of self-support of either spouse as to warrant its exclusion under the SSI program.

(5) Resources of a blind or disabled person who has a plan for achieving self-support as determined by division of vocational rehabilitation or by the department.

(6) For natives of Alaska, shares of stock held in a regional or village corporation, during the period of 20 years in which the stock is inalienable, as provided in Sections 7(h) and 8(c) of the Alaska Native Claims Settlement Act as amended to August 1, 2025.

(7) Assistance under the Disaster Relief Act and Emergency Assistance Act as amended to August 1, 2025, or other assistance provided pursuant to federal statute on account of a presidentially declared major disaster and interest earned on these funds for the nine-month period beginning on the date these funds are received or for a longer period where good cause is shown.

(8) Any amount of underpayment of SSI or social security benefits due either spouse for one or more months prior to the month of receipt. This exclusion is limited to the first six months following receipt.

(9) A life insurance policy (or policies) whose total face value is $1,500 or less per spouse.

(10) An amount, not more than $1,500 for each spouse, that is separately identifiable and has been set aside to meet the burial and related expenses of that spouse. The amount of $1,500 will be reduced by an amount equal to the total face value of all insurance policies that are owned by the person or spouse and the total of any amounts in an irrevocable trust or other irrevocable arrangement available to meet the burial and related expenses of that spouse.

(11) Federal assistance paid for housing occupied by the spouse.

(12) Assistance from a fund established by a state to aid victims of crime for nine months from receipt when the client demonstrates that the amount was paid as compensation for expenses incurred or losses suffered as a result of a crime.

(13) Relocation assistance provided by a state or local government to a client comparable to assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended to August 1, 2025, which is subject to the treatment required by Section 216 of that Act.

d. Method of attribution. The resources attributed to the institutionalized spouse shall be one-half of the documented resources of both the institutionalized spouse and the community spouse as of the first moment of the first day of the month of the spouse's first entry to a medical facility. However, if one-half of the resources is less than the minimum set by the federal spousal impoverishment provisions, then the greater of $24,000 or the federally established minimum will be protected for the community spouse. Also, when one-half of the resources attributed to the community spouse exceeds the maximum amount allowed as a community spouse resource allowance under the federal spousal impoverishment provisions, the amount over the maximum will be attributed to the institutionalized spouse. (The minimum and maximum limits are indexed annually according to the consumer price index.) The federal spousal impoverishment provisions are defined in Section 1924(f)(2)(A)(i) of the Act (42 U.S.C. §1396r-5(f)(2)(A)(i)). If the institutionalized spouse has transferred resources to the community spouse under a court order for the support of the community spouse, the amount transferred will be the amount attributed to the community spouse if it exceeds the specified limits above.

e. Notice and appeal rights. The department will provide each spouse a notice of the attribution results. The notice will state that either spouse has a right to appeal the attribution if the spouse believes:

(1) That the attribution is incorrect, or

(2) That the amount of income generated by the resources attributed to the community spouse is inadequate to raise the community spouse's income to the minimum monthly maintenance allowance. If an attribution has not previously been appealed, either spouse may appeal the attribution upon the denial of an application for Medicaid benefits based on the attribution.

f. Appeals. Hearings on attribution decisions are governed by procedures in 441—Chapter 7. If the hearing establishes that the community spouse's resource allowance is inadequate to raise the community spouse's income to the minimum monthly maintenance allowance, there will be substituted an amount adequate to provide the minimum monthly maintenance needs allowance.

(1) To establish that the resource allowance is inadequate and receive a substituted allowance, the applicant must provide verification of all the income of the community spouse. For an applicant who became an institutionalized spouse on or after February 8, 2006, all income of the institutionalized spouse that could be made available to the community spouse pursuant to paragraph 75.83(2)*"d"* will be treated as countable income of the community spouse when the attribution decision was made on or after February 8, 2006.

(2) The amount of resources adequate to provide the community spouse minimum maintenance needs allowance will be based on the cost of a single premium lifetime annuity with monthly payments equal to the difference between the monthly maintenance needs allowance and other countable income not generated by either spouse's countable resources.

(3) The resources necessary to provide the minimum maintenance needs allowance will be based on the maintenance needs allowance as provided by these rules at the time the appeal is filed.

(4) To receive the substituted allowance, the applicant will be required to obtain one estimate of the cost of the annuity.

(5) The estimated cost of an annuity will be substituted for the amount of resources attributed to the community spouse when the amount of resources previously determined is less than the estimated cost of an annuity. If the amount of resources previously attributed for the community spouse is greater than the estimated cost of an annuity, there will be no substitution for the cost of the annuity and the attribution will remain as previously determined.

(6) The applicant will not be required to purchase this annuity as a condition of Medicaid eligibility.

(7) If the appellant provides a statement from an insurance company that it will not provide an estimate due to the potential annuitant's age, the amount to be set aside will be determined using the following calculation: the difference between the community spouse's gross monthly income not generated by countable resources (multiplied by 12) and the minimum monthly maintenance needs allowance (multiplied by 12) will be multiplied by the annuity factor for the age of the community spouse. This amount will be substituted for the amount of resources attributed to the community spouse pursuant to subparagraph 75.82(3)*"f"*(5).

75.82(4) *Consideration of resources of married people.*

a. One spouse in a medical facility who entered the facility on or after September 30, 1989.

(1) Initial month. When the institutionalized spouse is expected to stay in a medical facility less than 30 consecutive days, the resources of both spouses will be considered in determining initial Medicaid eligibility. When the institutionalized spouse is expected to be in a medical facility 30 consecutive days or more, only the resources not attributed to the community spouse according to subrule 75.82(3) will be considered in determining initial eligibility for the institutionalized spouse. The amount of resources counted for eligibility for the institutionalized spouse shall be the difference between the couple's total resources at the time of application and the amount attributed to the community spouse under this rule.

(2) Ongoing eligibility. After the month in which the institutionalized spouse is determined eligible, no resources of the community spouse will be deemed available to the institutionalized spouse during the continuous period in which the spouse is in an institution. Resources that are owned wholly or in part by the institutionalized spouse and that are not transferred to the community spouse will be counted in determining ongoing eligibility. The resources of the institutionalized spouse will not count for ongoing eligibility to the extent that the institutionalized spouse intends to transfer and does transfer the resources to the community spouse within 90 days unless unable to effect the transfer.

(3) Exception based on estrangement. When it is established by a disinterested third-party source that the institutionalized spouse is estranged from the community spouse, Medicaid eligibility will not be denied on the basis of resources when the applicant can demonstrate hardship. The applicant can demonstrate hardship when the applicant is unable to obtain information about the community spouse's resources after exploring all legal means. The applicant can also demonstrate hardship when resources attributed from the community spouse cause the applicant to be ineligible but the applicant is unable to access these resources after exhausting legal means.

(4) Exception based on assignment of support rights. The institutionalized spouse will not be ineligible by attribution of resources that are not actually available when:

1. The institutionalized spouse has assigned to the state any rights to support from the community spouse, or

2. The institutionalized spouse lacks the ability to execute an assignment due to physical or mental impairment but the state has the right to bring a support proceeding against a community spouse without an assignment.

b. One spouse in a medical institution prior to September 30, 1989. When one spouse is in the medical institution prior to September 30, 1989, only the resources of the institutionalized spouse will count for eligibility according to SSI policies the month after the month of entry. In the month of entry, the resources of both spouses are countable toward the couple resource limit.

c. Spouses institutionalized and living together. The combined resources of both partners in a marriage who are residing in the same room in a medical institution will be subject to the resource limit for a married couple until the first of the seventh calendar month that they continuously reside in the facility. The couple may continue to be considered as a couple for Medicaid effective with the seventh month if one partner would be ineligible for Medicaid or would receive reduced benefits by considering them separately or if they choose to be considered together. Persons treated together as a couple for resources must be treated together for income, and persons treated individually for resources must be treated individually for income. Effective the first of the seventh calendar month of continuous residence, they may be treated as individuals, with the resource limit for each spouse the limit for a single person.

d. Spouses institutionalized and living apart. Partners in a marriage who are both institutionalized, although not residing in the same room of the institution, will be treated as individuals effective the month after the month the partners cease living together. If they live in the same facility after six months of continuous residence, they may be considered as a couple for Medicaid effective the first day of the seventh calendar month of continuous residency if one partner would be ineligible for Medicaid or would receive reduced benefits by considering them separately or if they choose to be considered together. In the month of entry into a medical institution, all resources of both spouses will be combined and will be subject to the resource limit for a married couple.

75.82(5) *Consideration of resources for persons in a medical institution who have purchased and used a qualified or approved long-term care insurance policy pursuant to 191—Chapter 39 or 72.*

a. Eligibility. A person may be eligible for Medicaid under this subrule if:

(1) The person is the beneficiary of a qualified long-term care insurance policy or is enrolled in a prepaid health care delivery plan that provides long-term care services pursuant to 191—Chapter 39 or 72; and

(2) The person is eligible for Medicaid under subrule 75.3(14), 75.3(15), 75.6(4), or 75.6(8), except for excess resources; and

(3) The excess resources causing ineligibility under the listed coverage groups do not exceed the "asset adjustment" provided in this subrule.

b. Definition.

"Asset adjustment" means a $1 disregard of resources for each $1 that has been paid out under the person's qualified or approved long-term care insurance policy.

c. Estate recovery. An amount equal to the benefits paid out under a member's qualified or approved long-term care insurance policy will be exempt from recovery from the estate of the member or the member's spouse for payments made by the Medicaid program on behalf of the member.

This rule is intended to implement Iowa Code sections 249A.3, 249A.4, and 249A.35 and chapter 514H.

441—75.83(249A) Client participation in payment for medical institution care. Medicaid clients are required to participate in the cost of medical institution care. However, no client participation is charged when the combination of Medicare payments and the Medicaid benefits available to qualified Medicare beneficiaries covers the cost of institutional care.

75.83(1) *Income considered in determining client participation.* The department determines the amount of client participation based on the client's total monthly income. Income is determined pursuant to the SSI program under Title XVI of the Act (42 U.S.C. §1396r-5(f)(2)(A)(i)), with the following exceptions.

a. MAGI-related clients. The income of a client and family whose eligibility is MAGI-related is not available for client participation when both of the following conditions exist:

(1) The client has a parent or child at home.

(2) The family's income is considered together in determining eligibility.

b. Non-MAGI-related clients who are employed. If a client receives SSI and is substantially gainfully employed, as determined by SSA, the client shall have the SSI and any mandatory state

supplementary assistance payment exempt from client participation for the two full months after entry to a medical institution.

c. Non-MAGI-related clients returning home within three months. If SSA continues a client's SSI or federally administered state supplementary assistance payments for three months because it is expected that the client will return home within three months, these payments will be exempt from client participation.

d. Married couples.

(1) Institutionalized spouse and community spouse. If there is a community spouse, only the institutionalized person's income will be considered in determining client participation.

(2) Both spouses institutionalized. Client participation for each partner in a marriage will be based on one-half of the couple's combined income when the partners are considered together for eligibility. Client participation for each partner who is considered individually for eligibility will be determined individually from each person's income.

e. State supplementary assistance recipients. The amount of client participation that a client paid under the state supplementary assistance program is not available for Medicaid client participation in the month of the client's entry to a medical institution.

f. Foster care recipients. The amount of income paid for foster care for the days that a child is in foster care in the same month as entry to a medical institution is not available for client participation.

g. Clients receiving a VA pension. The amount of $90 of veteran's pension income will be exempt from client participation if the client is a veteran or a surviving spouse of a veteran who:

(1) Receives a reduced pension pursuant to 38 U.S.C. Section 5503(d)(2); or

(2) Resides at the Iowa Veterans Home and does not have a spouse or minor child.

75.83(2) *Allowable deductions from income.* In determining the amount of client participation, the department allows the following deductions from the client's income, taken in the order they appear.

a. Ongoing personal needs allowance. All clients shall retain $55 of their monthly income for a personal needs allowance. Iowa Code section 249A.30A contains information regarding potential state-funded personal needs supplements.

(1) If the client has a trust described in Section 1917(d)(4) of the Act (including Medicaid income trusts and special needs trusts), a reasonable amount paid or set aside for necessary expenses of the trust is added to the personal needs allowance. This amount will not exceed $10 per month except with court approval.

(2) If the client has earned income, an additional $65 is added to the ongoing personal needs allowance from the earned income only.

b. Personal needs in the month of entry.

(1) Single person. A single person will be given an allowance for stated home living expenses during the month of entry, up to the amount of the SSI benefit for a single person.

(2) Spouses entering institutions together and living together. Partners in a marriage who enter a medical institution in the same month and live in the same room will be given an allowance for stated home living expenses during the month of entry, up to the amount of the SSI benefit for a couple.

(3) Spouses entering an institution together but living apart. Partners in a marriage who enter a medical institution during the same month and who are considered separately for eligibility will each be given an allowance for stated home living expenses during the month of entry, up to one-half of the amount of the SSI benefit for a married couple. However, if the income of one spouse is less than one-half of the SSI benefit for a couple, the remainder of the allowance will be given to the other spouse. If the couple's eligibility is determined together, an allowance for stated home living expenses will be given to them during the month of entry up to the SSI benefit for a married couple.

(4) Community spouse enters a medical institution. When the second member of a married couple enters a medical institution in a later month, that spouse will be given an allowance for stated expenses during the month of entry, up to the amount of the SSI benefit for one person.

c. Personal needs in the month of discharge. The client will be allowed a deduction for home living expenses in the month of discharge. The amount of the deduction will be the SSI benefit for one

person (or for a couple if both members are discharged in the same month). This deduction does not apply when a spouse is at home.

d. Maintenance needs of spouse and other dependents.

(1) Persons covered. An ongoing allowance will be given for the maintenance needs of a community spouse. The allowance is limited to the extent that income of the institutionalized spouse is made available to or for the benefit of the community spouse. If there are minor or dependent children, dependent parents, or dependent siblings of either spouse who live with the community spouse, an ongoing allowance will also be given to meet their needs.

(2) Income considered. The verified gross income of the spouse and dependents will be considered in determining maintenance needs. The gross income of the spouse and dependent will include all monthly earned and unearned income and assistance from FIP, SSI, and state supplementary assistance. It will also include the proceeds of any annuity or contract for sale of real property. Otherwise, the income will be considered as the SSI program considers income.

(3) Needs of spouse. The maintenance needs of the spouse will be determined by subtracting the spouse's gross income from the maximum amount allowed as a minimum monthly maintenance needs allowance for the community spouse by Section 1924(d)(3)(C) of the Act (42 U.S.C. §1396r-5(d)(3)(C)). (This amount is indexed for inflation annually according to the consumer price index.)

However, if either spouse has established through the appeal process that the community spouse needs income above the minimum monthly maintenance needs allowance, due to exceptional circumstances resulting in significant financial duress, an amount adequate to provide additional income as is necessary will be substituted.

Also, if a court has entered an order against an institutionalized spouse for monthly income to support the community spouse, then the community spouse income allowance will not be less than this amount.

(4) Needs of other dependents. The maintenance needs of the other dependents will be established by subtracting each person's gross income from 150 percent of the monthly FPL for a family of two and dividing the result by three.

e. Maintenance needs of children (without spouse). When the client has children under the age of 21 at home, an ongoing allowance will be given to meet the children's maintenance needs.

The income of the children is considered in determining maintenance needs. The children's countable income will be their gross income less the disregards allowed in FIP.

The children's maintenance needs will be determined by subtracting the children's countable income from the FIP payment standard for that number of children. However, if the children receive FIP, no deduction is allowed for their maintenance needs.

f. Client's medical expenses. A deduction will be allowed for the client's incurred expenses for medical or remedial care that are not subject to payment by a third party and were not incurred for long-term care services during the imposition of a transfer of assets penalty period pursuant to rule 441—75.23(249A). This includes Medicare premiums and other health insurance premiums, deductibles, or coinsurance, and necessary medical or remedial care recognized under state law but not covered under the state Medicaid plan.

441—75.84(249A) Entrance fee for continuing care retirement community or life care community. When an individual resides in a continuing care retirement community or life care community that collects an entrance fee on admission, the entrance fee paid will be considered a resource available to the individual for purposes of determining the individual's Medicaid eligibility and the amount of benefits to the extent that:

75.84(1) The individual has the ability to use the entrance fee, or the contract between the individual and the community provides that the entrance fee may be used to pay for care should the individual's other resources or income be insufficient to pay for such care;

75.84(2) The individual is eligible for a refund of any remaining entrance fee when the individual dies or when the individual terminates the community contract and leaves the community; and

75.84(3) The entrance fee does not confer an ownership interest in the community.

441—75.85(249A) Disqualification for long-term care assistance due to substantial home equity. Notwithstanding any other provision of this chapter, if an individual's equity interest in the individual's home exceeds the limit set annually according to subrule 75.85(1), the individual will not be eligible for Medicaid with respect to nursing facility services or other long-term care services, except as provided in subrule 75.85(2).

75.85(1) *Equity interest limit.* The limit on the equity interest in the individual's home for purposes of this rule will be increased from year to year based on the percentage increase in the consumer price index for all urban consumers (all items; United States city average), rounded to the nearest $1,000.

75.85(2) *Exception to disqualification.* Disqualification based on equity interest in the individual's home will not apply when one of the following persons is lawfully residing in the home:

a. The individual's spouse; or

b. The individual's child who is under the age of 21 or is blind or disabled as defined in Section 1614 of the Act.

These rules are intended to implement Iowa Code sections 249A.3 and 249A.4.

ARC 9582C

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to changes to child support rules to conform to Iowa supreme court guidelines and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to amend Chapter 98, "Support Enforcement Services," Chapter 99, "Child Support Guidelines," Chapter 101, "Adjustment and Modification of Support," and Chapter 102, "Suspension and Reinstatement of Support," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 252D, 252E, 252I and 252J; sections 96.3, 234.39, 252B.3 through 252B.5, 252B.7A, 252B.9, 252B.21, 421.65 and 598.21; and 15 U.S.C. §1673(b).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Court Rules Chapter 9 and 15 U.S.C. §1673(b).

Purpose and Summary

This proposed rulemaking implements changes to conform to anticipated updates to the Iowa Supreme Court Guidelines based on the quadrennial review required by 45 CFR §302.56(e) and Chapter 9 of the Iowa Court Rules. One of the proposed changes to the Iowa Supreme Court Guidelines is, when appropriate, to include a child care add-on when calculating the amount of child support.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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.

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 October 21, 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

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

October 21, 2025 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8
October 21, 2025 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 253 278 713 075 4 Passcode: og9qC9mD

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

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

Review by Administrative Rules Review Committee

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

The following rulemaking action is proposed:

ITEM 1. Adopt the following **new** definition of "Current support," in rule **441—98.1(252B,252E)**:

"Current support" means an amount for the ongoing support of a child and means the same as "support" as defined in Iowa Code section 252D.16.

ITEM 2. Amend paragraph **98.42(1)"a"** as follows:

a. A claim or offset is contested as provided in subrule ~~98.29(2), 98.30(3), or~~ 98.30(8) by a person's alleging a mistake of fact.

ITEM 3. Amend paragraph **99.1(1)"b"** as follows:

b. Income or other benefits derived from public assistance programs funded by a federal, state, or local governmental agency or entity that are listed in ~~441—41.8(239B)~~ 441—41.27(239B) as exempt from consideration in determining eligibility under FIP.

ITEM 4. Rescind subrule **99.2(3)**.

ITEM 5. Renumber subrules **99.2(4)** and **99.2(5)** as **99.2(3)** and **99.2(4)**.

ITEM 6. Adopt the following **new** paragraph **99.4(2)"c"**:

c. Child care expense add-on. When requested by a parent and if applicable, child support services will calculate the amount of the child care add-on as prescribed by the Iowa Supreme Court guidelines.

(1) Actual child care expenses will be verified by a copy of the custodial parent's federal or state income tax return or by a signed statement from the persons or agencies providing the child care showing the total expenses and the time period the expenses represent. The child care expenses must be reasonably expected to continue.

(2) If the child care expense verification submitted represents a period that is less than 12 months, child support services will convert the expenses provided to an annual expense amount for the calculation.

(3) If the child care expense verification submitted shows varying levels of care during the year, such as full-time summer care and part-time care before and after school during the school year, child support services will average the applicable expenses to determine an annual expense amount for the calculation.

(4) Child support services will round the calculated amount of the child care add-on to the nearest whole dollar.

(5) Any child care add-on recommended by child support services will end on the first date that the next periodic support payment becomes due after the youngest child's thirteenth birthday. Child support services may recommend an earlier end date if the custodial parent provides a date that child care expenses are reasonably expected to end prior to the youngest child's thirteenth birthday.

ITEM 7. Amend subrule 99.4(3) as follows:

99.4(3) *Establishing accrued support debt amount.*

a. No change.

b. Calculating accrued support debt. Child support services will calculate the accrued support debt as follows:

(1) to (4) No change.

(5) Child support services will calculate the total amount of the FIP support debt by multiplying the number of months for which assistance was paid times the determined guidelines amount, excluding any applicable child care add-on amount.

(6) Child support services may calculate the total amount of the foster care support debt by multiplying the number of months for which assistance was paid times the determined guidelines amount, excluding any applicable child care add-on amount, and will adjust this amount for weeks in which no foster care benefits were paid.

c. Establishing the accrued support repayment amount.

(1) In cases other than foster care, child support services will establish the repayment amount as follows:

1. When there is an ongoing obligation, the monthly repayment amount will be 10 percent of the ongoing amount, including any child support, child care add-on and cash medical support ordered, unless the noncustodial parent agrees to a higher amount.

2. When the order does not include ongoing support, the monthly repayment amount will be the same as the amount for ongoing child support that would have been due if such an obligation had been established. However, when all of the children for whom accrued support debt is sought are residing with the noncustodial parent, the monthly repayment amount will be set at 10 percent of this amount.

(2) In foster care cases, child support services will establish the repayment amount in the same manner as subparagraph 99.4(3)*"c"*(1), but may establish weekly amounts and if the order does not

include ongoing support, the repayment amount will be set at 10 percent of the amount for ongoing child support that would have been due if such an obligation had been established.

ITEM 8. Amend subrule 101.7(1) as follows:

101.7(1) *Conducting the review.* Child support services ~~or its attorney~~ will review the case for administrative adjustment of a child support obligation unless it is determined that any of the following exist:

a. The location of one or both of the parents is unknown.

b. The variation from the Iowa Supreme Court mandatory child support guidelines is based on any material misrepresentation of fact concerning any financial information submitted to child support services.

c. The criteria of rule 441—101.4(252B,252H) are not met.

d. The end date of the order is less than 12 months in the future or the youngest child is 17½ years of age.

ITEM 9. Amend rule 441—101.8(252B,252H) as follows:

441—101.8(252B,252H) Medical support—review and adjustment. Child support services~~, or its attorney,~~ will review the medical support provisions contained in any permanent child support order that is subject to review under rule 441—101.7(252B,252H) and will include in any adjustment order a provision for medical support as defined in Iowa Code chapter 252E, and as set forth in 441—Chapter 98, or other appropriate provisions pertaining to medical support for all children affected directly by the child support order under review.

ITEM 10. Renumber rule **441—101.21(17A)** as **441—101.22(17A)**.

ITEM 11. Adopt the following **new** rule 441—101.21(252B,252H):

441—101.21(252B,252H) Child care add-on Child support services will review a child care add-on or expense agreement contained in any permanent child support order that is subject to review under rule 441—101.7(252B,252H) or 441—101.13(252H) as follows:

101.21(1) *Order with child care add-on.*

a. If the custodial parent provides the necessary information to determine the amount of child care expenses as described in 441—paragraph 99.4(2)*"c,"* child support services will review the information and apply the child care add-on based on the guidelines, if appropriate. Any resulting child care add-on will replace the existing child care add-on.

b. If the custodial parent does not provide the necessary information to determine the amount of child care expenses as described in 441—paragraph 99.4(2)*"c,"* the resulting modified child support amount will no longer include an added amount for child care expenses.

101.21(2) *Order with child care expense agreement.* Child support services will review an order with an existing child care expense agreement entered in lieu of a child care add-on as follows:

a. If the custodial parent provides the necessary information to determine the amount of child care expenses as described in 441—paragraph 99.4(2)*"c,"* child support services will review the information and apply the child care add-on based on the guidelines, if appropriate. Any resulting child care add-on will replace the existing child care expense agreement.

b. If the custodial parent does not provide the necessary information to determine the amount of child care expenses as described in 441—paragraph 99.4(2)*"c,"* child support services will recommend that any existing child care expense agreement remain unchanged.

101.21(3) *Order without a child care add-on or expense agreement.* If the custodial parent provides the necessary information to determine the amount of child care expenses as described in 441—paragraph 99.4(2)*"c"* and there is no current child care expense agreement or child care add-on, child support services will review the information and apply the appropriate child care add-on based on the guidelines.

ITEM 12. Amend rule **441—102.1(252B)**, definition of "Support for a child," as follows:

"Support for a child" means either a set amount of monetary support (child support and any applicable child care add-on), or medical support as defined in Iowa Code section 252E.1, for the benefit of a child. This term does not include spousal support as defined in this rule.

ITEM 13. Adopt the following **new** paragraph **102.3(3)"c"**:

c. If the basis for suspension applies to at least one but not all of the children and if the support order includes a child care add-on, child support services will assist in suspending the child care add-on if child support is being suspended for all of the children who are then subject to the child care add-on. If child support is not being suspended for all of the children who are then subject to the child care add-on and the support order does not apportion the child care add-on between those children, child support services will not assist in suspending the child care add-on. If the support order does not state whether a specific child care add-on amount is included in the step change amounts, child support services will assist in suspending support as set forth in paragraph 102.3(3)*"b."*

ITEM 14. Adopt the following **new** paragraph **102.8(5)"c"**:

c. If the basis for suspension applies to at least one but not all of the children and if the support order includes a child care add-on, child support services will assist in suspending the child care add-on if child support is being suspended for all of the children who are then subject to the child care add-on. If child support is not being suspended for all of the children who are then subject to the child care add-on and the support order does not apportion the child care add-on between those children, child support services will not assist in suspending the child care add-on. If the support order does not state whether a specific child care add-on amount is included in the step change amounts, child support services will assist in suspending support as set forth in paragraph 102.3(3)*"b."*

ITEM 15. Adopt the following **new** subrule 102.14(3):

102.14(3) Child support services will seek to have a previously suspended child care add-on reinstated when seeking to reinstate child support for one or more children who are subject to the child care add-on.

ARC 9580C

PUBLIC HEALTH DEPARTMENT[641]

Notice of Intended Action

Proposing rulemaking related to prescription drug donation repository program and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 109, "Prescription Drug Donation Repository Program," Iowa Administrative Code, and to adopt a new Chapter 109 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 135M.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 135M and Executive Order 10.

Purpose and Summary

The overall purpose of this proposed chapter is to establish administrative rules related to the requirements for medical facilities and pharmacies to accept and dispense donated prescription drugs and supplies, as well as to establish eligibility criteria for individuals to receive donated prescription drugs and supplies. This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a

result, the Department referred duplicative definitions back to the Iowa Code and eliminated restrictive terms.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa aside from the $600,000 annual appropriation the Department receives to support the activities associated with this proposed chapter.

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 October 21, 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: compliancerules@hhs.iowa.gov

Public Hearing

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

October 21, 2025 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 286 319 808 076 0 Passcode: tX6ck6P8
October 21, 2025 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 253 278 713 075 4 Passcode: og9qC9mD

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

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The

Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 641—Chapter 109 and adopt the following **new** chapter in lieu thereof:

CHAPTER 109
PRESCRIPTION DRUG DONATION REPOSITORY PROGRAM

641—109.1(135M) Definitions. For purposes of this chapter, the following definitions apply:

"Centralized repository" means an entity approved by the contractor and licensed pursuant to applicable regulations of the board of pharmacy that accepts donated drugs, conducts a safety inspection of the drugs, and ships the donated drugs to a local repository to be dispensed in compliance with this chapter and federal and state laws, rules and regulations.

"Contractor" means the third party approved by the department to implement and administer the prescription drug donation repository program.

"Controlled substance" means the same as defined in Iowa Code section 124.101.

"Indigent" means the same as defined in Iowa Code section 135M.2.

"Local repository" means a pharmacy or medical facility that elects to accept and dispense donated drugs and that meets the eligibility requirements of rule 641—109.2(135M).

"Medical facility" means the same as defined in Iowa Code section 135M.2.

"NDC #" means the unique national drug code number that identifies a specific approved drug.

"Nurse practitioner" means an advanced registered nurse practitioner as defined in 481—Chapter 621.

"Pharmacist" means the same as defined in Iowa Code section 155A.3.

"Pharmacy" means the same as defined in Iowa Code section 155A.3.

"Physician" means an individual licensed under Iowa Code chapter 148.

"Physician assistant" means an individual licensed under Iowa Code chapter 148C.

"Prescription drug" means the same as defined in Iowa Code section 155A.3 and includes cancer drugs and antirejection drugs but does not include controlled substances.

"Supplies" means the same as defined in Iowa Code section 135M.2.

"USP" means United States Pharmacopoeia.

641—109.2(135M) Eligibility criteria for program participation by medical facilities and pharmacies.

109.2(1) To be eligible for participation in the prescription drug donation repository program, a medical facility or pharmacy shall be in compliance with all applicable federal and state laws, including laws applicable to the storage and distribution of drugs and the appropriate licensure standards, and shall hold active, nonrestricted, state-issued licenses or registrations in good standing.

109.2(2) Participation in the prescription drug donation repository program is voluntary.

109.2(3) A pharmacy or medical facility may elect to participate in the prescription drug donation repository program by providing, on a form prescribed by the department and available on the department's website, written notification to the centralized repository of all of the following:

a. The name, street address, and telephone number of the pharmacy or medical facility and any state-issued license or registration number issued to the pharmacy or medical facility, including the name of the issuing agency.

b. The name and telephone number of the responsible pharmacist, physician, physician assistant or nurse practitioner who is employed by or under contract with the pharmacy or medical facility.

c. A statement, signed and dated by the responsible pharmacist, physician, physician assistant or nurse practitioner, indicating that the pharmacy or medical facility meets the eligibility requirements under this rule and shall comply with the requirements of this chapter.

109.2(4) A pharmacy or medical facility may withdraw from participation in the prescription drug donation repository program at any time by providing written notice to the centralized repository on a form prescribed by the department and available on the department's website.

641—109.3(135M) Standards and procedures for accepting donated prescription drugs and supplies.

109.3(1) Any individual who is 18 years of age or older may donate legally obtained prescription drugs or supplies to the centralized repository or a local repository if the drugs or supplies meet the requirements of this rule as determined by a pharmacist who is employed by or under contract with a drug repository.

109.3(2) No drugs that need storage temperatures other than normal room temperature as specified by the manufacturer or USP shall be donated or accepted as part of the prescription drug donation repository program. Drugs that need storage temperatures other than normal room temperature as specified by the manufacturer or USP shall not be donated or accepted because of the increased potential for these drugs to become adulterated. Excluded from this restriction are drugs donated directly from a drug manufacturer.

109.3(3) Controlled substances shall not be donated or accepted. Pursuant to federal and state laws, a controlled substance cannot be returned or reused once the drug has been dispensed to a patient.

109.3(4) The centralized repository or a local repository may accept a prescription drug only if all of the following requirements are met:

a. The drug is in its original sealed and tamper-evident packaging. However, a drug in a single-unit dose or blister pack with the outside packaging opened may be accepted if the single-unit-dose packaging is undisturbed;

b. The drug has been stored according to manufacturer or USP storage requirements;

c. The packaging contains the lot number and expiration date of the drug. If the lot number is not retrievable, all specified medications will be destroyed in the event of a recall, pursuant to board of pharmacy rules;

d. The drug has an expiration date that is more than six months after the date that the drug was donated. However, a donated prescription drug bearing an expiration date that is six months or less after the date the prescription drug was donated may be accepted and distributed if the drug is in high demand and can be dispensed for use prior to the drug's expiration date;

e. The drug does not have any physical signs of tampering or adulteration, and there is no reason to believe that the drug is adulterated;

f. The packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity or adulteration; and

g. All drugs shall be inventoried at the centralized repository or a local repository. The inventory shall include the name of the drug, strength of the drug, quantity of the drug, and the date of donation if the drug has been continually under the control of a health care professional. If the drug has not been continually under the control of a health care professional, the repository shall collect a donation form provided by the prescription drug donation repository program that is signed by the person making the donation or that person's authorized representative.

109.3(5) A repository may accept supplies necessary to administer the prescription drugs donated only if all of the following requirements are met:

a. The supplies are in their original, unopened, sealed packaging;

b. The supplies are not adulterated or misbranded; and

c. The supplies are inventoried at the centralized repository or a local repository. The inventory shall include a description of the supplies and the date donated. Such inventory shall be recorded on a form provided by the department.

109.3(6) Drugs and supplies may be donated on the premises of a participating centralized repository or a local repository to a person designated by the repository. A drop box will not be used to deliver or accept donations.

641—109.4(135M) Standards and procedures for inspecting and storing donated prescription drugs and supplies.

109.4(1) A licensed pharmacist employed by or under contract with the centralized repository or a local repository shall inspect donated prescription drugs and supplies to determine, to the extent reasonably possible in the judgment of the pharmacist, that the drugs and supplies are not adulterated or misbranded, are safe and suitable for dispensing, and are not ineligible drugs or supplies. The pharmacist who inspects the drugs shall sign an inspection record stating the above and attach it to the copy of the inventory or donor record provided with the drugs. If a local repository receives drugs and supplies from the centralized repository, the local repository does not need to reinspect the drugs and supplies.

109.4(2) The centralized repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drugs or supplies being stored. Donated drugs and supplies will not be stored with nondonated inventory. When donated drugs are not inspected immediately upon receipt, a repository shall quarantine the donated drugs separately from all dispensing stock until the donated drugs have been inspected and approved for dispensing under the program.

109.4(3) Repositories shall destroy donated noncontrolled substances that are not suitable for dispensing and make a record of such destruction according to rules of the board of pharmacy. The destruction record shall be made in the same manner as prescribed for the record of return or destruction of a controlled substance in subrule 109.4(4).

109.4(4) Controlled substances shall not be accepted for donation.

a. Controlled substances submitted for donation shall be documented and returned immediately to the donor or the donor's representative that provided the drugs.

b. In the event controlled substances enter the centralized repository or a local repository and it is not possible or practicable to return the controlled substances to the donor or the donor's representative due to inability to identify the donor or the donor's representative or due to refusal by the donor or the donor's representative to receive them, abandoned controlled substances shall be documented and destroyed beyond reclamation pursuant to rules of the board of pharmacy. Such destruction shall be performed by a pharmacist or other person who has authority to dispense controlled substances and shall be witnessed by another responsible adult employee of the repository.

109.4(5) If a repository receives a recall notification, the repository shall perform a uniform destruction of all of the recalled prescription drugs in the repository and complete the destruction information form for all donated drugs destroyed. If a recalled drug has been dispensed, the repository shall immediately notify the recipient of the recalled drug pursuant to established drug recall procedures.

641—109.5(135M) Standards and procedures for dispensing donated prescription drugs and supplies.

109.5(1) Donated drugs and supplies may be dispensed only if the drugs or supplies are prescribed by a health care practitioner for use by an eligible individual and are dispensed by a licensed pharmacist, physician, physician assistant or nurse practitioner.

109.5(2) A repository shall prioritize dispensing to an individual requesting drugs through the program as follows:

a. First, to an indigent individual;

b. Second, to an individual who has no active third-party prescription drug reimbursement coverage for the drug prescribed; and

c. Third, to any other individual if an indigent or uninsured individual is unavailable.

109.5(3) A repository shall dispense donated prescription drugs in compliance with applicable federal and state laws and regulations for dispensing prescription drugs, including all requirements relating to packaging, labeling, recordkeeping, drug utilization review, and patient counseling.

109.5(4) The centralized repository and a local repository shall remove the original donor's identification and the name of the dispensing pharmacy from the package prior to dispensing the drugs or supplies.

109.5(5) The centralized repository and a local repository shall be responsible for drug recalls and shall have an established mechanism to notify recipients in the event of a drug recall.

109.5(6) Prescription drugs or supplies donated under this program shall not be resold.

109.5(7) The participating centralized repository and local repositories may distribute drugs and supplies donated under this program to other participating repositories for use pursuant to the program. The repository distributing the drugs or supplies shall complete a transfer form.

641—109.6(135M) Eligibility criteria for individuals to receive donated prescription drugs and supplies.

109.6(1) An individual who requests drugs from the prescription drug donation repository program shall certify to the repository that the individual is a resident of Iowa and meets one or both of the following criteria:

a. Is indigent; and

b. Has no active third-party prescription drug reimbursement coverage for the drug prescribed.

109.6(2) The local repository shall collect from each individual recipient a signed intake collection form provided by the department or its contractor.

a. The intake collection form shall attest that:

(1) The individual is a resident of the state of Iowa;

(2) The individual's income does not exceed 200 percent of the federal poverty level (FPL);

(3) The individual is uninsured and has no prescription coverage or is underinsured and has no prescription coverage;

(4) The individual acknowledges that the drugs may have been donated; and

(5) The individual consents to a waiver of the requirement for child resistant packaging of the Poison Prevention Packaging Act (as amended to August 1, 2025).

b. The intake collection form will include an identification card to be given to the recipient for continued use for one year.

109.6(3) The identification card is valid for one year or until the new federal poverty guidelines have been published for all prescriptions and supplies.

109.6(4) A summary of data taken from the intake collection form is to be sent via regular mail, email or facsimile to the centralized repository for data collection.

641—109.7(135M) Forms and recordkeeping.

109.7(1) The following forms developed for the administration of this program shall be utilized by participants of the program and are available on the department's website:

a. Prescription drug donation repository program notice of participation or withdrawal.

b. Prescription drug donation repository program donation, transfer, inventory or destruction record.

c. A record of medications dispensed.

109.7(2) The prescription drug donation repository program recipient data collection form and identification card are given to the recipient by the local repository, and the completed data collection form is collected from the recipient by the local repository.

109.7(3) Recordkeeping requirements.

a. All records required to be maintained as a part of the prescription drug donation repository program shall be maintained for a minimum of five years by participating pharmacies and medical facilities.

b. Records required as part of this program shall be maintained pursuant to all current applicable practice acts.

c. Data collected by the prescription drug donation repository program from all participating repositories shall be submitted quarterly or upon request to the centralized repository.

d. The centralized repository and the contractor shall submit reports to the department as required by the contract or upon request of the department.

641—109.8(135M) Handling fee. A repository may charge the recipient of a donated drug a handling fee, not to exceed a maximum of 200 percent of the Medicaid professional dispensing fee as established by rule. A prescription drug dispensed through the prescription drug donation repository program shall not be eligible for reimbursement under the medical assistance program.

641—109.9(135M) List of drugs and supplies program will accept. All prescription drugs, excluding controlled substances, that have been approved for medical use in the United States, that are listed in the USP or National Formulary (USP/NF), and that meet the criteria for donation established by these rules may be accepted for donation under the prescription drug donation repository program.

641—109.10(135M) Prescription drug donation repository in disaster emergencies. The following are the requirements for the department to receive and distribute prescription drugs and supplies in preparation for a disaster emergency proclaimed by the governor or in preparation for a public health disaster.

109.10(1) The department may receive prescription drugs and supplies directly from the prescription drug donation repository contractor and dispense prescription drugs and supplies through licensed personnel during or in preparation for a disaster emergency proclaimed by the governor pursuant to Iowa Code section 29C.6 or during or in preparation for a public health disaster as defined in Iowa Code section 135.140(5).

109.10(2) The department may receive and distribute prescription drugs and supplies as outlined in Iowa Code section 135.142 to any Iowan who has been a victim of a disaster emergency proclaimed by the governor.

These rules are intended to implement Iowa Code chapter 135M.

ARC 9592C

REAL ESTATE COMMISSION[193E]

Notice of Intended Action

Proposing rulemaking related to seller property condition disclosure and providing an opportunity for public comment

The Real Estate Commission hereby proposes to amend Chapter 14, "Seller Property Condition Disclosure," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 543B.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 543B.

Purpose and Summary

This chapter sets forth guidance to real estate licensees pertaining to seller disclosure requirements and also provides a template. This chapter is being amended to support statutory changes enforced by 2025 Iowa Acts, House File 846, which requires the seller to disclose if their property has, or had, any lead water service lines.

Fiscal Impact

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

Jobs Impact

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

Waivers

This amendment is not subject to waiver.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Ashley Thompson
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.725.9035
Email: ashley.thompson@dia.iowa.gov

Public Hearing

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

October 21, 2025 8 to 8:30 a.m.	6200 Park Avenue Des Moines, Iowa Via Zoom

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 Commission and advise of specific needs.

Review by Administrative Rules Review Committee

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

The following rulemaking action is proposed:

ITEM 1. Amend subrule 14.1(7) as follows:

14.1(7) *Minimum disclosure statement contents for all transfers.* All property disclosure statements, whether or not a licensee assists in the transaction, contain at a minimum the information mandated by the following sample statement. No particular language is necessary in the disclosure statement provided that the necessary disclosure items are included and the disclosure complies with Iowa Code chapter 558A. To assist real estate licensees and the public, the commission recommends use of the following sample language:

RESIDENTIAL PROPERTY SELLER DISCLOSURE STATEMENT

Property address: _____

PURPOSE:

Use this statement to disclose information as mandated by Iowa Code chapter 558A. This law obligates certain sellers of residential property that includes at least one and no more than four dwelling units to disclose information about the property to be sold. The following disclosures are made by the seller(s) and not by any agent acting on behalf of the seller(s).

INSTRUCTIONS TO SELLER(S):

1. Seller(s) completes this statement. Respond to all questions, or attach reports allowed by Iowa Code section 558A.4(2);
2. Disclose all known conditions materially affecting this property;
3. If an item does not apply to this property, indicate that it is not applicable **(N/A)**;
4. Please provide information in good faith and make a reasonable effort to ascertain the necessary information. If the necessary information is **unknown** or is **unavailable** following a reasonable effort, use an **approximation** of the information, or indicate that the information is **unknown (UNK)**. All **approximations** are identified as **approximations (AP)**;
5. Additional pages may be attached as needed;
6. Keep a copy of this statement with your other important papers.

1. Basement/Foundation: Any known water or other problems? Yes [ ] No [ ]

2. Roof: Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

~~3. Well and Pump: Any known problems? Yes [ ] No [ ]~~

~~If N/A check here [ ]~~

~~Any known repairs? Yes [ ] No [ ]~~

~~If yes, date of repairs/replacement: ____/____/____~~

~~Any known water tests? Yes [ ] No [ ]~~

~~If yes, date of last report: ____/____/____~~

~~and results: _____~~

~~4. Septic Tanks/Drain Fields: Any known problems? Yes [ ] No [ ]~~

~~If N/A check here [ ]~~

~~Location of tank: _____~~

~~Date tank last cleaned: ____/____/____~~

~~5.~~ 3. Sewer System: Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

~~6.~~ 4. Heating System(s): Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

~~7.~~ 5. Central Cooling System(s): Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

If N/A check here [ ]

~~8.~~ 6. Plumbing System(s): Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

~~9.~~ 7. Electrical System(s): Any known problems? Yes [ ] No [ ]

Any known repairs? Yes [ ] No [ ]

If yes, date of repairs/replacement: ____/____/____

~~10.~~ 8. Pest Infestation (e.g., termites, carpenter ants): Any known problems? Yes [ ] No [ ]

If yes, date(s) of treatment: ____/____/____

Any known structural damage? Yes [ ] No [ ]

If yes, date(s) of repairs/replacement: ____/____/____

~~11.~~ 9. Asbestos: Any known to be present in the structure? Yes [ ] No [ ]

If yes, explain: _____

~~12.~~ 10. Radon: Any known tests for the presence of radon gas? Yes [ ] No [ ]

If yes, date of last report: ____/____/____

and results: _____

~~13.~~ 11. Lead-Based Paint: Any known to be present in the structure? Yes [ ] No [ ]

~~14.~~ 12. Flood Plain: Do you know if the property is located in a flood plain? Yes [ ] No [ ]

13. Are there currently, or have there ever been, any lead water service lines present? Yes [ ] No [ ] Unknown [ ]
If yes, please provide more information.

~~15.~~ 14. Zoning: Do you know the zoning classification of the property? Yes [ ] No [ ]

If yes, what is the zoning classification? _____

~~16.~~ 15. Covenants: Is the property subject to restrictive covenants? Yes [ ] No [ ]

If yes, attach a copy or state where a true, current copy of the covenants can be obtained:

_____

~~17.~~ 16. Shared or Co-Owned Features: Any features of the property known to be shared in common with adjoining landowners, such as walls, fences, roads, and driveways whose use or maintenance responsibility may have an effect on the property? Yes [ ] No [ ]

Any known *"common areas"* such as pools, tennis courts, walkways, or other areas co-owned with others, or a Homeowner's Association which has any authority over the property? Yes [ ] No [ ]

~~18.~~ 17. Physical Problems: Any known settling, flooding, drainage or grading problems? Yes [ ] No [ ]

~~19.~~ 18. Structural Damage: Any known structural damage? Yes [ ] No [ ]

19. Well and Pump: Any known problems? Yes [ ] No [ ] If N/A check here [ ] Any known repairs? Yes [ ] No [ ] If yes, date of repairs/replacement: ____/____/____ Any known water tests? Yes [ ] No [ ] If yes, date of last report: ____/____/____ and results:

_____

20. Septic Tanks/Drain Fields: Any known problems? Yes [ ] No [ ] If N/A check here [ ] Location of tank:

_____

Date tank last cleaned: ____/____/____

You need to explain any *"YES"* response(s) above. Use the back of this statement or additional sheets as necessary: _____

_____

_____

_____

SELLER(S) DISCLOSURE:

Seller(s) discloses the information regarding this property based on information known or reasonably available to the Seller(s).

The Seller(s) has owned the property since ____/____/____. The Seller(s) certifies that as of the date signed this information is true and accurate to the best of my/our knowledge.

Seller(s) acknowledges that Buyer(s) be provided with the "Iowa Radon Home-Buyers and Sellers Fact Sheet" prepared by the Iowa Department of Health and Human Services.

Seller _____ Seller _____

Date ____/____/____ Date ____/____/____

BUYER(S) ACKNOWLEDGMENT:

Buyer(s) acknowledges receipt of a copy of this Real Estate Disclosure Statement. This statement is not intended to be a warranty or to substitute for any inspection Buyer(s) may wish to obtain.

Buyer(s) acknowledges receipt of the "Iowa Radon Home-Buyers and Sellers Fact Sheet" prepared by the Iowa Department of Health and Human Services.

Buyer _____ Buyer _____

Date ____/____/____ Date ____/____/____

ARC 9574C

TREASURER OF STATE[781]

Notice of Intended Action

Proposing rulemaking related to qualified withdrawals and providing an opportunity for public comment

The Treasurer of State hereby proposes to amend Chapter 16, "Iowa Educational Savings Plan Trust," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 12D.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Public Law No. 119-21.

Purpose and Summary

This proposed rulemaking is necessary to conform Iowa's 529 programs with changes made to the federal 529 law. Beginning January 1, 2026, the annual federal withdrawal limit for kindergarten through twelfth grade expenses will increase from $10,000 to $20,000, and the ability to roll over funds from a 529 account to an ABLE account, such as IAble, will be made permanent.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 20, 2025. A public hearing was held on the following date(s):

- September 9, 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 Office of the Treasurer of State for a waiver of the discretionary provisions, if any, pursuant to 781—Chapter 19.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Office no later than 4:30 p.m. on October 21, 2025. Comments should be directed to:

Molly Widen
State of Iowa Treasurer's Office
1007 East Grand Avenue, First Floor
Des Moines, Iowa 50319
Email: molly.widen@tos.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

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

The following rulemaking action is proposed:

ITEM 1. Amend subrule 16.11(3) as follows:

16.11(3) Withdrawals for the payment of tuition in connection with enrollment or attendance at a K-12 institution may not exceed a maximum of ~~$10,000~~ $20,000 per taxable year per beneficiary from all 529 plans.

ITEM 2. Amend subrule 16.13(2) as follows:

16.13(2) Qualified rollovers will be paid in one of the following ways once the form has been received by the contractor:

a. Directly to the account owner, provided that within 60 days of such distribution, the funds are recontributed from the account owner as described in paragraph 16.13(2)*"b," "c"* or *"d."*

b. Directly to another qualified tuition program for the benefit of the designated beneficiary.

c. Directly to another account designated beneficiary under a qualified tuition program who is a member of the family of the designated beneficiary with respect to which the distribution as made.

d. ~~Before January 1, 2026, directly~~ Directly to an ABLE account of the designated beneficiary or a member of the family of the designated beneficiary.

e. Notwithstanding any of the foregoing, any qualified rollover to a Roth IRA under Section 529 must be paid in a direct trustee-to-trustee transfer to a Roth IRA maintained for the benefit of such designated beneficiary.

ARC 9583C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to future ready Iowa skilled workforce last-dollar scholarship program

The College Student Aid Commission hereby rescinds Chapter 15, "Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program," Iowa Administrative Code, and adopts a new Chapter 15 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 256.178.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.228.

Purpose and Summary

This rulemaking rescinds and adopts a new Chapter 15 pursuant to Executive Order 10. The new Chapter 15 is adopted to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program. The adopted rulemaking establishes the eligibility criteria and awarding of funds for the scholarship; describes the process, procedures, and duties of the Commission, applicants, and institutions; illustrates the priority criteria for awarding scholarships; and provides the process used to align high-demand jobs to programs of study offered at participating institutions.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9387C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 283—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15
FUTURE READY IOWA SKILLED WORKFORCE
LAST-DOLLAR SCHOLARSHIP PROGRAM

283—15.1(256) Basis for aid. Assistance under the future ready Iowa skilled workforce last-dollar scholarship program is available for Iowa residents enrolled in approved programs aligned with high-demand jobs.

283—15.2(256) Definitions. As used in this chapter:

"Approved program" means an eligible program of study approved through the process described in rule 283—15.6(256).

"Continuous enrollment" means that an eligible student is enrolled at least part-time in successive fall and spring semesters, or the equivalent, after receiving the award. Enrollment in the summer semester is not required to meet this condition.

"Credential" means the same as defined in Iowa Code section 256.228(1)*"d."*

"Eligible institution" means an institution that meets the criteria in Iowa Code section 256.228(1)*"e"* and the provisions of rule 283—15.7(256).

"Financial metric" means the same as defined in rule 283—10.2(261).

"Full-time" means the same as defined in rule 283—10.2(261).

"Iowa resident" means the same as defined in rule 283—10.2(261).

"Part-time" means enrollment in at least 6 but fewer than 12 hours per semester or the equivalent. An eligible student may enroll in fewer than six semester hours, or the equivalent, in the semester that the credential will be completed if part-time enrollment is not necessary to complete the program of study.

"Satisfactory academic progress" means the same as defined in rule 283—10.2(261).

"Semester" means the fall, spring, or summer term of enrollment at an eligible institution, if the eligible institution is on a semester system, or the equivalent, if the institution is on a system other than a semester system.

283—15.3(256) Eligible applicant. An eligible applicant is an Iowa resident who is enrolled at least part-time in an approved program at an eligible institution and who meets the program eligibility criteria and the following provisions:

15.3(1) Annually completes the applications that the commission deems necessary on or before the date established by the commission, attends orientation, registers for classes with an academic advisor, and participates in career advising sessions.

15.3(2) Has an eligible financial metric in the first year the scholarship is received, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

15.3(3) Maintains continuous enrollment.

15.3(4) Meets one of the following two conditions:

a. Is under age 20 as of July 1 prior to the year of enrollment and enrolls at least part-time following graduation from an Iowa high school, completion of private instruction under Iowa Code chapter 299A, or receipt of a high school equivalency diploma under Iowa Code chapter 259A.

b. Following receipt of a high school diploma or high school equivalency diploma, enrolls at least part-time in an approved program at an eligible institution after attaining the age of 20 as of July 1 prior to the year of enrollment. To receive an award under this condition, the eligible applicant cannot have received an award under paragraph 15.3(4)*"a."*

283—15.4(256) Awarding of funds.

15.4(1) *Selection criteria.* All eligible applicants will be considered for an award.

15.4(2) *Extent of award and maximum award.* Eligible applicants may receive no more than the equivalent of eight part-time awards. The maximum award will be calculated as follows:

a. Awards for eligible students attending Iowa community colleges shall not exceed the remaining tuition and mandatory institutionwide fees after applying federal and state nonrepayable aid.

b. Awards for eligible students attending an accredited private institution as defined in Iowa Code section 256.183 shall not exceed the average tuition and mandatory institutionwide fees at Iowa community colleges after applying federal and state nonrepayable aid. The average resident tuition and mandatory institutionwide fees will be used under this provision.

c. Awards for eligible students enrolled on a full-time basis shall be at least $250 per semester or the equivalent amount if the eligible institution operates on a system other than the semester system. Awards for eligible students enrolled on a part-time basis will be prorated by dividing the number of hours for which the student is enrolled by the required number of hours for full-time enrollment and multiplying the quotient by the maximum award.

d. Tuition and institutionwide mandatory fees associated only with coursework required for the student's Title IV-eligible program of study can be used to determine the award amount.

15.4(3) *Priority for awards.*

a. In the event that the funds available are insufficient to provide maximum awards to all eligible applicants through the entire state fiscal year, awards will first be authorized to eligible applicants enrolled in the fall and spring semester or the equivalent and then to eligible applicants enrolled in the summer semester or the equivalent.

b. In the event that funds available are insufficient to provide the maximum award to all eligible applicants in a semester, the commission may prorate awards to students in that semester.

15.4(4) *Awarding process.*

a. The commission will provide notice of the eligibility criteria and maximum award to participating eligible institutions annually to authorize awarding.

b. The commission will designate eligible applicants for awards and provide eligible institutions with rosters of designated eligible applicants.

c. Eligible institutions will notify recipients of the awards, clearly indicating the award amount and the state program from which funding is being provided and stating that the award is contingent on the availability of state funds.

d. Eligible institutions will apply awards directly to student accounts.

e. Eligible institutions will provide information about eligible applicants to the commission in a format specified by the commission. Eligible institutions will make necessary changes to awards due to a change in enrollment, program of study, and financial situation and promptly report those changes to the commission.

f. Eligible institutions are responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. Eligible institutions will report changes in student eligibility to the commission.

g. The commission will periodically investigate and review compliance of eligible institutions participating in this program with the criteria established in Iowa Code section 256.228 and this rule.

283—15.5(256) Exceptions. If an eligible applicant discontinues enrollment at the eligible institution due to military deployment, due to a temporary medical incapacity, in relation to a declaration of a national or state emergency, or due to other exceptional circumstances approved by the commission, the eligible applicant may apply for a waiver. If the waiver is approved, the eligible applicant is not required to maintain continuous enrollment during the period covered by the waiver.

283—15.6(256) Determination of programs of study aligned with high-demand jobs.

15.6(1) *Statewide high-demand jobs.* The commission will utilize the department of workforce development's most recent list of statewide high-demand jobs pursuant to Iowa Code section 84A.1B(14) and align those jobs to eligible programs of study.

15.6(2) *Regional high-demand jobs.* The commission will request submissions of regional high-demand jobs that align with eligible programs of study from each Iowa community college. Each Iowa community college may request up to five regional high-demand jobs to be considered for approval for students at that Iowa community college.

15.6(3) *Eligible programs of study.* The eligible institution will offer a career and technical education program of study that results in a credential that is aligned with employment in a high-demand job. The eligible program of study will meet similar criteria established for career and technical education programs approved under 281—Chapter 21. The classification of the instructional program code and the standard occupation code will be used to align eligible programs of study to high-demand jobs.

15.6(4) *Approved program.* Before an eligible program of study is considered an approved program of study, the department of workforce development and the commission, in consultation with the department of education, will jointly certify that the program of study and credential are aligned with a high-demand job pursuant to Iowa Code section 84A.1B(14).

15.6(5) *Grandfather clause.* If the state workforce development board or a community college district removes a high-demand job from the approved list, an eligible applicant who received an award in a program of study aligned with that high-demand job will continue to receive the award as long as the eligible applicant continues to meet all other eligibility criteria.

283—15.7(256) Institution eligibility requirements.

15.7(1) *Application process.* An institution requesting to participate in the program may apply to the commission using the commission's designated application. An applicant institution will provide the commission with documentation establishing its eligibility as an eligible institution that offers eligible programs of study. Applicant institutions will submit the application and documentation establishing their eligibility on or before October 1 of the year prior to the beginning of the academic year for which they are applying for participation.

15.7(2) *Public information.* A list of all eligible programs of study, as well as the necessary courses and the suggested course sequence, will be available in a prominent location on the eligible institution's website.

These rules are intended to implement Iowa Code section 256.228.

[Filed 9/11/25, effective 11/5/25]
[Published 10/1/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9584C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to Iowa work-study program

The College Student Aid Commission hereby rescinds Chapter 18, "Iowa Work-Study Program," Iowa Administrative Code, and adopts a new Chapter 18 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 256.178 and 256.206.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.206.

Purpose and Summary

The Commission rescinds and adopts a new Chapter 18 pursuant to Executive Order 10. New Chapter 18 is adopted to ensure that the Commission meets the requirements set forth in law by adopting rules for the administration of the Iowa work-study program. This rulemaking establishes the eligibility criteria and procedures for the awarding of funds and describes the process, procedures, and duties of the Commission, applicants, and institutions. This rulemaking includes standards adopted by reference that align to 34 CFR Part 675 to ensure consistency and efficiency in administrative practices between federal and State work-study programs.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9388C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 283—Chapter 18 and adopt the following **new** chapter in lieu thereof:

CHAPTER 18
IOWA WORK-STUDY PROGRAM

283—18.1(256) Basis of aid. Assistance available under the Iowa work-study program is based on the financial need of Iowa residents enrolled at eligible postsecondary education institutions.

283—18.2(256) Definitions.

"Eligible postsecondary education institution" means the same as defined in Iowa Code section 256.207 and described in rule 283—18.6(256).

"Financial metric" means the same as defined in 283—Chapter 10.

"Financial need" means the same as defined in 283—Chapter 10.

"Full-time" means the same as defined in 283—Chapter 10.

"Iowa resident" means the same as defined in 283—Chapter 10.

"Part-time" means enrollment in at least 6 but fewer than 12 hours per semester or the equivalent.

"Program of study" means the same as defined in 283—Chapter 10.

"Satisfactory academic progress" means the same as defined in 283—Chapter 10.

283—18.3(256) Administrative procedures.

18.3(1) *Alignment with federal work-study regulations.* To facilitate efficient administration, the commission hereby adopts the federal work-study regulations found at 34 CFR Part 675, Subpart A, as of July 1, 2024. Provisions of the federal regulations adopted include:

a. Selection of students for employment (34 CFR §675.10),

b. Payments to students (34 CFR §675.16),

c. Fiscal procedures and records (34 CFR §675.19),

d. General employment conditions for institutional employment, including civil rights requirements, state worker compensation laws, and social security requirements (34 CFR §675.20(c) and (d)),

e. Institutional employment (34 CFR §675.21), and

f. Wage administration (34 CFR §675.24).

18.3(2) *No transfer of funds.* An eligible postsecondary education institution must administer state-funded work-study funds for Iowa residents in the same manner as the institution administers its federal work-study program, except that state funds cannot be transferred to other student aid programs or across state fiscal years.

18.3(3) *Employment restrictions.* The creation of work-study opportunities will not result in the displacement of employed workers or impair or affect existing contracts for services, and the funding used by an eligible postsecondary education institution will supplement and not supplant jobs and existing financial aid programs provided to students.

283—18.4(256) Eligible applicant. An eligible applicant is an Iowa resident who is enrolled full-time or part-time in a program of study at an eligible postsecondary education institution, is employed at an eligible postsecondary education institution, and meets the program eligibility criteria in Iowa Code section 256.208 and the following provisions:

18.4(1) Completes the Free Application for Federal Student Aid and any other application the eligible postsecondary education institution deems necessary on or before the date established by the eligible postsecondary education institution.

18.4(2) Establishes financial need, has an eligible financial metric, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

283—18.5(256) Awarding of funds.

18.5(1) *Selection criteria.* Eligible postsecondary education institutions will document the consistent processes by which they select eligible applicants to receive awards.

18.5(2) *Maximum award.* The maximum award for full-time students will not exceed the student's financial need.

18.5(3) *Awarding process.*

a. The commission will provide notice of the eligibility criteria, distribute funding allocations, and request acceptance of the funding allocation from each eligible postsecondary education institution annually. Eligible postsecondary education institutions will accept or decline the funding allocation by the deadline established by the commission.

b. Funding allocations that are declined or unspent by the date the commission deems necessary will be reallocated to participating eligible postsecondary education institutions.

c. Eligible postsecondary education institutions will notify recipients of the awards, clearly indicating the award amount and the state program from which funding is being provided and stating that the award is contingent on the availability of state funds.

d. Eligible postsecondary education institutions will distribute awards as eligible applicants complete their employment obligations.

e. Eligible postsecondary education institutions will provide information about the awards earned by eligible applicants to the commission in a format specified by the commission at the end of each semester or the equivalent. If all allocated funds are not spent by an eligible postsecondary education institution by the end of the year, those unspent funds may be deducted from the eligible postsecondary education institution's subsequent allocation.

f. Eligible postsecondary education institutions are responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility criteria and allowable award amounts. Eligible postsecondary education institutions will report changes in student eligibility to the commission.

283—18.6(256) Eligible postsecondary education institution eligibility.

18.6(1) *Application.* A nonparticipating eligible postsecondary education institution will request participation using the commission's designated application. The institution will meet the eligibility criteria in Iowa Code section 256.207 at the time the application is submitted.

18.6(2) *Deadline to apply.* Nonparticipating eligible postsecondary education institutions seeking to participate in the Iowa work-study program will submit applications on or before October 1 of the year prior to the beginning of the academic year for which the nonparticipating eligible postsecondary education institutions are applying for participation.

18.6(3) *Compliance audits.* The commission will periodically investigate and review compliance of eligible postsecondary education institutions participating in this program with the criteria established in Iowa Code chapter 256 and this rule. If the commission finds that an eligible postsecondary education institution fails to comply with the provisions of Iowa Code sections 256.206 through 256.209 or this rule, participation in the Iowa work-study program may be suspended.

These rules are intended to implement Iowa Code sections 256.206 through 256.209.

[Filed 9/11/25, effective 11/5/25]
[Published 10/1/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9585C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to Iowa national guard benefits programs

The College Student Aid Commission hereby rescinds Chapter 20, "Iowa National Guard Service Scholarship Program"; adopts a new Chapter 20, "Iowa National Guard Benefits Programs"; and rescinds Chapter 29, "Iowa National Guard Master's Degree Scholarship Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 256.178 and 256.210.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 256.210 and 256.211.

Purpose and Summary

The Commission is rescinding Chapters 20 and 29 and adopting a new Chapter 20 pursuant to Executive Order 10. New Chapter 20 is adopted to consolidate the provisions from the two existing chapters. New Chapter 20 ensures the Commission meets the requirements set forth in law by adopting rules for the administration of the scholarships for members of the Iowa National Guard. This rulemaking establishes the eligibility criteria and awarding of funds for the scholarship and describes the process, procedures, and duties of the Commission, the Iowa National Guard, applicants, and institutions.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9389C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 283—Chapter 20 and adopt the following **new** chapter in lieu thereof:

CHAPTER 20
IOWA NATIONAL GUARD BENEFITS PROGRAMS

283—20.1(256) Definitions. As used in this chapter:

"Eligible institution" means the same as described in Iowa Code section 256.210(1).

"Eligible master's degree program of study" means a master's degree program in science, technology, engineering, and mathematics-related military occupational specialties or air force specialty codes pursuant to Iowa Code section 256.211(1)*"a."*

"Federal active duty" means military duty performed pursuant to orders issued under Title 10, United States Code (as of July 1, 2024), other than for training.

"Full-time" means the same as defined in rule 283—10.2(256).

"Part-time" means the same as defined in rule 283—10.2(256).

"Program of study" means the same as defined in rule 283—10.2(256).

"Satisfactory academic progress" means the same as defined in rule 283—10.2(256).

283—20.2(256) Iowa national guard service scholarship.

20.2(1) *Eligible applicant.* An eligible applicant is an Iowa resident, as determined by the adjutant general, who enrolls full-time or part-time in a program of study at an eligible institution and who meets the award eligibility criteria approved by the adjutant general and the following provisions:

a. Completes the applications the Iowa national guard deems necessary on or before the date established by the Iowa national guard, except that an individual who was on federal active duty at the time of an application deadline will have 30 days to apply upon return to Iowa from active duty.

b. Meets the eligibility criteria in Iowa Code section 256.210, meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

20.2(2) *Awarding of funds.*

a. Selection criteria. All eligible applicants will be considered for an award.

b. Maximum award and extent of award. Eligible applicants may receive awards for no more than 120 semester credit hours attributable to the program of study unless the applicants meet the provisions of Iowa Code section 256.210(3)*"a"*(2).

(1) The maximum award for full-time students will not exceed the undergraduate Iowa resident tuition rate at Iowa regent universities or the tuition charged to the eligible applicant, whichever is lower.

(2) All credit hours within a term of enrollment to which a scholarship is applied will be reported to the commission within the state-defined payment period.

c. Awarding process.

(1) The Iowa national guard will verify the eligibility of eligible applicants. An eligibility decision by the adjutant general is final.

(2) The commission will designate eligible applicants for awards and provide eligible institutions with rosters of designated eligible applicants.

(3) The commission will notify recipients and eligible institutions of the awards. Eligible institutions will notify the student of the award amount, of the state program from which funding is being provided and that the award is contingent on the availability of state funds.

(4) Eligible institutions will apply awards to cover expenses identified in Iowa Code section 256.210(5).

(5) Eligible institutions will provide information about eligible applicants to the commission in a format specified by the commission. Eligible institutions will make necessary changes to awards due to a change in enrollment or financial situation and promptly report those changes to the commission.

(6) Eligible institutions are responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. Eligible institutions will report changes in student eligibility to the commission.

(7) The commission will periodically investigate and review compliance of eligible institutions participating in this program with the criteria established in Iowa Code section 256.210 and this rule.

283—20.3(256) Iowa national guard master's degree service scholarship. In the event that the adjutant general authorizes the expenditure of unencumbered or unobligated funds from Iowa Code section 256.210(6) for the recruitment or retention of individuals by providing a scholarship award to an eligible member of the Iowa national guard, this chapter will be used to administer authorized scholarships. The adjutant general will select program recipients and authorize scholarship awards under this chapter. The decision of the adjutant general is final.

20.3(1) *Eligible applicant.* An eligible applicant is an Iowa resident, as determined by the adjutant general, who enrolls in an eligible master's degree program of study at an eligible institution and who meets the award eligibility criteria approved by the adjutant general and the following provisions:

a. Completes the applications the Iowa national guard deems necessary on or before the date established by the Iowa national guard, except that an individual who was on federal active duty at the time of an application deadline will have 30 days to apply upon return to Iowa from active duty.

b. Meets the eligibility criteria in Iowa Code section 256.211(1)*"a"* and 256.211(3), meets satisfactory academic progress standards, and does not meet a condition in 283—subrule 10.3(1).

20.3(2) *Awarding of funds.*

a. Selection criteria. All eligible applicants will be considered for an award.

b. Maximum award and extent of award. Eligible applicants may receive awards for no more than 36 semester credit hours, or the equivalent, attributable to the eligible master's degree program of study.

(1) The maximum award will not exceed the Iowa resident graduate-level tuition rate at Iowa regent universities or the tuition charged to the eligible applicant, whichever is lower.

(2) All credit hours within a term of enrollment to which a scholarship is applied will be reported to the commission within the state-defined payment period.

c. Awarding process. The college student aid commission adopts the awarding process in paragraph 20.2(2)*"c"* with the following exception: In lieu of "Iowa Code section 256.210" in subparagraph 20.2(2)*"c"*(7), insert "Iowa Code section 256.211".

These rules are intended to implement Iowa Code chapter 256.

ITEM 2. Rescind and reserve **283—Chapter 29**.

[Filed 9/11/25, effective 11/5/25]
[Published 10/1/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9586C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to teach Iowa scholar program

The College Student Aid Commission hereby rescinds Chapter 28, "Teach Iowa Scholar Program," Iowa Administrative Code, and adopts a new Chapter 28 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 256.178 and 256.218.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.218.

Purpose and Summary

The Commission rescinds and adopts a new Chapter 28 pursuant to Executive Order 10. New Chapter 28 is adopted to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the Teach Iowa Scholar Program. This rulemaking establishes the eligibility criteria and priority criteria used in awarding funds under the program; describes the process of awarding funds and tracking obligations; and illustrates the role of the Commission, applicants, and employers. This rulemaking also provides definitions for use under the program.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9390C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 283—Chapter 28 and adopt the following **new** chapter in lieu thereof:

CHAPTER 28
TEACH IOWA SCHOLAR PROGRAM

283—28.1(256) Definitions.

"Eligible applicant" means an individual who meets the criteria in Iowa Code section 256.218(3), agrees to complete the obligation, completes applications on or before the date established by the commission, and does not meet a condition in 283—subrule 10.3(1). The obligation ends after five consecutive years. Progression towards completion of the obligation is verified annually. In addition, the eligible applicant will have graduated in the top 25 percent academically of students completing the teacher preparation program at the institution, as certified by the postsecondary institution offering the teacher preparation program from which the applicant graduates, and must be providing instruction in an eligible teaching field or in a combination of eligible teaching fields at an eligible school or agency and will be teaching on a full-time basis.

"Eligible school or agency" means a public school district, area education agency, charter school, and accredited nonpublic school located in Iowa and recognized and approved by the department of education.

"Eligible student loan" means the same as defined in Iowa Code section 256.218(4). Only the outstanding portion of a federal consolidation loan that was used to repay an eligible student loan qualifies as an eligible student loan.

"Eligible teaching field" means hard-to-staff subjects as identified by the director of the department of education.

"Preparation program" means the programs of practitioner preparation leading to initial licensure of teachers, administrators, and other professional school personnel.

"Teacher" means an individual who holds a practitioner's license or a statement of professional recognition issued under Iowa Code chapter 256 and who is employed in a nonadministrative position by an eligible school or agency pursuant to a contract issued by a board of directors under Iowa Code section 279.13. "Teacher" also includes a preschool teacher who is licensed by the board of educational examiners under Iowa Code chapter 256 and is employed by an eligible school or agency.

283—28.2(256) Awarding of funds.

28.2(1) *Selection criteria.* All eligible applicants will be considered for an award.

28.2(2) *Extent of award and maximum award.* Eligible applicants may receive up to $4,000 per year for a period of five years.

28.2(3) *Priority for awards.* New awards will be made in the order of the following priority categories if funding is insufficient to award all eligible applicants. An eligible applicant selected for an award under a priority category will continue to meet the provisions of that category to maintain eligibility.

a. Eligible applicants who are Iowa residents.

(1) If all eligible applicants in this category cannot be funded, awards will be made first based on the eligible applicant's graduation date from the teacher preparation program, grouped by academic year, with the most recent academic year graduates given priority.

(2) If all eligible applicants who graduated within an academic year cannot be funded, awards will be further prioritized based on the annual ranking of eligible teaching fields by the department, with eligible applicants teaching in the highest ranking fields being served first. Eligible applicants who meet the same priority criteria in this category will be further prioritized by application date.

b. Eligible applicants who are not Iowa residents.

(1) If all eligible applicants in this category cannot be funded, awards will be made first based on the eligible applicant's graduation date from the teacher preparation program, grouped by academic year, with the most recent academic year graduates given priority.

(2) If all eligible applicants who graduated within an academic year cannot be funded, awards will be further prioritized based on the annual ranking of eligible teaching fields by the department, with

eligible applicants teaching in the highest ranking fields being served first. Eligible applicants who meet the same priority criteria in this category will be further prioritized by application date.

28.2(4) *Awarding process.*

a. The commission will provide notice of the eligibility criteria and the application process annually.

b. Eligible applicants will specify whether the award should be paid directly to the eligible applicant or to the holder of the eligible applicant's eligible student loan.

c. The commission will designate eligible applicants for awards and notify all applicants of their eligibility.

d. The commission will track eligible applicants selected to receive awards through completion of their obligation.

e. The commission will pay the award directly to the eligible applicant or to the holder of the eligible applicant's eligible student loan after the eligible school or agency verifies that a portion of the obligation has been completed.

283—28.3(256) Grandfather clause. The eligibility of eligible applicants who are selected to receive awards will not be impacted in subsequent years if the eligible teaching field under which they were selected to receive the award is no longer identified by the department.

These rules are intended to implement Iowa Code chapter 256.

[Filed 9/11/25, effective 11/5/25]
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ARC 9587C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to Iowa national guard student loan repayment program

The College Student Aid Commission hereby rescinds Chapter 30, "Iowa National Guard Student Loan Repayment Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 256.178 and 256.211.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.211.

Purpose and Summary

The Commission rescinds Chapter 30 pursuant to Executive Order 10. Iowa Code section 256.211 allows unencumbered funds under Iowa Code section 256.210 to be utilized for an Iowa National Guard Student Loan Repayment Program. No unencumbered funds under Iowa Code section 256.210 have been authorized for disbursement under the program, so rules for the program are unnecessary.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9391C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **283—Chapter 30**.

[Filed 9/11/25, effective 11/5/25]
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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9588C

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Rulemaking related to student loan debt collection

The College Student Aid Commission hereby rescinds Chapter 37, "Student Loan Debt Collection," and adopts a new Chapter 37, "Debt Collection," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 256.178 and 256.197(7).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 256.197(7).

Purpose and Summary

The Commission rescinds and adopts a new Chapter 37 pursuant to Executive Order 10. New Chapter 37 is adopted to ensure the Commission meets the requirements set forth in law by adopting rules to provide for an effective system of collecting defaulted obligations owed to the Commission. This rulemaking illustrates the mechanisms and references the processes the Commission utilizes in the collection of defaulted obligations. This rulemaking includes standards adopted by reference that align to 34 CFR Part 34 to leverage federal administrative wage garnishment procedures.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 9, 2025, as **ARC 9392C**. A public hearing was held on the following date(s):

- July 29, 2025
- July 30, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on September 5, 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 283—Chapter 7.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 283—Chapter 37 and adopt the following **new** chapter in lieu thereof:

CHAPTER 37
DEBT COLLECTION

283—37.1(256) Definitions.

"Debtor" means a person who has defaulted on any obligation owed to or collected by the commission.

"Default" means that a debtor:

1. Becomes obligated to repay the commission under any loan repayment program administered by the commission and fails to make an agreed payment within 30 days of the agreed due date;

2. Becomes obligated to repay the commission under any forgivable loan program administered by the commission and fails to make an agreed payment within 30 days of the agreed due date; or

3. Enters into a written repayment agreement with the commission and fails to make an agreed payment within 30 days of the due date stated in the repayment agreement.

"Defaulted obligation owed" means the total amount of the debtor's obligation, including principal and unpaid accrued interest, and may include collection costs and other allowable fees.

283—37.2(256) Administrative wage garnishment procedures. The commission shall use the general administrative wage garnishment procedures established in 34 CFR Part 34 et seq., as of July 1, 2024, in the collection of all defaulted obligations owed to the commission. Administrative hearings will be governed by 283—Chapter 4.

283—37.3(261) Offset against state income tax refund or rebate. The commission may make a claim against a defaulted borrower's state income tax refund or rebate to receive a payment against defaulted obligation owed pursuant to 701—Chapter 26.

These rules are intended to implement Iowa Code section 256.197.

[Filed 9/11/25, effective 11/5/25]
[Published 10/1/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9575C

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to warning lights on vehicles or equipment in road work zones

The Transportation Department hereby rescinds Chapter 135, "Warning Lights on Vehicles or Equipment Not Owned and Operated by the Department When Used in Road Work Zones," and adopts a new Chapter 135, "Warning Lights on Vehicles or Equipment in Road Work Zones," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12(1)"j" and 321.423(7)"a."

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 321.423(7)"a."

Purpose and Summary

This rulemaking repromulgates Chapter 135 in compliance with Executive Order 10. Chapter 135 establishes the eligibility of vehicles or equipment that are not owned or operated by the Department to use flashing white lights in road work zones on State or local highways.

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 9291C**. Public hearings were held on the following date:

- June 17, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 12, 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.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 135 and adopt the following **new** chapter in lieu thereof:

CHAPTER 135
WARNING LIGHTS ON VEHICLES OR EQUIPMENT IN ROAD WORK ZONES

761—135.1(321) White warning lights on vehicles or equipment in road work zones.

135.1(1) *Purpose.* The purpose of this rule is to establish the eligibility of vehicles or equipment that are not owned or operated by the department to use flashing white lights in accordance with Iowa Code section 321.423(7)*"a."*

135.1(2) *Eligibility.* A vehicle or other equipment that is not owned or operated by the department may use a flashing white light while the vehicle or other equipment is being used in road work zones on state or local highways.

135.1(3) *Information.* Information regarding this rule is available from the Construction and Materials Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by telephone at 515.239.1352.

This rule is intended to implement Iowa Code section 321.423(7)*"a."*

[Filed 8/29/25, effective 11/5/25]
[Published 10/1/25]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9576C

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to interstate motor vehicle fuel licenses and permits

The Transportation Department hereby rescinds Chapter 505, "Interstate Motor Vehicle Fuel Licenses and Permits," Iowa Administrative Code, and adopts a new Chapter 505 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12(1)"j" and 452A.59.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 452A.

Purpose and Summary

This rulemaking repromulgates Chapter 505 in compliance with Executive Order 10. Chapter 505 complies with Iowa Code chapter 452A by outlining the application and eligibility requirements to obtain fuel licenses and permits for operation and movement of vehicles for interstate commerce. An International Fuel Tax Agreement (IFTA) fuel license or permit is required before commercial vehicles registered in Iowa may operate in other jurisdictions.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 11, 2025, as **ARC 9334C**. Public hearings were held on the following date:

- July 1, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 12, 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.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 505 and adopt the following **new** chapter in lieu thereof:

CHAPTER 505
INTERSTATE MOTOR VEHICLE FUEL LICENSES AND PERMITS

761—505.1(452A) Definitions. The definitions in Iowa Code sections 452A.2, 452A.40 and 452A.57, where not inconsistent with the definitions below, apply to this chapter. In addition:

"Department" means the department of transportation.

"Director" means the director of transportation or the director's designee.

"Fuel(s)" means and includes "motor fuel" and "special fuel" as defined in Iowa Code section 452A.2.

"Fuel license" or *"license"* means an IFTA license issued pursuant to Iowa Code section 452A.53.

"Hydrogen gallon" means a diesel gallon equivalent. A diesel gallon equivalent of hydrogen weighs 2.49 pounds.

"IFTA" means the International Fuel Tax Agreement, which is a multijurisdictional agreement for the administration of motor fuel tax laws for vehicles operated in multiple member jurisdictions.

"IFTA member jurisdiction" means a jurisdiction that is a member of the IFTA. A list of jurisdictions and their membership statuses may be obtained by contacting the motor vehicle division.

"Lease" means a contract or agreement by which a vehicle owner (lessor) provides a vehicle to a person or company (lessee) for use during a specified period of time.

1. *"Long-term lease"* means a lease for a period of 30 days or more.
2. *"Short-term lease"* means a lease for a period of 29 days or less, including trip leases. Back-to-back leases of 29 days or less are considered short-term leases.

"Licensee" means any person who holds a valid fuel license.

"Non-IFTA member jurisdiction" means a jurisdiction that is not a member of the IFTA. A list of jurisdictions and their membership statuses may be obtained by contacting the motor vehicle division.

"Permittee" means any person who holds a valid temporary fuel permit.

"Qualified motor vehicle" means a motor vehicle or combination of vehicles used or designed to transport persons or property if any of the following apply:

1. The vehicle or combination of vehicles weighs more than 26,000 pounds.
2. The vehicle or combination of vehicles is registered for more than 26,000 pounds.
3. The power unit has three or more axles.

"Qualified motor vehicle" does not include recreational vehicles.

"Quarter" means calendar quarter, January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31.

"Temporary fuel permit" or *"temporary permit"* means a single trip fuel permit issued pursuant to Iowa Code section 452A.53.

This rule is intended to implement Iowa Code sections 452A.2, 452A.40, 452A.57 and 452A.59.

761—505.2(452A) General information.

505.2(1) *Information and location.* Applications, forms and information on interstate motor vehicle fuel permits and licenses are available on the department's website at www.iowadot.gov/mvd/motorcarriers/IFTA/File-IFTA; by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; in person at 6310 SE Convenience

Blvd., Ankeny, Iowa; by telephone at 515.237.3268; by facsimile at 515.237.3225; or by email at omcs@iowadot.us.

505.2(2) *Organizational data.* The motor vehicle division is authorized pursuant to Iowa Code chapter 452A to:

a. Issue fuel licenses or temporary fuel permits.

b. Compute and collect interstate motor fuel taxes.

c. Refund overpayments of interstate fuel taxes.

d. Administer agreements with other jurisdictions for the collection and refund of interstate motor fuel tax. Pursuant to Iowa Code section 452A.56, the department has adopted and incorporates into this chapter the IFTA effective January 2025. IFTA governing documents do not create rights for the taxpayer.

505.2(3) *Waiver of rules.* In accordance with 761—Chapter 11, the director may, in response to a petition, waive provisions of this chapter. A waiver will not be granted unless the director finds that special or emergency circumstances exist.

"Special or emergency circumstances" means one or more of the following:

a. Circumstances where the movement is necessary to cooperate with cities, counties, other state agencies or other states in response to a national or other disaster.

b. Circumstances where the movement is necessary to cooperate with national defense officials.

c. Circumstances where the movement is necessary to cooperate with public or private utilities in order to maintain their public services.

d. Circumstances where the movement is essential to ensure safety and protection of any person or property due to events, such as but not limited to pollution of natural resources, a potential fire or an explosion.

e. Circumstances where weather or transportation problems create an undue hardship for citizens of the state of Iowa.

f. Circumstances where the movement involves emergency-type vehicles.

g. Uncommon or extraordinary circumstances where the movement is essential to the existence of an Iowa business and the move may be accomplished without causing undue hazard to the safety of the traveling public or undue damage to private or public property.

This rule is intended to implement Iowa Code sections 452A.51, 452A.56 and 452A.59.

761—505.3(452A) General stipulations.

505.3(1) *IFTA member requirements.* In order to enter this state and not be in violation of Iowa Code section 452A.52, the operator of the qualified motor vehicle based in an IFTA member jurisdiction must do one of the following:

a. Possess a fuel license pursuant to Iowa Code section 452A.53.

b. Purchase a temporary fuel permit pursuant to Iowa Code section 452A.53 and subrule 505.3(9) when entering or before entering the state.

505.3(2) *Non-IFTA member requirements.* The operator of a qualified motor vehicle based in a non-IFTA member jurisdiction must do one of the following:

a. Possess a fuel license pursuant to Iowa Code section 452A.53.

b. Purchase a temporary fuel permit pursuant to Iowa Code section 452A.53 and subrule 505.3(9) when entering or before entering the state.

c. Enter the state with 30 gallons of fuel or less.

d. Enter the state with less than 350 kilowatt hours of electric fuel.

e. Enter the state with only Iowa tax paid fuel.

505.3(3) *Determination of fuel supply.*

a. To determine if a vehicle has entered the state with more than 30 gallons of fuel, the total of all fuel in all tanks that could be used to fuel the power source of the vehicle shall be considered to reach a total gallonage, or diesel gallon equivalent. The fuel tank connected to a "reefer unit," which can neither be directly nor indirectly connected to the power source of the vehicle, shall not be considered in arriving at the 30-gallon total.

b. To determine if a vehicle has entered the state with more than 350 kilowatt hours of electric fuel, the total of all electric fuel in the batteries or other energy storage devices of a commercial motor vehicle shall be considered to reach total kilowatt hours, regardless of whether the batteries or storage devices are connected to the motor of the vehicle.

505.3(4) *Fuel license.*

a. A fuel license may be obtained from the motor vehicle division, provided the following information is included with the application:

(1) Name and address of company or corporation or owner who operates or controls the qualified motor vehicle(s).

(2) Name(s) and address(es) of principal or corporate officers.

(3) Signature and telephone number of contact person.

(4) A power of attorney if someone other than an officer or employee of the company will be completing quarterly reports or requesting information from the department.

(5) Any other information required by the department.

b. The fuel license remains valid until canceled or revoked. The reporting and computation procedure for a fuel license allows for the payment of taxes due and a refund of any overpayment. All persons holding a valid fuel license must file quarterly reports with the department.

505.3(5) *Number of temporary permits or licenses required.* No vehicle may operate under more than one license or temporary permit at a time.

505.3(6) *Possession of the license or temporary permit.* A license or temporary permit must be carried in the vehicle. More than one vehicle may be operated and reported under the same license by making a photocopy of the license and carrying it in each vehicle operating under said license. A license, copy of a license or temporary permit is void if altered. A duplicate license may be purchased from the motor vehicle division.

505.3(7) *Cancellation and reissuance.*

a. If a qualified motor vehicle operating under a license is consistently operated only within the state or only outside the state, the licensee or the department shall request that the license be canceled for nonuse.

b. A fuel license that has been canceled for cause pursuant to Iowa Code section 452A.68 may be reinstated if a bond is filed.

505.3(8) *Bond requirements.*

a. The department will require a bond when:

(1) A previous fuel licensee is reapplying for a fuel license and has two or more outstanding fuel billings due for periods within the three years prior to date of application for a new license.

(2) A previous fuel licensee is reapplying for a new fuel license and has failed to file two or more reports for a calendar year within the three years prior to date of application for a new license.

(3) A previous fuel licensee is reapplying for a new license and has filed reports late for two or more reporting periods for a calendar year within the three years prior to date of application for a new fuel license.

(4) The department determines from an audit that a bond is required to protect the interests of member jurisdictions.

b. Bonds are to be made payable to the state of Iowa, in the minimum amount of $500 or the equivalent to at least twice the estimated average tax liability for the reporting period in which the licensee will be required to file a tax return, whichever is greater.

c. A new license will not be issued until a copy of the bond is filed with the motor vehicle division. The motor vehicle division must be notified of bond cancellation 30 days before the cancellation is effective.

505.3(9) *Temporary fuel permits.*

a. A temporary fuel permit may be obtained by any person operating a qualified motor vehicle that is not otherwise covered by a license. The temporary permit may be obtained from the motor vehicle division. The temporary permit may also be obtained from a permit service or a processing agent. An application for a temporary permit may be made by phone, by facsimile or electronically to the motor

vehicle division. Permittees who purchase temporary fuel permits in advance of use may not return unused permits for refund.

b. The temporary fuel permit is valid for 72 consecutive hours from the date and hour appearing on the temporary permit or upon departure from Iowa, whichever occurs first. A new temporary permit is required in order to reenter the state. While a permittee is operating under a temporary permit, unlimited travel is allowed within Iowa. No refund of tax paid on overpurchases of Iowa fuel is allowed.

c. An application for a temporary fuel permit is to include but is not limited to the following information:

(1) The name and address of the person who owns or controls the vehicle.

(2) The make, year, serial number, license number and unit number of the vehicle.

(3) The address to which the temporary permit is to be sent, if applicable.

d. The temporary permit fee shall also accompany the application unless a method of collection upon delivery is requested.

e. A temporary permit is not eligible to be transferred and is valid only for the carrier and the vehicle that are described on the permit. Once a temporary permit has been issued to a qualified motor vehicle, the purchase price is nonrefundable.

f. The completed temporary permit must be carried in the qualified motor vehicle for which it is issued.

g. The 72-hour period for which the temporary permit is valid may be extended for "emergencies," such as extreme weather conditions when travel is not advisable or other instances, at the discretion of the motor vehicle division.

h. A temporary fuel permit is invalid if the permittee has outstanding IFTA fuel tax bills.

i. Fees for a temporary permit may be paid by cash, company or personal check or credit card.

505.3(10) *Qualified motor vehicles on lease.*

a. Long-term lease. Under normal circumstances, the lessee is responsible for reporting all mileage and fuel activity unless otherwise specified by the lease. Supporting documentation, including the lease, must be made available to the department to confirm the reporting responsibility.

b. Short-term lease. The lessor is responsible for reporting all mileage and fuel activity unless otherwise specified by the lease. Supporting documentation, such as a maintenance agreement or lease, must be made available to the department to confirm the reporting responsibility.

c. Purchase receipts. Purchase receipts must be made out in the name of the lessor, in the name of the lessee or to cash and must identify the vehicle for which the purchase is made by showing one of the following: vehicle license number, full vehicle identification number (VIN) or vehicle unit number.

This rule is intended to implement Iowa Code sections 452A.52 through 452A.54, 452A.58, 452A.59 and 452A.68.

761—505.4(452A) Quarterly reports.

505.4(1) *Failure to file.* All valid fuel licensees shall file quarterly reports with the department, even if a licensee has not traveled in Iowa. Failure to file is cause for revocation of the license and assessment of a penalty.

505.4(2) *Filing deadline.* All persons holding a valid fuel license, pursuant to the provisions of Iowa Code section 452A.53, shall file quarterly reports with the department and either remit any tax due no later than the last day of the month following the last day of the quarter covered by the report, or request a refund no later than the last day of the third month following the last day of the quarter covered by the report. If the claim for refund is filed after that date, no refund will be allowed.

505.4(3) *Reporting multiple vehicles on single license.* The licensee shall select which vehicles may be operated under the license. All miles traveled, interstate and intrastate, and all fuel purchased for those vehicles shall be reported on a consistent basis.

505.4(4) *Tax refund.* Refunds will be computed separately for each fuel type. If a refund for a fuel type does not exceed $10, it will not be processed unless there is more than one type of fuel reported on one return and the combined refunds for all fuel types exceed $10.

505.4(5) *Refunds of tax on fuel purchased in Iowa and consumed out of Iowa.* Even when fuel is purchased in Iowa, fuel tax is paid in Iowa and the excess fuel tax paid is subject to refund under the provisions of Iowa Code chapter 452A, relating to interstate motor vehicle operation, the refund is not subject to state sales tax.

505.4(6) *Timely filing of report.*

a. The interstate fuel tax report required under Iowa Code section 452A.54 will be deemed timely filed if received by the motor vehicle division or postpaid, properly addressed and postmarked by the United States Postal Service on or before midnight of the filing deadline. If the filing date falls on a Saturday, Sunday or legal holiday, the next secular or business day is the filing deadline.

b. All reports and remittances shall be filed online at the department's website; mailed to the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; delivered in person to 6310 SE Convenience Blvd., Ankeny, Iowa; sent by facsimile to 515.237.3225 or email to omcs@iowadot.us.

c. If a report or remittance is not received by the department and the taxpayer can prove by competent evidence that the return or remittance was timely filed, the report will be considered timely filed. For the purpose of this rule, "competent evidence" means evidence in addition to the testimony of the sender sufficient or adequate to prove that the document was mailed on a specific date.

505.4(7) *Extension of time to file.* The department may grant an extension for the filing of any required report or tax payment. In order for an extension to be granted, the application requesting such extension must be filed with the department prior to the due date of the report or remittance. In determining whether an application for extension is timely filed, the provisions of subrules 505.4(2) and 505.4(6) apply. The application for extension shall be accompanied by an explanation of the circumstances justifying an extension. Any extension granted will be documented on a form issued by the department indicating the length of the extension. This form shall be attached to the report when it is filed. If an extension is granted, the penalties under Iowa Code section 452A.65 applicable to a late-filed report or remittance do not accrue until the expiration of the extension period.

505.4(8) *Penalties.*

a. A penalty of $50 or 10 percent of the total tax due, whichever is greater, is assessed against the taxpayer if the report is not filed by the due date in accordance with subrule 505.4(6).

b. If the quarterly report shows no taxes owed or a refund due, the penalty for filing a report after the due date is $50.

505.4(9) *Interest.* Interest at the rate established pursuant to Iowa Code chapter 421 will be assessed against the taxpayer for each month the tax remains unpaid. The interest will accrue from the date the return was required to be filed. Interest does not apply to any penalty. Each fraction of a month will be considered a full month for the computation of interest.

505.4(10) *Application of remittance.* All payments will be first applied to the interest, then to the penalty and then the balance, if any, on the amount of tax then due.

a. If a taxpayer remits a payment on or before the due date, but the payment is insufficient to discharge the tax liability, the entire amount of such payment will be applied to the tax. Any penalty or interest subsequently assessed will be based on the unpaid portion of the tax.

b. If the department determines there is additional tax due from a taxpayer, interest and penalty will accrue on that amount from the date the tax should have been reported and paid.

505.4(11) *Reports, records and variations.* The department will prescribe and furnish all forms upon which reports, claims for refund, temporary permits and license applications are to be made under Iowa Code chapter 452A.

a. If the information required in these documents is presented to the department on forms or in a manner other than on the prescribed form, the report, application or claim will not be deemed "filed."

b. The fact that the reporting party does not have the prescribed form is not an acceptable reason for failure to file. The motor vehicle division may be contacted to request copies of any necessary forms.

505.4(12) *Estimating gallonage or kilowatt hours used.*

a. In the event the taxpayer's records for a specific vehicle, or vehicles, in the fleet are lacking or inadequate to support any report filed or to determine the tax liability, the department is authorized to

estimate the gallonage or kilowatt hours used upon which tax is due. This estimation will be based upon such factors, including but not limited to the following:

(1) Prior experience of the licensee.
(2) Licensees with similar operations.
(3) Other vehicles in the fleet with similar operations.
(4) Industry averages.
(5) Records available from fuel distributors or other third parties.
(6) Other pertinent information the base jurisdiction may obtain or examine.

b. In the event the taxpayer's records for the fleet as a whole are lacking or inadequate to support any report filed or to determine the tax liability, the department is authorized to do either of the following when estimating gallonage or kilowatt hours used upon which tax is due:

(1) Reduce the vehicle miles per gallon or kilowatt hours by 20 percent.
(2) Adjust the vehicle miles per gallon to 4.00 or the kilowatt hours to 1.7.

c. The findings of the department as to the amount of fuel taxes due from any person are presumed to be the correct amount and in any litigation that may follow, the certificate of the department shall be admitted in evidence and shall:

(1) Be considered to be true and accurate unless shown otherwise by an objecting party.
(2) Impose upon the other party the burden of showing any error in the department's finding and the extent thereof or that the finding was contrary to law.

505.4(13) *Information confidential.* Iowa Code section 452A.63, which makes all information obtained from reports or records required to be filed or kept under Iowa Code chapter 452A confidential, applies generally to the director, auditors, agents, officers, or other employees of the department. However, any person having acquired information disclosed in a taxpayer's filed report is bound by the same rules of confidentiality. The information may only be divulged to the appropriate public officials enumerated in Iowa Code section 452A.63.

505.4(14) *Taxes erroneously or illegally collected.* Any licensee is entitled to a refund of taxes, penalties or interest erroneously or illegally collected by the department or as a result of a computation error. The claim must be filed within a year of payment and accompanied by evidence to support the claim. If the request for refund includes the return of penalties or interest, the interest or penalties will be refunded in the same proportion as the tax.

505.4(15) *Supplemental billings.* The amount due is payable upon being billed by the motor vehicle division. Billings will be generated by the department for the collection of additional amounts due in the following circumstances:

a. Penalties are assessed under the provisions of subrule 505.4(8).
b. Interest is assessed under the provisions of subrule 505.4(9).
c. An error in the computation on the front of the report results in additional tax due.
d. There is a failure to remit payment for part or all of the tax due with the filed report.
e. Payment is remitted and subsequently not honored.
f. Taxes, penalties or interest are assessed as the result of an audit.

This rule is intended to implement Iowa Code sections 452A.54, 452A.55, 452A.59, 452A.60, 452A.61 and 452A.63 through 452A.65.

761—505.5(452A) Audits—required reports.

505.5(1) *Delegation to audit and examine.* Pursuant to Iowa Code sections 452A.53, 452A.55, and 452A.62, the department reserves the right to examine returns and records, perform audits and determine the correct amount of tax due.

505.5(2) *Statute of limitations.* Within three years after a return is filed, the department may audit the return to determine the accuracy of taxes paid. There is no time limitation on collection activities for any tax, penalty or interest due the department.

505.5(3) *Outstanding tax, penalty or interest for canceled and inactive licenses.* Any outstanding taxes, penalties or interest must be paid before reapplying for a fuel license.

505.5(4) *Audit period—records—costs.* The statute of limitations on the determination of any additional tax liability shall be three years after a return is filed; therefore, all records must be kept for four years after a return is filed.

a. For the purpose of verifying the correctness of a return filed or for estimating the tax liability of any taxpayer, the department has:

(1) The right and duty to examine or cause to be examined the books, papers, records, memoranda or documents of a taxpayer that relate in any manner to fuel taxes.

(2) The authority to require, at a hearing, the attendance of the taxpayer and other witnesses and the production of books, papers, records, memoranda or documents.

b. The cost of an audit shall be at the taxpayer's expense when the records are maintained outside the state of Iowa.

505.5(5) *Taxpayers required to keep records.*

a. The records required to be kept by this rule, including invoices or other proofs of purchase, shall:

(1) Be preserved for a period of four years after a return is filed unless otherwise stated.

(2) Be open for examination by the department.

b. The fact that the tax has been paid shall appear on the proof of purchase.

505.5(6) *Records to be kept and preserved.* Every person required to file a quarterly report under Iowa Code section 452A.54 shall keep and preserve the following records:

a. Fuel purchase invoices containing:

(1) The date of the fuel purchase.

(2) The name and address of the seller of the fuel (a vendor code, properly identified, is acceptable for this purpose).

(3) The quantity of fuel purchased.

(4) The type of fuel purchased, the price of the fuel per gallon or per liter or the total price of the fuel purchased.

(5) The identification of the qualified motor vehicle into which the fuel was placed.

(6) The name of the purchaser of the fuel. When the qualified motor vehicle being fueled is subject to a lease, the name of either the lessor or lessee is acceptable for this purpose, provided a legal connection can be made between the purchaser named and the licensee.

b. Documentation for bulk fuel storage containing:

(1) Receipts for all deliveries.

(2) Quarterly inventory reconciliations for each tank.

(3) The capacity of each tank.

(4) Bulk withdrawal records for every bulk tank at each location.

(5) The purchase price of the fuel delivered into the bulk storage, including tax paid to the member jurisdiction where the bulk storage is located.

(6) Proof the licensee has paid fuel tax to the member jurisdiction where the bulk storage is located.

(7) The location of the bulk storage from which the withdrawal was made.

(8) The date of each withdrawal, including non-IFTA withdrawals.

(9) The quantity of fuel withdrawn, including non-IFTA withdrawals.

(10) The type of fuel withdrawn.

(11) The identification of the vehicle or equipment into which the fuel was placed.

c. Distance records (manual records) containing:

(1) The beginning and ending dates of the trip to which the records pertain.

(2) The origin and destination of the trip.

(3) The route of travel.

(4) The beginning and ending reading from the odometer, hubodometer, engine control module (ECM) or any similar device for the trip.

(5) The total distance of the trip.

(6) The distance traveled in each jurisdiction during the trip.

(7) The VIN or vehicle unit number.

d. Electronic tracking device record created and maintained at a minimum every ten minutes when the vehicle's engine is on, containing the following data elements:

(1) The date and time of each system reading.

(2) The latitude and longitude to include a minimum of four decimal places (0.0001) of each system reading.

(3) The odometer reading from the ECM of each system reading. If no ECM odometer is available, a beginning and ending dashboard odometer or hubodometer for the trip will be acceptable.

(4) The VIN or vehicle unit number.

e. Data required under paragraph 505.5(6)*"d"* must be accessible in an electronic spreadsheet format, such as XLS, XLSX, CSV or delimited text file. Formats from a vehicle tracking system that provides a static image, such as PDF, JPEG, PNG or Word, are not acceptable.

505.5(7) *New licensees.* When a person is issued a new license, the department may, within one year of issuance of the license, audit the records of the new licensee for a period going back two years from the date of issuance.

505.5(8) *Nonlicense and nonpermit holders.* All persons who bring into the state a qualified motor vehicle, upon which the Iowa tax on said fuel has not been paid, are operating within the purview of these rules as stated in Iowa Code section 452A.55. Such persons are therefore subject to audit and must keep the same records required of a fuel licensee.

505.5(9) *Interstate—intrastate operators—motor vehicle special fuel holding tanks.* If a person operates one or more qualified motor vehicles under a fuel license and also operates one or more qualified motor vehicles that are not operated under the fuel license, recordkeeping regarding the fuel consumed from the special holding tank may be performed in either of the following ways:

a. Operators of interstate vehicles shall be given an invoice that meets the standards set forth in Iowa Code section 452A.17, for each tank fill, and the vehicle operator must then log the mileage.

b. The licensee shall report total miles driven and total fuel used from the bulk tank, including both interstate and intrastate vehicles.

This rule is intended to implement Iowa Code sections 452A.53, 452A.55, 452A.59, 452A.60, 452A.62 and 452A.69.

761—505.6(452A) Hearings.

505.6(1) *Conduct of hearings.* Hearings are conducted in accordance with Iowa Code section 452A.69.

505.6(2) *Circumstances for holding hearings.*

a. When there is reasonable cause to believe that there is an evasion of fuel taxes, the department may cause a hearing to be held to determine the amount of fuel taxes due, if any. The person who is suspected of evading fuel taxes will be sent at least ten days' notice of the hearing. The provisions of Iowa Code section 452A.64 and paragraph 505.4(12)*"b"* apply.

b. If a licensee disputes the findings of an investigation or audit by the department, the licensee may request a hearing to present further evidence, information or records to support the claim. The hearing request shall be submitted in writing to the director of the motor vehicle division within 30 days of the date of notice of audit results issued by the department. A copy of the hearing request must be sent to: Iowa Attorney General's Office, Transportation Section, Attn: Audit Appeals, 800 Lincoln Way, Ames, Iowa 50010.

This rule is intended to implement Iowa Code sections 452A.59, 452A.64 and 452A.69.

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[Published 10/1/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9577C

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to classes of driver's licenses

The Transportation Department hereby rescinds Chapter 602, "Classes of Driver's Licenses," Iowa Administrative Code, and adopts a new Chapter 602 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12(1)"j," 321.180, 321.180B, 321.189 and 321.194.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.1, 321.8, 321.177, 321.178, 321.180 through 321.180B, 321.189, 321.194, 321.196 and 321.213B.

Purpose and Summary

This rulemaking repromulgates Chapter 602 in compliance with Executive Order 10. Chapter 602 provides guidance to members of the public on the classes of driver's licenses and driver permits issued by the Department and the accompanying eligibility requirements and to comply with changes made to classes of driver's licenses available to minors pursuant to 2024 Iowa Acts, Senate File 2109.

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 9293C**. Public hearings were held on the following date:

- June 18, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 12, 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.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 602 and adopt the following **new** chapter in lieu thereof:

CHAPTER 602
CLASSES OF DRIVER'S LICENSES

761—602.1(307,321) Information and location. Applications, forms and information regarding driver's licenses are available at any driver's license service center or by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; by telephone at 515.244.8725; by facsimile at 515.239.1837; or on the department's website at www.iowadot.gov/drivers-licenses-ids/get-or-renew-drivers-licenses-ids-permits.

This rule is intended to implement Iowa Code sections 307.12(1)*"j"* and 321.8.

761—602.2(307,321) Definitions.

"Iowa-approved course" means a course in driver education, motorcycle rider education or motorized bicycle rider education approved by the department.

"License" means driver's license as defined in Iowa Code section 321.1(20A) unless the context otherwise requires.

"Member of permittee's immediate family" means as follows:

1. As used in Iowa Code section 321.180(1), the permittee's parent or guardian or a brother, a sister or other relative of the permittee who resides at the permittee's residence.

2. As used in Iowa Code section 321.180B(1) and 321.180B(2), a brother, a sister or other relative of the permittee who resides at the permittee's residence.

"Provider" means a provider of an Iowa-approved course.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.1, 321.180 and 321.180B.

761—602.3(321) Driver's licenses.

602.3(1) *Classes.* The department issues the following classes of driver's licenses. All licenses issued, including special licenses and permits, shall carry a class designation. A license will be issued for only one class, except that Class M may be issued in combination with another class.

Class A—commercial driver's license (CDL)

Class B—commercial driver's license (CDL)

Class C—commercial driver's license (CDL)

Class C—noncommercial driver's license

Class D—noncommercial driver's license (chauffeur)

Class M—noncommercial driver's license (motorcycle)

602.3(2) *Special licenses and permits.* The department issues the following special licenses and permits. More than one type of special license or permit may be issued to an applicant. On the driver's license, a restriction number designates the type of special license or permit issued as follows:

1—Motorcycle instruction permit—includes motorcycle instruction permits issued under Iowa Code sections 321.180(1) and 321.180B(1)

2—Noncommercial instruction permit (vehicle less than 16,001 gross vehicle weight rating)—includes instruction permits, other than motorcycle instruction permits, issued under Iowa Code sections 321.180(1), 321.180A and 321.180B(1)

3—Commercial learner's permit

4—Chauffeur's instruction permit

5—Motorized bicycle (moped) license
6—Minor's restricted work license
7—Special minor's restricted license
8—Special instruction permit

602.3(3) *Commercial driver's license (CDL).* More information is contained in 761—Chapter 607 on the procedures, requirements and validity of a commercial driver's license (Classes A, B and C) and a commercial learner's permit, and their restrictions and endorsements.

This rule is intended to implement Iowa Code sections 321.178, 321.180 through 321.180B, 321.189, and 321.194.

761—602.4(307,321) Certificates of completion and forms.

602.4(1) *Iowa-approved course.* Proof of successful completion of an Iowa-approved course shall be submitted to the department on Form 430036 or through an online reporting system used by participating providers.

602.4(2) *Out-of-state course.*

a. If a student completed a course in another state, a provider of an Iowa-approved course may issue the form or online completion, if applicable, for the student if the provider determines that the out-of-state course is comparable to the Iowa-approved course.

b. If the out-of-state course is comparable but lacks certain components of the Iowa-approved course, the provider may issue the form or online completion, if applicable, after the student completes the missing components.

602.4(3) *Affidavit for special minor's restricted license.* Form 430021 shall be used for submitting the required statements, affidavits and parental consent for a special minor's restricted license. More information is contained in rule 761—602.9(321).

602.4(4) *Certification and consent for employment and multiple residences.* Form 430022 shall be used to satisfy the requirements of Iowa Code section 321.194(2) and 321.194(9). In addition to the information required under Iowa Code section 321.194(2), the form must contain the employer's contact information and any other information required by the department.

602.4(5) *Waiver of accompanying driver for intermediate licensee.* Form 431170 is the waiver described in Iowa Code section 321.180B(2). This form allows an intermediate licensee to drive unaccompanied between the hours of 12:30 a.m. and 5 a.m. and must be in the licensee's possession when the licensee is driving during the hours to which the waiver applies.

a. If the waiver is for employment, the form must be signed by the licensee's employer.

b. If the licensee attends a public school and the waiver is for school-related extracurricular activities, the form must be signed by the chairperson of the school board, the superintendent of the school, or the principal of the school if authorized by the superintendent. If the licensee attends an accredited nonpublic school and the waiver is for school-related extracurricular activities, the form must be signed by an authority in charge of the accredited nonpublic school or a duly authorized representative of the authority.

c. If the licensee receives competent private instruction or independent private instruction, the form must be signed by the licensee's primary instructor.

d. The form must be signed by the licensee's parent or guardian. However, the parent's or guardian's signature is not required if the licensee is married and the original or a certified copy of the marriage certificate is in the licensee's possession when the licensee is driving during the hours to which the waiver applies.

602.4(6) *Passenger restriction for intermediate licensee.* The passenger restriction required by Iowa Code section 321.180B(2) will be added to an intermediate license unless waived by the licensee's parent or guardian at the time the license is issued. If the restriction is not waived at the time the license is issued, the intermediate license will be designated with a "9" restriction with the following notation: "Only 1 unrelated minor passenger allowed until [six months from the date the license is issued]." The licensee must obey the restriction for the first six months after the intermediate license is issued. If a parent or guardian wishes to waive the passenger restriction after the license has already been issued, the

licensee and the parent or guardian must apply for a duplicate license and pay the replacement fee pursuant to 761—subrule 605.11(4).

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.8, 321.178, 321.180B, 321.184, 321.189, and 321.194.

761—602.5(307,321) Class C noncommercial driver's license.

602.5(1) *Validity.* A noncommercial Class C driver's license that is not a special license or permit is valid for operating:

a. A motor vehicle, including an autocycle as defined in Iowa Code section 321.1, that does not require a commercial driver's license or a Class D driver's license for its operation.

b. A motorized bicycle.

c. A motorcycle only if the license has a motorcycle endorsement.

602.5(2) *Requirements.*

a. Except as otherwise provided in Iowa Code section 321.178(3), an applicant under 18 years of age must meet the requirements of Iowa Code section 321.180B and submit proof of successful completion of an Iowa-approved course in driver education.

b. For purposes of determining eligibility for an intermediate license issued to a person 16 or 17 years of age under Iowa Code section 321.180B(2):

(1) The 12-month period during which the applicant is required to possess an instruction permit before applying for an intermediate license is calculated cumulatively and includes any period of time during which the applicant has held a valid instruction permit issued under Iowa Code section 321.180B(1), a special minor's restricted license issued under Iowa Code section 321.194 or comparable instruction permit or license issued by another state, but excludes any period of time during which the permit or license is suspended, revoked or canceled or the applicant otherwise did not have a valid driving privilege.

(2) The six-month period during which the applicant is required to remain accident- and violation-free is calculated continuously and must encompass without interruption the six-month period of time immediately preceding the application. The applicant must hold a valid instruction permit issued under Iowa Code section 321.180B(1), a special minor's restricted license issued under Iowa Code section 321.194 or a comparable instruction permit or license issued by another state and maintain a valid driving privilege without interruption throughout the continuous six-month period.

(3) The three-month waiting period required under Iowa Code section 321.194(7)*"b,"* if applicable, will be calculated to begin on the licensee's sixteenth birthday and must be satisfied in addition to the requirements of subparagraphs 602.5(2)*"b"*(1) and *"b"*(2). Any additional three-month waiting period will begin on the date the previous waiting period (if any) expires.

c. For purposes of determining eligibility for a full license issued to a person 17 years of age under Iowa Code section 321.180B(4), the 12-month period during which the applicant is required to possess an intermediate license and to remain accident- and violation-free before applying for a full license is calculated together and continuously and must encompass without interruption the 12-month period of time immediately preceding the application. The applicant must hold a valid intermediate license issued under Iowa Code section 321.180B(2) or a comparable license issued by another state and maintain a valid driving privilege without interruption throughout the continuous 12-month period.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.1, 321.177, 321.178, 321.180B, 321.189, 321.194 and 321.196.

761—602.6(307,321) Class D noncommercial driver's license (chauffeur).

602.6(1) *Validity.* A noncommercial Class D driver's license is valid for operating:

a. A motor vehicle as a chauffeur as specified by the endorsement on the license unless the type of vehicle or type of operation requires a commercial driver's license.

b. A motor vehicle that may be legally operated under a noncommercial Class C driver's license, including a motorized bicycle.

c. A motorcycle only if the license has a motorcycle endorsement.

602.6(2) *Requirement.* The license shall have one endorsement authorizing a specific type of motor vehicle or type of operation as listed in 761—subrule 605.7(3).

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.1 and 321.189.

761—602.7(307,321) Class M noncommercial driver's license (motorcycle).

602.7(1) *Validity.* A noncommercial Class M driver's license that is not a special license or permit is valid for operating:

a. A motorcycle. However, the license may have a restriction that limits operation to a three-wheel motorcycle.

b. A motorized bicycle.

602.7(2) *Requirements.*

a. An applicant shall be at least 16 years of age.

b. Except as otherwise provided in Iowa Code section 321.178(3), an applicant under 18 years of age must meet the requirements of Iowa Code section 321.180B and submit proof of successful completion of both an Iowa-approved course in driver education and an Iowa-approved course in motorcycle rider education.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.177, 321.178, 321.180B, 321.189 and 321.196.

761—602.8(299,321) Minor's restricted work license.

602.8(1) *Validity.*

a. A minor's restricted work license is a restricted, noncommercial Class C or Class M driver's license.

b. The type of motor vehicle that may be operated is controlled by the class of driver's license issued. A Class C minor's restricted work license is valid for operating a motorcycle only if the license has a motorcycle endorsement. A minor's restricted work license is valid for operating a motorized bicycle only for the purposes specified in Iowa Code section 321.178(2).

c. The license is valid for two years or until the licensee attains age 18, whichever is sooner.

602.8(2) *Requirements.* An applicant who qualifies under Iowa Code section 321.178(2) must submit the following to the department:

a. A statement from the employer confirming the applicant's employment.

b. Proof of nonattendance at school. Proof of nonattendance is receipt of notification from the appropriate school authority that the applicant does not attend school as described in 761—subrule 615.23(2).

c. Proof of successful completion of an Iowa-approved course in driver education.

d. For a Class M minor's restricted work license or a motorcycle endorsement, proof of successful completion of an Iowa-approved course in motorcycle rider education.

This rule is intended to implement Iowa Code sections 299.1B, 321.178, 321.180B, 321.189, 321.196 and 321.213B.

761—602.9(321) Special minor's restricted license.

602.9(1) *Validity.*

a. A special minor's restricted license is a restricted, noncommercial Class C or Class M driver's license.

b. The type of motor vehicle that may be operated is controlled by the class of driver's license issued. A Class C special minor's restricted license is valid for operating a motorcycle only if the license has a motorcycle endorsement. A special minor's restricted license is valid for operating a motorized bicycle.

c. The license is valid for four years or until the licensee attains age 18, whichever is sooner.

602.9(2) *Requirements.* An applicant who qualifies under Iowa Code section 321.194(1) and 321.194(3) must submit the following to the department:

a. Form 430021, containing the required certification under Iowa Code section 321.194(6).

b. Proof of successful completion of an Iowa-approved driver's education course.

c. For a Class M special minor's restricted license or a motorcycle endorsement, proof of successful completion of an Iowa-approved course in motorcycle rider education.

602.9(3) *Exemption.*

a. An applicant is not required to have completed an approved driver education course if the applicant demonstrates to the satisfaction of the department that completion of the course would impose a hardship upon the applicant; however, the applicant must meet all other requirements for a special minor's restricted license. "Hardship" means the applicant's parent, guardian or custodian does not qualify as a teaching parent as defined in Iowa Code section 321.178A(2)*"c"* and the applicant meets one of the following criteria:

(1) If the applicant is 14 years old, that a driver education course will not begin at the applicant's school(s) of enrollment or at a public school in the applicant's district of residence within one year following the applicant's fourteenth birthday.

(2) If the applicant is 15 years old, that a driver education course will not begin at the applicant's school(s) of enrollment or at a public school in the applicant's district of residence within six months following the applicant's fifteenth birthday.

(3) If the applicant is between 16 and 18 years old, that a driver education course is not offered at the applicant's school(s) of enrollment or at a public school in the applicant's district of residence at the time the request for hardship status is submitted to the department.

(4) That the applicant is a person with a disability. In this rule, "person with a disability" means that, because of a disability or impairment, the applicant is unable to walk in excess of 200 feet unassisted or cannot walk without causing serious detriment or injury to the applicant's health.

b. "Demonstrates to the satisfaction of the department" means the applicant has provided the department written proof that a hardship exists signed by the applicant's parent, guardian or custodian and the applicable school authority authorized to sign the certification form for a special minor's restricted license pursuant to Iowa Code section 321.194(6).

c. The department reserves the right to verify any assertion made in the application for hardship exemption under this subrule.

602.9(4) *Multiple residences.*

a. A special minor's restricted license approved for travel to and from up to three residences pursuant to Iowa Code section 321.194(9)*"d"* is not valid for travel directly between each residence unless the licensee is accompanied in accordance with Iowa Code section 321.180B(1) or unless the travel is for the purposes set forth in and subject to the limitations of Iowa Code section 321.194(4) or 321.194(5).

b. The primary residential address listed on Form 430021 will appear on the face of the license.

This rule is intended to implement Iowa Code sections 321.177, 321.180B, 321.189, 321.194 and 321.196.

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[Published 10/1/25]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9578C

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to license examination

The Transportation Department hereby rescinds Chapter 604, "License Examination," Iowa Administrative Code, and adopts a new Chapter 604 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12(1)"j" and 321.186.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12(1)"j," 321.1, 321.2, 321.3, 321.13, 321.20A, 321.174, 321.177 through 321.178A, 321.180 through 321.181, 321.186, 321.186A, 321.189, 321.193, 321.196, 321.198 and 321.210.

Purpose and Summary

This rulemaking repromulgates Chapter 604 in compliance with Executive Order 10. Chapter 604 complies with Iowa Code sections 321.177 and 321.186. Iowa Code section 321.177 prohibits the Department from issuing a driver's license to an applicant who fails to pass an examination or who is unable to operate a motor vehicle safely due to a physical or mental disability. Iowa Code section 321.186 authorizes the Department to examine an applicant for a driver's license to determine an applicant's ability to operate a motor vehicle safely.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 11, 2025, as **ARC 9335C**. Public hearings were held on the following date:

- July 1, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 12, 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.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 604 and adopt the following **new** chapter in lieu thereof:

CHAPTER 604
LICENSE EXAMINATION

761—604.1(307,321) Authority and scope.

604.1(1) The department is authorized to determine by examination an applicant's ability to operate motor vehicles safely upon the highways and to issue all driver's licenses.

604.1(2) This chapter applies to the examination for all driver's licenses. Information on the additional examination procedures and requirements for a commercial driver's license or commercial learner's permit is given in 761—Chapter 607.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.2, 321.3, 321.13, 321.177 and 321.186.

761—604.2(307,321) Definitions.

"Binocular field of vision" is the sum of the temporal measurements or the sum of the nasal measurements.

"License" means "driver's license" as defined in Iowa Code section 321.1(20A) unless the context otherwise requires.

"Monocular field of vision" is the sum of the temporal measurement and the nasal measurement for one eye.

"Representative vehicle" is a vehicle that is characteristic of and requires operating skills comparable to those vehicles that may legally be operated under the class of license or endorsement desired.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.174 and 321.186.

761—604.3(307) Information and forms.

604.3(1) Applications, forms and information about driver's license examinations are available at any driver's license service center. Assistance is also available by mail at Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.244.8725; by facsimile at 515.239.1837; or on the department's website at www.iowadot.gov/mvd/driverslicense/driverslicense/descriptions.

604.3(2) The "Iowa Driver Manual" and the "Iowa Motorcycle Operator Manual" are also available from the department and on the department's website.

This rule is intended to implement Iowa Code section 307.12(1)*"j."*

761—604.4(307,321) Examination.

604.4(1) An examination is to include:

a. A vision screening if the person has not filed a vision report.

b. A knowledge test of Iowa traffic laws and highway signs.

c. A driving test of the person's ability to operate a motor vehicle.

604.4(2) The examination required for a driver's license depends upon the class of license requested, applicable endorsements and the qualifications of the applicant.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.186 and 321.186A.

761—604.5(307,321) Vision screening.

604.5(1) *Method.* Prior to issuance, the department will use a vision screening instrument to screen the applicant's vision. An applicant who uses corrective lenses may be screened with or without the corrective lenses.

604.5(2) *Report.* A vision report measuring visual acuity level and field of vision is to be submitted on Form 430032 signed by a licensed vision specialist within 30 days prior to submission to the department for consideration. In lieu of Form 430032, a letter signed by a licensed vision specialist may be accepted if it contains all the information specified on Form 430032.

604.5(3) *Exception for persons renewing electronically.* An applicant renewing a driver's license electronically pursuant to 761—subrule 605.25(7) is not required to complete a vision screening or

submit a vision report. This subrule does not preclude the department from requiring a vision screening or vision report of a person who has renewed a driver's license electronically when the department has reason to believe that the person is not capable of operating a motor vehicle safely.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.186, 321.186A and 321.196.

761—604.6(307,321) Vision standards. The visual acuity and field of vision standards for licensing and the applicable restrictions are as follows.

604.6(1) *Visual acuity standards.*

a. When the applicant is screened without corrective lenses. If the visual acuity is 20/40 or better with both eyes or with the better eye, no restriction will be imposed. If the visual acuity is less than 20/40 but at least 20/70 with both eyes or with the better eye, the applicant is to be restricted from driving when headlights are required.

b. When the applicant is screened with corrective lenses. If the visual acuity is 20/40 or better with both eyes or with the better eye, the applicant is to be restricted to wear corrective lenses when driving. If the visual acuity is less than 20/40 but at least 20/70 with both eyes or with the better eye, the applicant is to be restricted from driving when headlights are required and to wear corrective lenses when driving.

c. Other standards.

(1) If the visual acuity in the left eye is less than 20/100, the applicant is to be restricted to driving a vehicle with both left and right outside rearview mirrors. However, if the applicant has a visual acuity of 20/40 in the right eye and less than 20/100 in the left eye without corrective lenses and has corrective lenses that improve the vision in the left eye to better than 20/100, the applicant is to have the option of being restricted to driving with corrective lenses or driving a vehicle with both left and right outside rearview mirrors.

(2) A driving test is required prior to issuance the first time visual acuity measures below 20/40.

604.6(2) *Field of vision standards.*

a. If the binocular field of vision is at least 140 degrees, no restriction will be imposed.

b. If the binocular field of vision is less than 140 degrees but at least 110 degrees, or one eye has a monocular field of vision of at least 100 degrees, the applicant is to be restricted to driving a vehicle with both left and right outside rearview mirrors.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.186, 321.193 and 321.196.

761—604.7(307,321) Vision referrals.

604.7(1) *Referral.*

a. If, during any vision screening, an applicant cannot attain 20/40 with at least one eye but can attain 20/70 with at least one eye, the department will not issue a license to the applicant and will advise the applicant to consult a licensed vision specialist.

b. A vision report, pursuant to subrule 604.5(2), is required before the department will reconsider licensing.

604.7(2) *License.* If the applicant's license is valid, the department may issue a temporary driving permit with restrictions appropriate to the applicant's visual acuity level and field of vision. If the applicant's license is valid for less than 30 days, the temporary driving permit will not be valid for more than 60 days from the end of the current license validity.

604.7(3) *Report.* If the vision report recommends a restriction, the department will issue a restricted license even though it would not be required by departmental standards.

604.7(4) *Applicant refusal.* If an applicant refuses to consult a licensed vision specialist, the department will issue or deny the license based on the results achieved on the vision screening.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.181, 321.186, 321.186A, 321.193 and 321.196.

761—604.8(307,321) Vision screening results.

604.8(1) *Two-year license.* An applicant who cannot attain a visual acuity of 20/40 with both eyes or with the better eye will be issued a two-year license.

604.8(2) *License denied.*

a. An applicant who cannot attain a visual acuity of 20/70 with both eyes or with the better eye will not be licensed subject to discretionary issuance under subrule 604.8(4).

b. If the applicant's binocular field of vision is less than 110 degrees or the monocular field of vision is less than 100 degrees, the applicant will not be licensed subject to discretionary issuance under subrule 604.8(4).

604.8(3) *Reapplication.* An applicant who cannot meet the vision standards in subrule 604.8(2) may reapply when the vision improves and the applicant meets the vision standards. If a suspension or denial notice was served, reapplication is to be made to the motor vehicle division at the address in subrule 604.3(1) or at a driver's license service center.

604.8(4) *Discretionary issuance.*

a. An applicant whose license is restricted under rule 761—604.6(321) or who cannot meet the vision standards in subrule 604.8(2) may submit a written request for review by the department.

b. Based upon consideration of the applicant's vision report, driving test and driving record, the written recommendation of the applicant's licensed vision specialist and traffic conditions in the vicinity of the applicant's residence, the department may recommend issuing a license with restrictions suitable to the applicant's capabilities subject to the following:

(1) An applicant who cannot attain a visual acuity of 20/100 with both eyes or with the better eye may be considered for licensing only after recommendation by the medical advisory board.

(2) An applicant who cannot attain a visual acuity of 20/199 with both eyes or with the better eye will not be licensed.

(3) An applicant who cannot attain a binocular or monocular field of vision of 75 degrees may be considered for licensing only after recommendation by the medical advisory board.

(4) An applicant who cannot attain a binocular or monocular field of vision of 21 degrees will not be licensed.

c. The department's recommendation denying discretionary issuance or regarding the extent and nature of restrictions is subject to reversal or modification upon review or appeal only if it is clearly characterized by an abuse of discretion.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.186, 321.186A, 321.193 and 321.196.

761—604.9(307,321) Knowledge test.

604.9(1) *Written test.* A knowledge test is used to determine an applicant's ability to read and understand Iowa traffic laws and the highway signs that regulate, warn and direct traffic. The department reserves the right to revise a test at any time and will declare the minimum passing score for each test.

604.9(2) *Oral test.* An applicant who is unable to read or understand a written test may request an oral test. The oral test may be administered by an examiner or by an automated testing device.

604.9(3) *Test score.* The test score result is valid for 180 days.

604.9(4) *Retesting.* An applicant who fails a knowledge test may repeat the test at the discretion of the examiner.

This rule is intended to implement Iowa Code sections 307.12(1)*"j"* and 321.186.

761—604.10(307,321) Knowledge test requirements and waivers.

604.10(1) *Knowledge test requirements.* The knowledge test requirements are as follows:

a. An operator's knowledge test is required for all classes of noncommercial driver's licenses and all types of special driver's licenses and permits.

b. A motorcycle knowledge test is required for all:

(1) Motorcycle instruction permits.

(2) Class M driver's licenses.

(3) Motorcycle endorsements.

604.10(2) *Knowledge test waivers.* The department may waive a knowledge test listed in subrule 604.10(1) if the applicant meets one of the following qualifications:

a. The applicant has passed the same type of test for another Iowa driver's license or an equivalent out-of-state license that is still valid or has expired within the past year.

b. The applicant has a valid, equivalent driver's license issued by a foreign jurisdiction with which Iowa has a nonbinding reciprocity agreement.

c. The applicant has a military extension and is renewing the applicant's Iowa driver's license within six months following separation from active duty.

d. The applicant is renewing an Iowa driver's license or endorsement within a period of one year after the expiration date of the license or endorsement.

e. The applicant is reinstating from a denial, cancellation, suspension, revocation, disqualification or bar of an Iowa driver's license or endorsement within a period of one year after the expiration date of the denial, cancellation, suspension, revocation, disqualification or bar.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.1(8), 321.180 through 321.180B, 321.186, 321.189, 321.196 and 321.198.

761—604.11(307,321) Driving test. A driving test is used to determine an applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle under actual traffic conditions. The test may also be called a road test, field test or driving demonstration. A motorcycle skills test is an off-street demonstration of an applicant's ability to control the motorcycle in a set of standard maneuvers, and a motorcycle driving test is an on-street demonstration.

604.11(1) *Vehicle type and safety.*

a. For the driving test, the applicant is to provide a representative vehicle and proof of financial responsibility for the representative vehicle.

b. The examiner or other authorized personnel will visually inspect the vehicle. If a vehicle is illegal or unsafe or is not a representative vehicle, the examiner will refuse to administer the test until an acceptable vehicle is provided.

604.11(2) *Criteria and route.* Form 430024 explains the test criteria and will be given to the applicant before any operator's driving test. The applicant will be directed over one of the routes that have been preselected by the examiner to test driving skills and maneuvers.

604.11(3) *Test score.* The examiner will use the standard departmental score sheet to record the test score and the licensing decision. At the end of the test, the examiner will explain the test score to the applicant. The test score result is valid for 180 days.

604.11(4) *Retesting.* An applicant who fails a driving test may repeat the test at the discretion of the examiner.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.174 and 321.186.

761—604.12(307,321) Driving test requirements and waivers for noncommercial driver's licenses.

604.12(1) *Driving test requirements.* The driving test requirements for noncommercial driver's licenses are as follows.

a. Instruction permits. An applicant is not required to obtain an instruction permit for a driving test.

b. Class C driver's licenses. For a Class C driver's license other than an instruction permit or a motorized bicycle license, an operator's driving test is to be in a representative vehicle, except that an autocycle as defined in Iowa Code section 321.1(6A) cannot be used for the driving test.

c. Class D driver's licenses. For a Class D driver's license, a driving test in a representative vehicle for the endorsement requested, as set out in 761—subrule 605.7(3), is required.

d. Class M driver's licenses and motorcycle endorsements. The driving test for a Class M driver's license or motorcycle endorsement consists of two parts: an off-street motorcycle skill test and an on-street motorcycle driving test.

(1) The off-street motorcycle skill test is required. The on-street motorcycle driving test is also required if the applicant does not have another driver's license that permits unaccompanied driving. Neither motorcycle test is required for the purposes of operating an autocycle.

(2) A motorcycle is to be used for the motorcycle skills test and motorcycle driving test. If a three-wheeled motorcycle is used, the driver's license will be restricted: "Not valid for 2-wheel vehicle." An autocycle is not considered a motorcycle or a three-wheeled motorcycle for testing purposes.

e. Motorized bicycle licenses. For a motorized bicycle license, an off-street or on-street driving test may be required. A motorized bicycle is to be used for the test.

604.12(2) *Driving test waivers.* The department may waive a required driving test listed in subrule 604.12(1) if the applicant meets one of the following qualifications:

a. The applicant has successfully completed the appropriate Iowa-approved course or courses. The appropriate Iowa-approved courses are the following: driver education, other than driver education by a teaching parent under rule 761—634.11(321), for an applicant's first Class C driver's license that permits unaccompanied driving other than motorized bicycle; motorcycle rider education for a Class M driver's license or motorcycle endorsement; and motorized bicycle education for a motorized bicycle license. However, if an applicant is under the age of 18, a driving test is required if requested by the applicant's parent, guardian or course instructor.

b. The applicant is renewing a Class C, Class D or Class M Iowa driver's license or endorsement within a period of one year after the expiration date of the license or endorsement.

c. The applicant is reinstating from a denial, cancellation, suspension, revocation, disqualification or bar of an Iowa driver's license or endorsement within a period of one year after the expiration date of the denial, cancellation, suspension, revocation, disqualification or bar.

d. The applicant has passed the same type of driving test for another Iowa driver's license or endorsement that is still valid or has expired within the past year.

e. The applicant has a military extension and is renewing the applicant's Iowa driver's license within six months following separation from active duty.

f. The applicant is applying for a Class C Iowa driver's license that permits unaccompanied driving and has an equivalent out-of-state license that is valid or has expired within the past year.

g. The applicant is applying for a Class D Iowa driver's license and has an equivalent out-of-state license that is valid or has expired within the past year.

h. The applicant is applying for a Class M driver's license or a motorcycle endorsement and has an equivalent out-of-state Class M driver's license or motorcycle endorsement that is valid or has expired within the past year.

i. The applicant has a valid, equivalent driver's license issued by a foreign jurisdiction with which Iowa has a nonbinding reciprocity agreement.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.1, 321.174, 321.178, 321.178A, 321.180 through 321.180B, 321.186, 321.189, 321.193, 321.196 and 321.198.

761—604.13(307,321) Failure to pass examination.

604.13(1) An applicant who fails to pass a required examination or reexamination will not be licensed.

a. If the applicant does not have a valid Iowa license, the department will deny the applicant a license.

b. If the applicant has a valid Iowa license, the department will suspend the license for incapability. However, if the applicant's license is valid for less than 30 days, the department will deny further licensing. The department will serve a notice of suspension or denial.

c. More information regarding denials and suspensions for incapability can be found in rule 761—615.4(321).

d. An applicant may contest a denial or suspension in accordance with rule 761—615.38(321).

604.13(2) Limitations on the hearing and appeal process.

a. After a suspension or denial for failure to pass a required knowledge or driving test, a person who contests the suspension or denial has exhausted the person's administrative remedies after three unsuccessful attempts to pass the required test.

b. After the three unsuccessful attempts, no further testing will be allowed until six months have elapsed from the date of the last test failure and then only if the applicant demonstrates a significant change or improvement in those physical or mental factors that resulted in the original decision. A request for further testing must be submitted in writing to the motor vehicle division at the address in subrule 604.3(1).

c. Notwithstanding paragraphs 604.13(2)*"a"* and *"b,"* no testing will occur if the department determines that it is unsafe to allow testing.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.177, 321.180A and 321.210.

761—604.14(307,321) Reinstatement. A person whose license has been suspended or denied for failure to pass a required examination or reexamination is to meet the vision standards for licensing and pass the required examination(s) before an Iowa license will be issued.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.177 and 321.186.

761—604.15(307,321) Special reexaminations.

604.15(1) As provided in Iowa Code section 321.186, the department may require a special reexamination of any licensee. The reexamination may consist of one or more of the following:

a. Medical report.
b. Vision report.
c. Vision screening.
d. Cognitive screening.
e. Knowledge test.
f. Driving test.

604.15(2) The department may require a special reexamination when a licensee has been involved in a fatal motor vehicle accident and the investigating officer's report of the accident indicates the licensee contributed to the accident.

604.15(3) The department may require a special reexamination when a licensee has been involved in two accidents within a three-year period and the investigating officer's report of each accident lists one of the following "Driver/Vehicle Related Contributing Circumstances" for the licensee:

a. Ran traffic signal.
b. Ran stop sign.
c. Passing, interfered with other vehicle.
d. Left of center, not passing.
e. Failure to yield right-of-way at uncontrolled intersection.
f. Failure to yield right-of-way from stop sign.
g. Failure to yield right-of-way from yield sign.
h. Failure to yield right-of-way making left turn.
i. Failure to yield right-of-way to pedestrian.
j. Failure to have control.

604.15(4) The department may require a special reexamination when a licensee has been involved in an accident and the investigating officer's report lists a driver condition for the licensee of "fatigue or asleep."

604.15(5) The department may require a special reexamination when a licensee who is 65 years of age or older has been involved in an accident and information in the investigating officer's or the person's own report of the accident indicates the need for reexamination. A circumstance that may indicate a need for reexamination includes but is not limited to any one of the following:

a. The licensee made a left turn that resulted in the accident.
b. The licensee failed to yield the right-of-way at a stop sign.

c. The licensee failed to yield the right-of-way at a yield sign.

d. The licensee failed to yield the right-of-way at an uncontrolled intersection.

e. The licensee failed to yield the right-of-way at a traffic control signal.

f. The licensee's vision may be a contributing factor to an accident.

g. The licensee has a physical disability-related license restriction other than "corrective lenses" and the accident involved one of the circumstances listed in paragraphs 604.15(5)*"a"* through *"f."*

h. The investigating officer's report lists a driver condition for the licensee of "loss of consciousness."

i. The investigating officer's report lists a driver condition for the licensee of "illness which resulted in the accident."

604.15(6) The department may require a special reexamination when the department receives an accident report or a recommendation by a peace officer, a court or a properly documented citizen's request. A factor that may indicate a need for reexamination includes but is not limited to any one of the following:

a. Loss of consciousness.

b. Confusion, disorientation or dementia.

c. Inability to maintain a vehicle in the proper lane.

d. Repeatedly ignoring traffic control devices.

e. Inability to interact safely with other vehicles.

f. Inability to maintain consistent speed when no reaction to other vehicles or pedestrians is required.

g. Illness that resulted in an accident.

This rule is intended to implement Iowa Code sections 307.12(1)*"j,"* 321.177, 321.186 and 321.210.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/1/25.

ARC 9579C

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to commercial driver licensing

The Transportation Department hereby rescinds Chapter 607, "Commercial Driver Licensing," Iowa Administrative Code, and adopts a new Chapter 607 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12(1)"j," 321.187 through 321.188 and 321M.6A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 17A and sections 22.11, 321.1, 321.12, 321.174, 321.176A through 321.177, 321.180, 321.182, 321.186 through 321.189, 321.191, 321.193, 321.196, 321.199, 321.201, 321.207 through 321.208A, 321.449 and 321M.6A.

Purpose and Summary

This rulemaking repromulgates Chapter 607 in compliance with Executive Order 10. Chapter 607 complies with Iowa Code sections 321.187 and 321.188, which require the Department to adopt rules to administer commercial driver's licenses in compliance with Federal Motor Carrier Safety Administration

(FMCSA) regulations and designate third-party testers to perform commercial driver's license knowledge and skills tests. The rules outline the application, eligibility and testing requirements to obtain a commercial driver's license (CDL) and the governance structure for third-party test examiners. A CDL is required to operate specified commercial motor vehicles on Iowa roadways and in interstate commerce.

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 9294C**. Public hearings were held on the following date:

- June 18, 2025

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 12, 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.

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 November 5, 2025.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 607 and adopt the following **new** chapter in lieu thereof:

CHAPTER 607
COMMERCIAL DRIVER LICENSING

761—607.1(321) Scope. This chapter applies to licensing persons for the operation of commercial motor vehicles. Unless otherwise stated, the provisions of this chapter are in addition to other motor vehicle licensing rules in Iowa Code chapter 321.

This rule is intended to implement Iowa Code section 321.188.

761—607.2(321) Information.

607.2(1) *Information and location.* Applications, forms and information about the commercial driver's license (CDL) are available at any driver's license service center. Assistance is also available by

mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; in person at 6310 SE Convenience Boulevard, Ankeny, Iowa; by telephone at 515.244.8725; by facsimile at 515.239.1837; or on the department's website at www.iowadot.gov/mvd/cdl/CDL-homepage.

607.2(2) *Manual.* Copies of the study manual for the commercial driver's license tests are available upon request at any driver's license service center and on the department's website.

This rule is intended to implement Iowa Code section 321.188.

761—607.3(321) Definitions. The definitions in Iowa Code section 321.1 apply to this chapter of rules. In addition, the following definitions are adopted:

"Air brake system" means a system that uses air as a medium for transmitting pressure or force from the driver's control to the service brake. "Air brake system" shall include any braking system operating fully or partially on the air brake principle.

"Air over hydraulic brakes" means any braking system operating partially on the air brake and partially on the hydraulic brake principle.

"Automatic transmission" means any transmission other than a manual transmission.

"CDLIS" means "commercial driver's license information system" as defined in Iowa Code section 321.1.

"Commercial driver's license downgrade" or *"CDL downgrade"* means the same as defined in 49 CFR Section 383.5 (October 1, 2024).

"Commercial motor vehicle" or *"CMV"* as defined in Iowa Code section 321.1 does not include a motor vehicle designed as off-road equipment rather than as a motor truck, such as a forklift, motor grader, scraper, tractor, trencher or similar industrial-type equipment. "Commercial motor vehicle" also does not include self-propelled implements of husbandry described in Iowa Code section 321.1(32).

"Controlled substance" as used in Iowa Code section 321.208 means a substance defined in Iowa Code section 124.101.

"Hazardous materials" means any material that has been designated as hazardous under 49 U.S.C. Section 5103 and is required to be placarded under 49 CFR Part 172, Subpart F, or any quantity of a material listed as a select agent or toxin in 42 CFR Part 73.

"Manual transmission" means a transmission utilizing a driver-operated clutch that is activated by a pedal or lever and a gear-shift mechanism operated either by hand or by foot. All other transmissions, whether semi-automatic or automatic, will be considered automatic.

"Medical examiner" means a person who is licensed, certified or registered, in accordance with applicable state laws and regulations, to perform physical examinations. The term includes but is not limited to doctors of medicine, doctors of osteopathy, physician assistants, advanced registered nurse practitioners, and doctors of chiropractic.

"Medical examiner's certificate" means a certificate completed and signed by a medical examiner under the provisions of 49 CFR Section 391.43 and includes medical examiner's certificate information provided electronically by the Federal Motor Carrier Safety Administration pursuant to 49 CFR Section 383.71 and 49 CFR Section 383.73.

"Medical variance" means a driver has received one of the following from the Federal Motor Carrier Safety Administration that allows the driver to be issued a medical certificate:

1. An exemption letter permitting operation of a commercial motor vehicle pursuant to 49 CFR Part 381, Subpart C; 49 CFR Section 391.62; or 49 CFR Section 391.64.
2. A skill performance evaluation certificate permitting operation of a commercial motor vehicle pursuant to 49 CFR Section 391.49.

"National drug and alcohol clearinghouse" means the database maintained by the Federal Motor Carrier Safety Administration as defined in 49 CFR Section 382.107 (October 1, 2024).

"Passenger vehicle" means either of the following:

1. A motor vehicle designed to transport 16 or more persons including the operator.
2. A motor vehicle of a size and design to transport 16 or more persons including the operator that has been redesigned or modified to transport fewer than 16 persons with disabilities. The size of a

redesigned or modified vehicle shall be any such vehicle with a gross vehicle weight rating of 10,001 or more pounds.

"School bus" means a commercial motor vehicle used to transport pre-primary, primary, or secondary school students from home to school, from school to home, or to and from school-sponsored events unless otherwise provided in Iowa Code section 321.1(69). "School bus" does not include a bus used as a common carrier.

"Self-certification" means a written certification of which category of type of driving an applicant for a commercial driver's license engages in or intends to engage in, from the following categories:

1. Non-excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce, is both subject to and meets the qualification requirements under 49 CFR Part 391 effective October 1, 2024, and is required to obtain a medical examiner's certificate by 49 CFR Section 391.45 effective October 1, 2024.

2. Excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce but engages exclusively in transportation or operations excepted under 49 CFR Section 390.3(f), 391.2, 391.68 or 398.3 effective October 1, 2024, from all or parts of the qualification requirements of 49 CFR Part 391 effective October 1, 2024, and is therefore not required to obtain a medical examiner's certificate by 49 CFR Section 391.45 effective October 1, 2024.

3. Non-excepted intrastate. The person certifies that the person operates only in intrastate commerce and is subject to state driver qualification requirements.

4. Excepted intrastate. The person certifies that the person operates only in intrastate commerce, but engages exclusively in transportation or operations excepted from all or parts of the state driver qualification requirements as set forth in Iowa Code section 321.449.

"State," as used in this chapter and in "another state" in Iowa Code section 321.174(2), "former state of residence" in Iowa Code section 321.188(5), or "any state" in Iowa Code section 321.208(1), means one of the United States or the District of Columbia unless the context means the state of Iowa.

This rule is intended to implement Iowa Code sections 321.1, 321.174, 321.188, 321.191, 321.193, 321.207 and 321.208.

761—607.4(22,321) Records. The department will maintain the operating record of a person issued a commercial driver's license or a commercial learner's permit or a person who has been disqualified from operating a commercial motor vehicle as provided in the department's "Record Management Manual" adopted in 761—Chapter 4.

This rule is intended to implement Iowa Code sections 22.11, 321.12, 321.188 and 321.199.

761—607.5(321) Adoption of federal regulations.

607.5(1) *Code of Federal Regulations.* The department's administration of commercial driver's licenses shall be in compliance with the state procedures set forth in 49 CFR Section 383.73, and this chapter shall be construed to that effect. The department adopts the following portions of the Code of Federal Regulations, which are referenced throughout this chapter of rules:

a. 49 CFR Section 391.11 as adopted in 661—Chapter 22.
b. 49 CFR Section 392.5 as adopted in 661—Chapter 22.
c. 49 CFR Part 380, Subpart F (October 1, 2024).
d. The following portions of 49 CFR Part 383 (October 1, 2024):
(1) Section 383.51, Disqualification of drivers.
(2) Subpart E—Testing and Licensing Procedures.
(3) Subpart F—Vehicle Groups and Endorsements.
(4) Subpart G—Required Knowledge and Skills.
(5) Subpart H—Tests.
e. 49 CFR Part 384, Subpart B (October 1, 2024).

607.5(2) *Copies of regulations.* Copies of the federal regulations may be reviewed at the state law library or through the Internet at www.fmcsa.dot.gov.

This rule is intended to implement Iowa Code sections 321.187, 321.188, 321.207, 321.208 and 321.208A.

761—607.6(321) Application. An applicant for a commercial driver's license shall comply with the requirements of Iowa Code sections 321.180(2)*"e,"* 321.182 and 321.188 and 761—Chapter 601, and provide the proofs of citizenship or lawful permanent residence and state of domicile required by 49 CFR Section 383.71. If the applicant is domiciled in a foreign jurisdiction and applying for a nondomiciled commercial driver's license, the applicant must provide a document required by 49 CFR Section 383.71(f).

This rule is intended to implement Iowa Code sections 321.180, 321.182 and 321.188.

761—607.7(321) Commercial driver's license (CDL).

607.7(1) *Classes.* The department may issue a commercial driver's license only as a Class A, B or C driver's license. The license class identifies the types of vehicles that may be operated. A commercial driver's license may have endorsements that authorize additional vehicle operations or restrictions that limit vehicle operations.

607.7(2) *Validity.*

a. A Class A commercial driver's license allows a person to operate a combination of commercial motor vehicles as specified in Iowa Code sections 321.1(11) and 321.189(1)*"a"*(1). With the required endorsements and subject to the applicable restrictions, a Class A commercial driver's license is valid to operate any vehicle. Before the department administers the skills test for a Class A commercial driver's license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements as provided in Iowa Code section 321.188.

b. A Class B commercial driver's license allows a person to operate a commercial motor vehicle as specified in Iowa Code sections 321.1(11) and 321.189(1)*"a"*(2). With the required endorsements and subject to the applicable restrictions, a Class B commercial driver's license is valid to operate any vehicle except a truck-tractor semitrailer combination or a vehicle requiring a Class A commercial driver's license. Before the department administers the skills test for a Class B commercial driver's license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements as provided in Iowa Code section 321.188.

c. A Class C commercial driver's license allows a person to operate a commercial motor vehicle as specified in Iowa Code sections 321.1(11) and 321.189(1)*"a"*(3) if the vehicle is designed to transport 16 or more passengers, including the driver, or is used in the transportation of hazardous materials as defined in 49 CFR Section 383.5 effective October 1, 2024. With the required endorsements and subject to the applicable restrictions, a Class C commercial driver's license is valid to operate any vehicle except a vehicle requiring a Class A or Class B commercial driver's license. Before the department administers the skills test for a Class C commercial driver's license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements as provided in Iowa Code section 321.188 for the applicable endorsement sought (P/Passenger or S/School Bus endorsements). Before the department administers the knowledge test for a Class C commercial driver's license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements provided in Iowa Code section 321.188 for the applicable endorsement sought (H/Hazardous materials endorsement).

d. A commercial driver's license is valid for operating a motorcycle as a commercial motor vehicle only if the license has a motorcycle endorsement and a hazardous material endorsement. A commercial driver's license is valid for operating a motorcycle as a noncommercial motor vehicle only if the license has a motorcycle endorsement.

e. A commercial driver's license valid for eight years will be issued to a qualified applicant who is at least 18 years of age but not yet 78 years of age. However, the expiration date of the license issued shall not exceed the licensee's 80th birthday.

f. A commercial driver's license valid for two years will be issued to a qualified applicant 78 years of age or older. A two-year license may also be issued, at the discretion of the department, to an applicant whose license is restricted due to vision or other physical disabilities.

g. A commercial driver's license is valid for 60 days after the expiration date.

h. A person with a commercial driver's license valid for the vehicle operated is not required to obtain a Class D driver's license to operate the vehicle as a chauffeur.

607.7(3) *Age.* The minimum age to obtain a commercial driver's license is set out in 49 CFR Part 391, Subpart B, effective October 1, 2024, except that, for a person operating solely intrastate, the driver age qualifications are set out in Iowa Code section 321.449(3).

607.7(4) *License extension.*

a. As provided in 49 CFR Section 383.153, a person may apply for a 60-day extension of a commercial driver's license if the person:

(1) Has a valid license,

(2) Is eligible for further licensing, and

(3) Is temporarily absent from Iowa or is temporarily incapacitated at the time for renewal.

b. License extensions can be requested following the procedure in 761—subrule 605.15(2).

c. A 60-day extension will be added to the expiration date on the license. When the person appears to renew the license, the expiration date of the renewed license will be computed from the expiration date of the original license, notwithstanding the extension.

d. Only one 60-day extension is allowed.

This rule is intended to implement Iowa Code sections 321.1(8), 321.177, 321.182, 321.188, 321.189, 321.196, and 321.449.

761—607.8(321) Endorsements. All endorsements except the hazardous material endorsement continue to be valid without retesting or additional fees when renewing or upgrading a license. The endorsements that authorize additional commercial motor vehicle operations with a commercial driver's license are:

607.8(1) *Hazardous material.* A hazardous material endorsement (H) is required to transport hazardous materials. The hazardous material endorsement is only valid when the applicant or holder of the endorsement complies with the Transportation Security Administration's security threat assessment standards specified in 49 CFR Sections 383.71(b)(8) and 383.141 effective October 1, 2024. Before the department administers the knowledge test for a hazardous material endorsement to an applicant for the first time, the applicant shall comply with the entry-level driver training requirements as provided in Iowa Code section 321.188. To obtain or retain the hazardous material endorsement, the applicant or holder must pass a knowledge test as required under 49 CFR Section 383.121 and pay the endorsement fee. Retesting and fee payment are also required when an applicant transfers a commercial driver's license from another state unless, as provided in 49 CFR Section 383.73, the transfer applicant provides evidence of passing the knowledge test as required under 49 CFR Section 383.121 within the preceding 24 months. Pursuant to 49 CFR Section 173.5 effective October 1, 2024, a farmer or a person working for a farmer is not subject to the hazardous material endorsement while operating either a pickup or a special truck within 150 air miles of the farmer's farm to transport supplies to or from the farm.

607.8(2) *Passenger vehicle.* A passenger vehicle endorsement (P) is required to operate a passenger vehicle as defined in rule 761—607.3(321). Before the department administers the skills test for a passenger vehicle endorsement to an applicant for the first time, the applicant shall comply with the entry-level driver training requirements as provided in Iowa Code section 321.188.

607.8(3) *Tank vehicle.* A tank vehicle endorsement (N) is required to operate a tank vehicle as defined in Iowa Code section 321.1. A vehicle transporting a tank, regardless of the tank's capacity, that does not otherwise meet the definition of a commercial motor vehicle in Iowa Code section 321.1 is not a tank vehicle.

607.8(4) *Double/triple trailer.* A double/triple trailer endorsement (T) is required to operate a commercial motor vehicle with two or more towed trailers when the combination of vehicles meets the criteria for a Class A commercial motor vehicle. Operation of a triple trailer combination vehicle is not permitted in Iowa.

607.8(5) *Hazardous material and tank.* A combined endorsement (X) authorizes both hazardous material and tank vehicle operations.

607.8(6) *School bus.* A school bus endorsement (S) is required to operate a school bus as defined in rule 761—607.3(321). An applicant for a school bus endorsement must also qualify for a passenger vehicle endorsement. Before the department administers the skills test for a school bus endorsement to an applicant for the first time, the applicant shall comply with the entry-level driver training requirements as provided in Iowa Code section 321.188.

607.8(7) *Exceptions for towing operations.*

a. A driver who tows a vehicle in an emergency "first move" from the site of a vehicle malfunction or accident on a highway to the nearest appropriate repair facility is not required to have the endorsement(s) applicable to the towed vehicle. In any subsequent move, a driver who tows a vehicle from one repair or disposal facility to another is required to have the endorsement(s) applicable to the towed vehicle with one exception: A tow truck driver is not required to have a passenger endorsement to tow a passenger vehicle.

b. The double/triple trailer endorsement is not required to operate a commercial motor vehicle with two or more towed vehicles that are not trailers.

This rule is intended to implement Iowa Code sections 321.1, 321.176A, 321.188 and 321.189.

761—607.9(321) Restrictions. The restrictions that may limit commercial motor vehicle operation with a commercial driver's license are listed in 761—subrule 605.8(3) and are explained below:

607.9(1) *Air brake.* The air brake restriction (L, no air brake equipped CMV) applies to a licensee who either fails the air brake component of the knowledge test or performs the skills test in a vehicle not equipped with air brakes and prohibits the operation of a commercial motor vehicle equipped with an air brake system until the licensee passes the required air brake tests and pays the fee for upgrading the license. Retesting and fee payment are not required when the license is renewed.

607.9(2) *Full air brake.* The full air brake restriction (Z, no full air brake equipped CMV) applies to a licensee who performs the skills test in a vehicle equipped with air over hydraulic brakes and prohibits the operation of a commercial motor vehicle equipped with any braking system operating fully on the air brake principle until the licensee passes the required air brake tests and pays the fee for upgrading the license. Retesting and fee payment are not required when the license is renewed.

607.9(3) *Manual transmission.* The manual transmission restriction (E, no manual transmission equipped CMV) applies to a licensee who performs the skills test in a vehicle equipped with automatic transmission and prohibits the operation of a commercial motor vehicle equipped with a manual transmission until the licensee passes the required tests and pays the fee for upgrading the license. Retesting and fee payment are not required when the license is renewed.

607.9(4) *Tractor-trailer.* The tractor-trailer restriction (O, no tractor trailer CMV) applies to a licensee who performs the skills test in a combination vehicle for a Class A commercial driver's license with the power unit and towed unit connected with a pintle hook or aftermarket fifth wheel connection and prohibits operation of a tractor-trailer combination connected by a fifth wheel that requires a Class A commercial driver's license until the licensee passes the required tests and pays the fee for upgrading the license. Retesting and fee payment are not required when the license is renewed.

607.9(5) *Class A passenger vehicle.* The Class A passenger vehicle restriction (M, no Class A passenger vehicle) applies to a licensee who applies for a passenger endorsement and performs the skills test in a passenger vehicle that requires a Class B commercial driver's license and prohibits operation of a passenger vehicle that requires a Class A commercial driver's license.

607.9(6) *Class A and B passenger vehicle.* The Class A and B passenger vehicle restriction (N, no Class A and B passenger vehicle) applies to a licensee who applies for a passenger endorsement and performs the skills test in a passenger vehicle that requires a Class C commercial driver's license and prohibits operation of a passenger vehicle that requires a Class A or Class B commercial driver's license.

607.9(7) *Intrastate only.* The intrastate only restriction (K, intrastate only) applies to a licensee who self-certifies to non-excepted intrastate or excepted intrastate driving and prohibits the operation of a commercial motor vehicle in interstate commerce.

607.9(8) *Medical variance.* The medical variance restriction (V, medical variance) applies to a licensee when the department is notified pursuant to 49 CFR Section 383.73(o)(3) that the driver has been issued a medical variance and indicates there is information about a medical variance on the CDLIS driver record.

This rule is intended to implement Iowa Code sections 321.189 and 321.191.

761—607.10(321) Commercial learner's permit.

607.10(1) *Validity.*

a. A commercial learner's permit allows the permit holder to operate a commercial motor vehicle when accompanied as required by Iowa Code section 321.180(2)*"d."*

b. A commercial learner's permit is valid for one year without retaking the general and endorsement knowledge tests required by Iowa Code section 321.188.

c. A commercial learner's permit is invalid after the expiration date of the underlying commercial or noncommercial driver's license issued to the permit holder or the expiration date of the permit, whichever occurs first.

d. The issuance of a commercial learner's permit is a precondition to the initial issuance of a commercial driver's license. The issuance of a commercial learner's permit is also a precondition to the upgrade of a commercial driver's license if the upgrade requires a skills test. If the permit holder is subject to the requirement to complete entry-level driver training as provided in Iowa Code section 321.188, the commercial learner's permit will be necessary to complete the on-road segment of the entry-level driver training as well as the required skills tests for a commercial driver's license. The holder of a commercial learner's permit is not eligible to take a required driving skills test for the first 14 days after the permit holder is issued the permit. The 14-day period includes the day the commercial learner's permit was issued.

EXAMPLE: The commercial learner's permit is issued on September 1. The earliest date the permit holder would be eligible to take the skills test is September 15.

e. A commercial learner's permit is not valid for the operation of a vehicle transporting hazardous materials.

607.10(2) *Requirements.*

a. An applicant for a commercial learner's permit must hold a valid Class A, B, or C commercial driver's license, a Class D, endorsement 3 noncommercial driver's license or a Class C noncommercial driver's license issued in this state that is not an instruction permit, a special instruction permit, a motorized bicycle license or a temporary restricted license; must be at least 18 years of age; and must meet the requirements to obtain a valid commercial driver's license, including the requirements set forth in Iowa Code section 321.188. However, the applicant does not have to complete the driving skills tests required for a commercial driver's license to obtain a commercial learner's permit.

b. The applicant must successfully pass a general knowledge test that meets the federal standards contained in 49 CFR Part 383, Subparts F, G and H, for the commercial motor vehicle the applicant operates or expects to operate, including any endorsement for which the applicant applies.

607.10(3) *Endorsements.* A commercial learner's permit may include the following endorsements. All other endorsements are prohibited on a commercial learner's permit.

a. An applicant for a passenger endorsement (P) must take and pass the passenger endorsement knowledge test. A commercial learner's permit holder with a passenger endorsement is prohibited from operating a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)*"d."*

b. An applicant for a school bus endorsement (S) must take and pass the school bus endorsement knowledge test. A commercial learner's permit holder with a school bus endorsement is prohibited from operating a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)*"d."*

c. An applicant for a tank vehicle endorsement (N) must take and pass the tank vehicle endorsement knowledge test. A commercial learner's permit holder with a tank vehicle endorsement may only operate an empty tank vehicle and is prohibited from operating any tank vehicle that previously contained hazardous materials and that has not been purged of any residue.

607.10(4) *Restrictions.* A commercial learner's permit may include the air brake (L), medical variance (V), Class A passenger vehicle (M), Class A and B passenger vehicle (N) and intrastate only (K) restrictions described in rule 761—607.9(321). In addition, a commercial learner's permit may include the following restrictions that are specific to the commercial learner's permit:

a. Passenger. The passenger restriction (P, no passengers in CMV bus) applies to a permit holder who has a commercial learner's permit with a passenger or school bus endorsement and prohibits the operation of a commercial motor vehicle carrying passengers, other than federal/state auditors and inspectors, test examiners, other trainees, and the commercial driver's license holder accompanying the permit holder required by Iowa Code section 321.180(2)*"d."*

b. Cargo. The cargo restriction (X, no cargo in CMV tank vehicle) applies to a permit holder who has a commercial learner's permit with a tank vehicle endorsement and prohibits the operation of any tank vehicle containing cargo or any tank vehicle that previously contained hazardous materials and that has not been purged of any residue.

This rule is intended to implement Iowa Code sections 321.180, 321.186 and 321.188.

761—607.11(321) Examination and vision screening. In addition to the knowledge and skills tests required under this chapter, an applicant for a commercial driver's license or commercial learner's permit is subject to the examination requirements, and must comply with the vision screening and vision standards, in 761—Chapter 604.

This rule is intended to implement Iowa Code sections 321.186 and 321.186A.

761—607.12(321) Knowledge tests.

607.12(1) *General knowledge test.* The general knowledge test for a commercial driver's license is a written test of topics such as vehicle inspection, operation, safety and control in accordance with 49 CFR Section 383.111.

607.12(2) *Additional tests.* In addition to the general knowledge test for a commercial driver's license, an additional knowledge test is required for each of the following:

a. Class A license for combination vehicle operation under 49 CFR Section 383.111.

b. Hazardous material endorsement under 49 CFR Section 383.121. The knowledge test for a hazardous material endorsement shall not be administered orally or in a language other than English.

c. Passenger vehicle endorsement under 49 CFR Section 383.117.

d. Tank vehicle endorsement under 49 CFR Section 383.119.

e. Double/triple trailer endorsement under 49 CFR Section 383.115.

f. School bus endorsement under 49 CFR Section 383.123. The applicant must also qualify for a passenger vehicle endorsement.

g. Removal of the air brake restriction under 49 CFR Section 383.111.

607.12(3) *Test methods.* All knowledge tests will be administered in compliance with 49 CFR Section 383.133(b). All tests other than the hazardous material endorsement test may be administered in written form or verbally in an automated format and can be administered in a foreign language, provided no interpreter is used in administering the test.

607.12(4) *Waiver.* A waiver of any knowledge test is permitted only as provided in Iowa Code section 321.188(5) and this chapter.

607.12(5) *Military waiver.* The department may waive the requirement that an applicant pass a required knowledge test for an applicant who is a current or former military service member as defined in 49 CFR Section 383.5 effective October 1, 2024. An applicant for a waiver of the knowledge test under this subrule shall certify and provide evidence, as required by the department, that the following apply:

a. The applicant is regularly employed or was regularly employed within the past year in a military position specifically designated in 49 CFR Section 383.77.

b. The applicant is or was operating a vehicle representative of the commercial motor vehicle the applicant operates or expects to operate immediately preceding honorable separation from military service as evidenced by the applicant's certificate of release or discharge from active duty, commonly referred to as a DD Form 214.

c. The applicant has not had more than one driver's license, other than a military license.

d. The applicant has not had any driver's license suspended, revoked, or canceled.

e. The applicant has not been convicted of an offense committed while operating any type of motor vehicle that is listed as a disqualifying offense in 49 CFR Section 383.51(b).

f. The applicant has not had more than one conviction for an offense committed while operating any type of motor vehicle that is listed as a serious traffic violation in 49 CFR Section 383.51(c).

g. The applicant has not had a conviction for violation of a military, state, or local law relating to motor vehicle traffic control, other than a parking violation, arising in connection with any traffic accident, and has no record of an accident in which the applicant was at fault.

607.12(6) *Requirement.* An applicant must pass the applicable knowledge test(s) before taking the skills test. Passing scores for a knowledge test shall meet the standards contained in 49 CFR Section 383.135(a).

This rule is intended to implement Iowa Code sections 321.186 and 321.188.

761—607.13(321,321M) Skills test.

607.13(1) *Content.* The skills test for a commercial driver's license is a three-part test as required in 49 CFR Part 383, Subparts E, G and H.

607.13(2) *Test methods.* All skills tests will be administered in compliance with 49 CFR Section 383.133(c). Interpreters are prohibited during the administration of skills tests. However, American Sign Language interpreters are allowed to interpret during the instruction portion preceding administration of the skills test. Applicants must be able to understand and respond to verbal commands and instructions in English by a skills test examiner. Neither the applicant nor the examiner may communicate in a language other than English during the skills test.

607.13(3) *Order.* The skills test must be administered and successfully completed in the following order: pre-trip inspection, basic vehicle control skills, on-road skills. If an applicant fails one segment of the skills test, the applicant cannot continue to the next segment of the test, and scores for the passed segments of the test are only valid during initial issuance of the commercial learner's permit.

607.13(4) *Vehicle.* The applicant shall provide a representative vehicle for the skills test. "Representative vehicle" means a commercial motor vehicle that meets the statutory description for the class of license applied for.

a. To obtain a passenger vehicle endorsement applicable to a specific vehicle class, the applicant must take the skills test in a passenger vehicle satisfying the requirements of that class as required in 49 CFR Section 383.117.

b. To obtain a school bus endorsement, the applicant must qualify for a passenger vehicle endorsement and take the skills test in a school bus in the same vehicle class as the applicant will drive as required in 49 CFR Section 383.123.

c. To obtain a tank endorsement, the applicant must take the skills test in a representative vehicle for the class of license applied for, but the representative vehicle is not required to be a tank vehicle.

d. To remove an air brake or full air brake restriction, the applicant must take the skills test in a vehicle equipped with an air brake system and as required in 49 CFR Section 383.113.

e. To remove a manual transmission restriction, the applicant must take the on-road segment of the skills test in a vehicle equipped with a manual transmission.

607.13(5) *Skills test scoring.* Passing scores for a skills test shall meet the standards contained in 49 CFR Section 383.135(b).

607.13(6) *Military waiver.* The department may waive the requirement that an applicant pass a required skills test for an applicant who is on active duty in the military service or who has separated

from such service in the past year, provided the applicant meets the requirements of Iowa Code section 321.188(6).

607.13(7) *Locations.* The skills test for a commercial driver's license will be given only at approved locations where adequate testing facilities are available as specified by the department pursuant to 49 CFR Section 383.131(b)(1). An applicant may contact any driver's license service center for the location of the nearest skills testing center.

607.13(8) *Fees.* Fees authorized pursuant to Iowa Code sections 321.187A and 321M.6A may be collected by the department or a county treasurer location offering commercial driver's license skills tests.

a. Except as provided in paragraph 607.13(8)*"c,"* the fee for an applicant to schedule the pre-trip vehicle inspection segment of the skills test with the department is $25. No fees are due to the department for scheduling the basic vehicle control skills or on-road skills segment of the test.

b. Except as provided in paragraph 607.13(8)*"c,"* the fee to schedule the pre-trip vehicle inspection segment of the skills test with a county treasurer is $25. The fee for a county treasurer to administer the basic vehicle control skills segment is $25, and the fee to administer the on-road skills segment of the test is $25. However, if the applicant fails one segment of the driving skills test, no fee shall be due for a subsequent segment of the test.

c. If the applicant is an employee or volunteer of a government agency as defined in Iowa Code section 553.3, the following apply:

(1) The department will not charge the pre-trip inspection scheduling fee under paragraph 607.13(8)*"a."*

(2) A county treasurer may charge only the pre-trip inspection fee under paragraph 607.13(8)*"b."*

(3) An applicant must provide the department or county treasurer with reasonable proof that the applicant is an employee or volunteer of a qualifying government agency and that a commercial driver's license is necessary for the applicant's employment or volunteer duties. Reasonable proof is to be provided on Form 430311. Alternatively, if the applicant is seeking a skills test from a county treasurer, reasonable proof may include payment of the pre-trip inspection fee by a government agency on behalf of the applicant.

d. If an applicant fails to appear for the pre-trip inspection segment of the skills test, the appointment will be canceled and no other applicable fees are due.

e. Except as provided in paragraph 607.13(8)*"g,"* new fees will apply if an applicant schedules a new skills test appointment.

f. The department or a county treasurer may collect any fees due and owed for the skills test at the same time any fees are collected as part of the commercial driver's license issuance transaction.

g. Any fees collected under this subrule are nonrefundable. However, nothing in this paragraph shall be construed as preventing the department or a county treasurer from transferring a fee charged for a pre-trip inspection to a new pre-trip inspection if rescheduling the appointment is determined necessary or appropriate as determined by the department or county treasurer upon a showing of good cause.

h. A skills test fee charged under this subrule that remains unpaid may be collected at the person's next driver's license renewal or replacement.

This rule is intended to implement Iowa Code sections 321.186, 321.187A, 321.188 and 321M.6A.

761—607.14(321) Third-party testing.

607.14(1) *Purpose and definitions.* The knowledge tests required by rule 761—607.12(321) and the skills test required by rule 761—607.13(321) may be administered by third-party testers and third-party test examiners approved and certified by the department. For the purpose of administering third-party testing and this rule, the following definitions are adopted:

"College or university" means an Iowa postsecondary school established under Iowa Code chapter 261B.

"Community college" means an Iowa community college established under Iowa Code chapter 260C.

"Government agency" means the same as defined in Iowa Code section 553.3.

"Iowa business" means a corporation, association, partnership, company, firm, or other aggregation of individuals that has a principal place of business in this state and that is authorized to conduct business in this state.

"Knowledge test" means the knowledge tests required by rule 761—607.12(321).

"Motor carrier" means the same as defined in 49 CFR Section 390.5 effective October 1, 2024.

"Nonprofit" means a corporation or association that satisfies the requirements under Iowa Code chapter 498 or 504.

"Permanent commercial driver training facility" means a facility dedicated to a program of commercial driving instruction that is offered to employees or potential employees of the motor carrier as incident to the motor carrier's commercial operations, that requires at least 40 hours of instruction, and that includes fixed and permanent structures and facilities for the off-road portions of commercial driving instruction, including classroom, pretrip inspection, and basic vehicle control skills. A permanent commercial driver training facility must include a fixed and paved or otherwise hard-surfaced area for basic vehicle control skills testing that is permanently marked and capable of inspection and measurement by the department.

"Principal place of business" means a building actually occupied where the public and the department may contact the owner or operator during regular business hours. The principal place of business must be located in this state.

"Public transit system" means the same as defined in Iowa Code section 324A.1.

"Regional transit system" means the same as defined in Iowa Code section 324A.1.

"Regular business hours" means to be consistently open to the public on a weekly basis at hours reported to the motor vehicle division.

"Skills test" means the skills test required by rule 761—607.13(321).

"Subsidiary" means a company that is partly or wholly owned by a motor carrier that holds a controlling interest in the subsidiary company.

"Third-party tester" means the same as defined in Iowa Code section 321.187.

"Third-party test examiner" means the same as defined in Iowa Code section 321.187.

607.14(2) *Certification of third-party testers.*

a. The department may certify any of the following entities as a third-party tester to administer knowledge and skills tests:

(1) A college or university.

(2) A community college.

(3) A government agency.

(4) An Iowa business.

(5) A nonprofit.

(6) A public transit system or regional transit system.

b. An entity seeking certification as a third-party tester shall contact the motor vehicle division and schedule a review of the proposed testing program, including the proposed testing courses and facilities, and provide information sufficient to identify all proposed third-party test examiners, and any other information necessary to demonstrate compliance with 49 CFR Parts 383 and 384 as amended to October 1, 2024, applicable to knowledge and skills testing.

c. No entity will be certified to conduct third-party testing unless and until the entity enters an agreement with the department that meets the requirements of 49 CFR Section 383.75 and demonstrates, to the satisfaction of the department, sufficient ability and facilities to conduct knowledge and skills tests in a manner that consistently meets the requirements of 49 CFR Part 383, Subpart E, and 49 CFR Part 384, Subpart B, applicable to knowledge and skills testing.

d. The department will issue a certified third-party tester a certificate of authority that identifies the classes and types of vehicles for which knowledge and skills tests may be administered. The certificate is valid for the duration of the agreement executed pursuant to paragraph 607.14(2)*"c,"* unless revoked by the department for engaging in fraudulent activities related to conducting knowledge and skills tests or failing to comply with the requirements, qualifications, and standards of this chapter, the

agreement, or 49 CFR Part 383, Subpart E, and 49 CFR Part 384, Subpart B, applicable to knowledge and skills testing.

e. The department will revoke a certificate of authority originally issued after July 1, 2023, to a third-party tester if the third-party tester fails to administer a minimum of 50 percent of all knowledge and skills tests given in a calendar year to Iowa applicants. However, the department will not revoke a certificate of authority of a third-party tester who administers a minimum of 10 percent of all knowledge and skills tests given in a calendar year to Iowa applicants if the remainder of the tests are given to current or prospective employees of the third-party tester. For the purpose of this paragraph, an "Iowa applicant" is defined as an individual who holds a valid commercial learner's permit, commercial driver's license, noncommercial driver's license, or nonoperator identification card issued by the department or who otherwise qualifies as a resident of this state under Iowa Code section 321.1A(1).

607.14(3) *Certification of third-party test examiners.*

a. A certified third-party tester shall not employ or otherwise use as a third-party test examiner a person who has not been approved and certified by the department to administer knowledge or skills tests. Each certified third-party tester shall submit for approval the names of all proposed third-party test examiners to the department. The department will not approve as a third-party test examiner a person who does not meet the requirements, qualifications, and standards of 49 CFR Part 383, Subpart E, and 49 CFR Part 384, Subpart B, applicable to knowledge and skills testing, including but not limited to all required training and examination, who has been barred from conducting commercial driver's license testing in another state, or who has not passed a nationwide criminal background check. The criteria for passing the nationwide criminal background check means no felony convictions within the last ten years and no convictions involving fraudulent activities.

b. The department will issue a certificate of authority for each person certified as a third-party test examiner that identifies the certified third-party tester for which the person will administer knowledge or skills tests and the classes and types of vehicles for which the person may administer knowledge or skills tests. The certificate is valid for a period of four years from the date of issuance of the certificate.

c. The department will revoke the certificate of authority for a third-party test examiner to administer skills tests if the person holding the certificate does not administer skills tests to at least ten different applicants, each of whom has successfully passed all three segments of the skills test, per calendar year; does not successfully complete the refresher training required by 49 CFR Section 384.228 every four years; is involved in fraudulent activities related to conducting knowledge or skills tests as determined by the department; or otherwise fails to comply with and meet the requirements, qualifications and standards of this chapter or 49 CFR Part 383, Subpart E, and 49 CFR Part 384, Subpart B, applicable to knowledge and skills testing. Notwithstanding anything in this paragraph to the contrary, as provided in 49 CFR Section 383.75, if the person does not administer skills tests to at least ten different applicants per calendar year, the certificate will not be revoked for that reason if the person provides proof of completion of the examiner refresher training in 49 CFR Section 384.228 to the department and successfully completes one skills test under the observation of a department examiner or attends and passes with a score of 80 percent or better a certified commercial examiner training test and successfully completes one skills test under the observation of a department examiner.

d. The department will revoke the certificate of authority for a third-party test examiner to administer knowledge tests if the person holding the certificate does not successfully complete the refresher training required by 49 CFR Section 384.228 every four years, is involved in fraudulent activities related to conducting knowledge or skills tests or otherwise fails to comply with and meet the requirements, qualifications and standards of this chapter or 49 CFR Part 383, Subpart E, and 49 CFR Part 384, Subpart B, applicable to knowledge testing.

e. A third-party test examiner certified by the department to administer skills tests who is also a skills instructor shall not administer a skills test to an applicant who received skills training from that third-party test examiner.

f. A third-party test examiner may only administer CDL tests for the examiner's primary employer, unless authorized by the department to administer CDL tests for another county or third-party tester.

607.14(4) *Bond.* As a condition of certification in accordance with 49 CFR Section 383.75, a third-party tester that is not a government agency as defined in Iowa Code section 553.3 must maintain a bond in the amount of $50,000 to pay for the retesting of drivers in the event that the third-party tester or one or more of its third-party test examiners are involved in fraudulent activities related to conducting tests of CDL applicants.

607.14(5) *Training and refresher training for third-party test examiners.* All training and refresher training required under this rule shall be provided by the department, in form and content that meet the recommendations of the American Association of Motor Vehicle Administrators' International Third-Party Examiner/Tester Certification Program.

This rule is intended to implement Iowa Code section 321.187.

761—607.15(321) Test results.

607.15(1) *Period of validity.* Passing knowledge and skills test results remain valid for a period of one year.

607.15(2) *Retesting.* Subject to rule 761—607.13(321), an applicant will be required to repeat only the knowledge test(s) or part(s) of the skills test that the applicant failed, unless the department requires the applicant to retake the test as part of an audit. An applicant who fails a test is not permitted to repeat that test the same day. An applicant may be required to repeat a test if the department determines the test was improperly administered.

607.15(3) *Skills test results from other states.* As required by 49 CFR Section 383.79, the department will accept the valid results of a skills test administered to an applicant who is domiciled in the state of Iowa and that was administered by another state, in accordance with 49 CFR Part 383, Subparts F, G and H, in fulfillment of the applicant's testing requirements under 49 CFR Section 383.71 and the state's test administration requirements under 49 CFR Section 383.73 provided the results are transmitted directly from the testing state to the department as required by 49 CFR Section 383.79.

607.15(4) *Knowledge and skills test results from certified third-party testers.* A third-party tester shall transmit the results of tests administered by the third-party tester through secure electronic means determined by the department. The department may retest any person who has passed a knowledge or skills test administered by a certified third-party tester if the department believes the knowledge or skills test was administered fraudulently or improperly, and as needed to meet the third-party test examiner oversight requirements of 49 CFR Parts 383 and 384 applicable to knowledge and skills testing.

607.15(5) *Downgrade or cancellation when retesting is required.*

a. When retesting is required under subrule 607.15(2) or 607.15(4), the department will notify the person to retake the applicable knowledge or skills test, which may include an immediate retest if part of an audit.

b. If the person fails to contact the department within 30 days after receipt of the notice, fails to appear for a scheduled retest, or fails the knowledge or skills test, the department will, in accordance with the authority in 49 CFR Section 383.5 and Iowa Code section 321.201, take one of the following actions:

(1) Downgrade the person's commercial driver's license or commercial learner's permit if the person held valid noncommercial driving privileges prior to obtaining the license or permit.

(2) Cancel the person's commercial driver's license or commercial learner's permit pursuant to 761—subrule 615.7(3) if the applicant did not hold valid noncommercial driving privileges prior to obtaining the license or permit.

c. All applicable retesting and licensure requirements apply to a person seeking to regain the person's commercial driver's license or commercial learner's permit after a downgrade or cancellation.

This rule is intended to implement Iowa Code sections 321.180, 321.186, 321.187, 321.188 and 321.201.

761—607.16(321) Knowledge and skills testing of nondomiciled military personnel.

607.16(1) *Role of state of duty station.* The department may accept an application for a commercial driver's license or commercial learner's permit, including an application for waiver of the knowledge test

as provided in subrule 607.12(5), if the applicant is an active duty military service member stationed, but not domiciled, in Iowa, and the department has an agreement to accept such applications with the applicant's state of domicile as provided in 49 CFR Section 383.79.

a. The applicant shall certify and provide evidence that the following apply:

(1) The applicant is regularly employed or was regularly employed within the past year in a military position requiring operation of a commercial motor vehicle.

(2) The applicant has a valid driver's license from the applicant's state of domicile.

(3) The applicant has a valid active duty military identification card.

(4) The applicant has a current copy of either the applicant's military leave and earnings statement or the applicant's orders.

b. If the applicant meets the requirements of paragraph 607.16(1)*"a"* and the department has an agreement with the applicant's state of domicile as provided in this subrule, the department may do either of the following:

(1) Administer the knowledge and skills tests to the applicant as appropriate in accordance with 49 CFR Part 383, Subparts F, G, and H, if the state of domicile requires those tests; or

(2) Waive the knowledge and skills tests in accordance with 49 CFR Section 383.77 and this chapter if the state of domicile also permits waiver of the knowledge and skills test.

c. The department may destroy the applicant's driver's license on behalf of the state of domicile unless the state of domicile requires the driver's license to be surrendered to the state of domicile's driver's licensing agency.

607.16(2) *Electronic transmission of application and test results.* The department will transmit to the state of domicile the applicant's application, any supporting documents and the results of any skills or knowledge tests administered as provided under this rule.

607.16(3) *Role of state of domicile.* If the department has an agreement with the applicant's state of duty station, upon completion of the applicant's application pursuant to 49 CFR Section 383.71 and any testing administered by the applicant's state of duty station pursuant to 49 CFR Sections 383.71 and 383.73, the department may do all of the following:

a. Accept the completed application, any supporting documents, and the results of the knowledge and skills tests administered by the applicant's state of duty station.

b. Issue the applicant a CLP or CDL.

This rule is intended to implement Iowa Code sections 321.180, 321.186, 321.187, and 321.188.

761—607.17(321) Commercial driver's license renewal. The department will administer commercial driver's license renewals as required by 49 CFR Section 383.73.

607.17(1) *Licensee requirements.* Unless eligible for electronic renewal pursuant to subrule 761—605.25(8), to renew a commercial driver's license, the licensee shall apply at a driver's license service center and complete the following requirements:

a. Provide a written self-certification of type of driving as required by rule 761—607.23(321) and, if required, provide a current medical examiner's certificate unless the person's medical examiner's certificate is provided to the department electronically by the Federal Motor Carrier Safety Administration.

b. If the licensee currently holds and wants to retain a hazardous material endorsement, pass the test required in 49 CFR Section 383.121 and comply with the Transportation Security Administration security threat assessment standards specified in 49 CFR Section 383.71(b)(8) and 49 CFR Section 383.141 effective October 1, 2024, for such endorsement. A lawful permanent resident of the United States must also provide the licensee's U.S. Citizenship and Immigration Services alien registration number.

c. Provide proof of citizenship or lawful permanent residency and state of domicile as required by rule 761—607.6(321) and 49 CFR Section 383.73(d)(7) unless proof of citizenship or lawful permanent residency was previously provided and the department has a notation on the licensee's record confirming that the required proof of legal citizenship or legal presence check was made and the date on which it was made.

d. If the licensee is domiciled in a foreign jurisdiction and renewing a non-domiciled commercial driver's license, provide a document required by 49 CFR Section 383.71(f) at each renewal.

607.17(2) *Early renewal.* A valid commercial driver's license may be renewed 90 days before the expiration date. If this is impractical, the department for good cause may renew a license earlier, not to exceed 364 days prior to the expiration date. The department may allow renewal earlier than 364 days prior to the expiration date for active military personnel being deployed due to actual or potential military conflict.

This rule is intended to implement Iowa Code sections 321.186, 321.188 and 321.196.

761—607.18(321) Transfers from another state. Upon initial application for an Iowa license, an Iowa resident who has a valid commercial driver's license from a former state of residence is not required to retest except as specified in Iowa Code section 321.188(5) but is required to pay the applicable endorsement and restriction removal fees.

This rule is intended to implement Iowa Code sections 321.188 and 321.191.

761—607.19(17A,321) Disqualification.

607.19(1) *Date.* A disqualifying act, action or offense under Iowa Code section 321.208, that occurred before July 1, 1990, shall not be grounds for disqualification from operating a commercial motor vehicle.

607.19(2) *Notice.* A 30-day advance notice of disqualification shall be served by the department in accordance with rule 761—615.37(321). Pursuant to Iowa Code section 321.208(12), a peace officer on behalf of the department may serve the notice of disqualification immediately.

607.19(3) *Hearing and appeal process.* A person who has received a notice of disqualification may contest the disqualification in accordance with rule 761—615.38(17A,321).

607.19(4) *Reduction of lifetime disqualification.*

a. As permitted by 49 CFR Section 383.51, a person subject to lifetime disqualification of the person's commercial driving privileges may apply to the department for reinstatement. The approval is subject to the discretion of the department and subject to the following requirements:

(1) The request may not be made prior to ten years from the effective date of the lifetime disqualification.

(2) The person must submit the request in a manner prescribed by the department.

(3) If the driving record contains alcohol-related or drug-related offenses that resulted in the lifetime disqualification, the person must have completed an alcohol or drug evaluation and have completed any recommended treatment that meets or exceeds the minimum standards approved by the Iowa department of health and human services. Evidence of a completed evaluation and treatment must be on file with the department or submitted with the application for reinstatement.

(4) Within the ten years preceding the request, the person must not have any of the following moving violation convictions:

1. A drug or alcohol offense.
2. Leaving the scene of an accident.
3. A felony involving the use of any motor vehicle.
4. Any moving violation while operating a commercial motor vehicle.

(5) The department may request, and the person shall provide, any additional information or documentation necessary to determine the person's eligibility for reinstatement or general fitness for licensure.

b. If the department finds the person is eligible for reinstatement under this subrule, the person shall do all of the following prior to reinstatement:

(1) Pay all outstanding reinstatement fees.

(2) Meet all outstanding reinstatement requirements.

(3) Pass the required knowledge, vision, and skills tests as specified in Iowa Code section 321.188.

(4) Complete any other courses or requirements as required by the director.

c. As provided in 49 CFR Section 383.51(a)(6), a person who has been disqualified for life for offenses committed under 49 CFR Section 383.51(b)(9) and (10), and a person who has previously had the person's commercial driving privileges reinstated pursuant to this subrule but is convicted of a new disqualifying offense, is not eligible to apply for reinstatement.

d. If the department determines the person is not eligible for reinstatement as provided in this subrule, the department will send notice by first-class mail to the person's mailing address as shown on departmental records that the lifetime disqualification remains in effect.

607.19(5) *Fraud related to testing and issuance.*

a. As required by 49 CFR Section 383.73(k) and Iowa Code section 321.201(2)*"b,"* the department will disqualify the commercial driver's license or commercial learner's permit of a person convicted or suspected of fraud related to the testing for or issuance of a commercial driver's license or commercial learner's permit.

b. Upon receipt of a person's conviction of fraud related to the issuance of the commercial driver's license or commercial learner's permit, the department will disqualify the person's commercial driver's license or commercial learner's permit for one year.

c. Upon receipt of credible evidence that a person is suspected of committing fraud relating to the issuance of a commercial driver's license or a commercial learner's permit, the department will notify the person of the requirement to retake the applicable knowledge or skills test. Within 30 days of receiving notice from the department, the person is required to contact the department to retake the knowledge or skills test. If the person fails to contact the department within 30 days after the notice, or the person fails the knowledge or skills test, or does not take the test, the department will disqualify the person's commercial driver's license or commercial learner's permit.

d. Once a person's commercial driver's license or commercial learner's permit has been disqualified, a new application for license will be required following the usual procedures as provided in Iowa Code section 321.188 and this chapter.

This rule is intended to implement Iowa Code chapter 17A and section 321.208.

761—607.20(321) Sanctions. When a person's motor vehicle license is denied, canceled, suspended, revoked or barred, the person is also disqualified from operating a commercial motor vehicle.

This rule is intended to implement Iowa Code section 321.208.

761—607.21(321) Reinstatement. To reinstate a commercial driver's license after completion of a period of disqualification, a person must appear at a driver's license service center, meet the vision standards for licensing, pass the applicable knowledge test(s) and the skills test, and pay the required reinstatement fee and the fees for a new license.

This rule is intended to implement Iowa Code sections 321.191 and 321.208.

761—607.22(321) Restricted commercial driver's license.

607.22(1) *Scope.* This rule pertains to the issuance of restricted commercial driver's licenses to employees of the following designated farm-related service industries: agrichemical businesses, custom harvesters, farm retail outlets and suppliers and livestock feeders as permitted by 49 CFR Section 383.3(f). A restricted commercial driver's license shall meet all requirements of a regular commercial driver's license, as set out in Iowa Code chapter 321 and this chapter, except as specified in this rule.

607.22(2) *Validity.*

a. A restricted commercial driver's license allows the licensee to drive a commercial motor vehicle for agricultural input purposes. The license is valid to:

(1) Operate Class B and Class C commercial motor vehicles, including tank vehicles and vehicles equipped with air brakes, except passenger vehicles.

(2) Transport the hazardous materials listed in paragraph 607.22(2)*"b."*

(3) Operate only during the current, validated seasonal period.

(4) Operate between the employer's place of business and the farm currently being served, not to exceed 150 miles.

b. A restricted commercial driver's license is not valid for transporting hazardous materials requiring placarding, except as follows:

(1) Liquid fertilizers such as anhydrous ammonia may be transported in vehicles or implements of husbandry with total capacities of 3,000 gallons or less.

(2) Solid fertilizers such as ammonium nitrate may be transported, provided they are not mixed with any organic substance.

(3) A hazardous material endorsement is not needed to transport the products listed in the preceding subparagraphs.

c. When not driving for agricultural input purposes, the license is valid for operating a noncommercial motor vehicle that may be legally operated under the noncommercial license held by the licensee.

607.22(3) *Requirements.*

a. The applicant must have two years of previous driving experience. This means that the applicant held a license that permits unaccompanied driving for at least two years, including an intermediate license issued pursuant to Iowa Code section 321.180B. This does not include a motorized bicycle license, a special minor's restricted license or a minor's restricted work license.

b. The applicant must have a good driving record for the most recent two-year period as defined in subrule 607.22(4).

c. An applicant who currently holds an unrestricted commercial driver's license is not eligible for issuance of a restricted commercial driver's license.

607.22(4) *Good driving record.* A "good driving record" means a driving record showing:

a. No multiple licenses.

b. No driver's license suspensions, revocations, disqualifications, denials, bars, or cancellations of any kind.

c. No convictions in any type of motor vehicle for:

(1) Driving under the influence of alcohol or drugs.

(2) Leaving the scene of an accident.

(3) Committing any felony involving a motor vehicle.

(4) Speeding 15 miles per hour or more over the posted speed limit.

(5) Reckless driving, drag racing, or eluding or attempting to elude a law enforcement officer.

(6) Improper or erratic lane changes.

(7) Following too closely.

(8) A moving violation that contributed to a motor vehicle accident.

(9) A violation deemed serious under rule 761—615.17(321).

d. No record of contributive accidents as defined in rule 761—615.1(321).

607.22(5) *Issuance.*

a. The knowledge and skills tests described in rules 761—607.12(321) and 761—607.13(321) are waived.

b. A restricted commercial driver's license will be coded with restriction "W" on the face of the driver's license, with the restriction explained in text on the back of the driver's license. In addition, the license will be issued with a restriction stating the license's period of validity.

c. The expiration date for a restricted commercial driver's license that is converted from another Iowa license will carry the same expiration date as the previous license.

d. A restricted commercial driver's license may be renewed for the period of time specified in Iowa Code section 321.196. The licensee's good driving record will be confirmed at the time of renewal.

e. A licensee may have up to three individual periods of validity for a restricted commercial driver's license, provided the cumulative period of validity for all individual periods does not exceed 210 days in any calendar year. An individual period of validity may be 70, 105, or 210 consecutive days, at the election of the licensee. A licensee may add 35 days to an individual period of validity by applying for an extension, subject to the 210-day cumulative maximum period of validity. A request for extension must be made no later than the date of expiration of the individual period of validity for which an extension is requested; a request for extension made after that date will be treated as a request for a new

individual period of validity. An extension will be calculated from the date of expiration of the individual period of validity for which an extension is requested. Any period of validity authorized previously by another state's license will be considered a part of the 210-day cumulative maximum period of validity.

f. A restricted commercial driver's license must be validated for commercial motor vehicle operation for each individual period of validity. This means the department will confirm the person's good driving record at each application for an individual period of validity. Upon confirmation, the department will issue a replacement license with a restriction validating the license for that individual period of validity, provided the person is otherwise eligible for the license.

g. The requirements of this subrule must be met for each individual period of validity within a calendar year.

This rule is intended to implement Iowa Code section 321.176B.

761—607.23(321) Self-certification of type of driving and submission of medical examiner's certificate.

607.23(1) *Applicants for a commercial learner's permit, a restricted commercial driver's license, or a duplicate, new, transferred, renewed or upgraded CDL.*

a. A person shall provide to the department a self-certification of type of driving if the person is applying for:

(1) A commercial learner's permit.

(2) An initial commercial driver's license.

(3) A transfer of a commercial driver's license from a prior state of domicile to the state of Iowa.

(4) Renewal of a commercial driver's license.

(5) A license upgrade for a commercial driver's license or an endorsement authorizing the operation of a commercial motor vehicle not covered by the current commercial driver's license.

(6) A restricted commercial driver's license.

(7) A duplicate of any of the credentials listed in subparagraphs 607.23(1)*"a"*(1) through *"a"*(6).

b. The self-certification shall be on a form or in a format, which may be electronic, as determined by the department.

607.23(2) *Submission of medical examiner's certificate by persons certifying to non-excepted interstate driving.* Every person who self-certifies to non-excepted interstate driving must give the department a copy of the person's current medical examiner's certificate, unless the person's medical examiner's certificate is provided to the department electronically by the Federal Motor Carrier Safety Administration. The department will not issue, transfer, renew, or upgrade a license until the department receives a medical examiner's certificate that complies with the requirements of this subrule, or unless the person changes the person's self-certification of type of driving to a type other than non-excepted interstate driving. When the department receives a current medical examiner's certificate, the department will post information required by 49 CFR Section 383.73 and a medical certification status of "certified" on the person's CDLIS driver's record. A person who self-certifies to a type of driving other than non-excepted interstate will not have a medical certification status on the CDLIS driver's record.

607.23(3) *Maintaining certified status.* To maintain a medical certification status of "certified," a person who self-certifies to non-excepted interstate driving must give the department a copy of each subsequently issued medical examiner's certificate valid for the person unless the person's medical examiner's certificate is provided to the department electronically by the Federal Motor Carrier Safety Administration.

607.23(4) *CDL downgrade.* If the medical examiner's certificate or medical variance for a person self-certifying to non-excepted interstate driving expires or if the Federal Motor Carrier Safety Administration notifies the department that the person's medical variance was removed or rescinded, the department will post a medical certification status of "not certified" to the person's CDLIS driver's record and will initiate a downgrade of the person's commercial driver's license or commercial learner's permit. The medical examiner's certificate of a person who fails to maintain a medical certification status of "certified" as required by subrule 607.23(3) is deemed expired on the date of expiration of the last

medical examiner's certificate filed for the person as shown by the person's CDLIS driver's record. The downgrade will be initiated and completed as follows:

a. The department will provide the person written notice that the person's medical certification status is "not certified" and that the commercial motor vehicle privileges will be removed from the person's commercial driver's license or commercial learner's permit 60 days after the date the medical examiner's certificate or medical variance expired or the medical variance was removed or rescinded unless the department receives a current medical certificate or medical variance or the person self-certifies to a type of driving other than non-excepted interstate.

b. If the department receives a current medical examiner's certificate or medical variance before the end of the 60-day period, the department will post a medical certification status of "certified" on the person's CDLIS driver's record and will terminate the downgrade of the person's commercial driver's license or commercial learner's permit.

c. If the person self-certifies to a type of driving other than non-excepted interstate before the end of the 60-day period, the department will not remove the commercial motor vehicle privileges from the person's commercial driver's license or commercial learner's permit, and the person will have no medical certification status on the person's CDLIS driver's record.

d. If the requirements in either paragraph 607.23(4)*"b"* or *"c"* are not met before the end of the 60-day period, the department will remove the commercial motor vehicle privileges from the person's commercial driver's license or commercial learner's permit and will leave the person's medical certification status as "not certified" on the person's CDLIS driver's record.

607.23(5) *Establishment or reestablishment of "certified" status.* A person who has no medical certification status or whose medical certification status has been posted as "not certified" on the person's CDLIS driver's record may have the person's status established or reestablished as "certified" if the department receives a current medical examiner's certificate or medical variance. A person who has failed to self-certify to a type of driving or has self-certified to a type of driving other than non-excepted interstate must also make a self-certification of type of driving to non-excepted interstate driving. The department will then post a medical certification status of "certified" on the person's CDLIS driver's record.

607.23(6) *Reestablishment of the CDL privilege.* A person whose commercial motor vehicle privileges have been removed from the person's commercial driver's license or commercial learner's permit under the provisions of paragraph 607.23(4)*"d"* may have the person's commercial motor vehicle privileges reestablished if either of the following occurs:

a. The department receives the person's current medical examiner's certificate or medical variance. A person who has failed to self-certify to a type of driving must also make an initial self-certification of type of driving to non-excepted interstate driving. The department will then post a medical certification status of "certified" on the person's CDLIS driver's record and reestablish the commercial motor vehicle privileges, provided that the person otherwise remains eligible for a commercial driver's license or commercial learner's permit.

b. The person self-certifies to a type of driving other than non-excepted interstate. The department will then reestablish the commercial motor vehicle privileges, provided that the person otherwise remains eligible for a commercial driver's license or commercial learner's permit; the person will have no medical certification status on the driver's CDLIS driver's record.

607.23(7) *Change of type of driving.* A person may change the person's self-certification of type of driving at any time. As required by subrule 607.23(2), the department must receive a copy of the person's current medical examiner's certificate prepared by a medical examiner for a person certifying to non-excepted interstate driving.

607.23(8) *Recordkeeping.* The department will comply with the medical recordkeeping requirements set forth in 49 CFR Section 383.73.

607.23(9) *Medical examiner's certificate conflict.* As required by 49 CFR Sections 383.71 and 383.73, in the event of a conflict between the medical certification information provided electronically by the Federal Motor Carrier Safety Administration and a paper copy of the medical examiner's

certificate, the medical certification information provided electronically by the Federal Motor Carrier Safety Administration shall supersede.

This rule is intended to implement Iowa Code sections 321.182, 321.188 and 321.207.

761—607.24(321) National drug and alcohol clearinghouse.

607.24(1) *Applicability.* This rule applies to:

a. An applicant for or holder of a commercial learner's permit,

b. An applicant for or holder of a commercial driver's license,

c. An applicant seeking to transfer a commercial driver's license from a prior state of domicile to the state of Iowa,

d. An applicant seeking renewal of a commercial driver's license,

e. An applicant seeking to upgrade a commercial driver's license or add an endorsement authorizing the operation of a commercial motor vehicle not covered by the current commercial driver's license, or

f. An applicant for or holder of a restricted commercial driver's license.

607.24(2) *Issuance procedures.* Prior to issuing the license or permit, the department will request information from the national drug and alcohol clearinghouse to determine if the person is prohibited from operating a commercial motor vehicle pursuant to 49 CFR Section 382.501(a). The department will not issue, renew, transfer, or upgrade the license or permit if the person is prohibited from operating a commercial motor vehicle pursuant to 49 CFR Section 382.501(a). However, this subrule is not in effect prior to the date established by the Federal Motor Carrier Safety Administration in 49 CFR Section 383.73 for state driver's license agency compliance with national drug and alcohol clearinghouse requirements.

607.24(3) *CDL downgrade.* Upon receiving notification that pursuant to 49 CFR Section 382.501(a) the person is prohibited from operating a commercial motor vehicle, the department will downgrade the license or permit and record the downgrade on the CDLIS driver record within 60 days of the department's receipt of such notification. However, this subrule is not in effect prior to the date established by the Federal Motor Carrier Safety Administration in 49 CFR Section 383.73 for state driver's license agency compliance with national drug and alcohol clearinghouse requirements. The downgrade will be initiated and completed as follows:

a. The department will give the person written notice that the person is prohibited from operating a commercial motor vehicle due to notification the department received from the national drug and alcohol clearinghouse that the person has engaged in conduct prohibited by 49 CFR Section 382.501(a) and that upon receipt of the notification, the department initiated a downgrade of the person's CLP or CDL.

b. If the department receives notification that the person is no longer prohibited from operating a commercial motor vehicle before the downgrade is completed, the department will terminate the downgrade process without removing the CLP or CDL privilege from the driver's license, transmit the information to the person's CDLIS driver record, and send written notice to the person.

c. If, after the downgrade is completed, the department receives notification from the national drug and alcohol clearinghouse that a driver is no longer prohibited from operating a commercial motor vehicle, the department will record the end of the downgrade on the person's CDLIS driver record, reinstate the CLP or CDL privilege to the driver's license, and send written notice to the person.

d. If, after the downgrade is completed, the department receives notification from the national drug and alcohol clearinghouse that the person was erroneously identified as prohibited from operating a commercial motor vehicle, the department will reinstate the CLP or CDL privilege to the driver's license as expeditiously as possible and remove from the CDLIS driver record and driving record any reference related to the person's erroneous prohibited status.

607.24(4) *Limitation on hearing and appeal.* An informal settlement, hearing, or appeal to contest the downgrade is limited to a determination of whether the facts required by Iowa Code sections 321.188 and 321.207 and this rule are true. The merits of the information conveyed by the national drug and alcohol clearinghouse to the department shall not be considered.

This rule is intended to implement Iowa Code sections 321.188 and 321.207.

761—607.25(321) Determination of gross vehicle weight rating.

607.25(1) *Actual weight prohibited.* In determining whether the vehicle is a representative vehicle for the skills test and the group of commercial driver's license for which the applicant is applying, the vehicle's gross weight rating or gross combination weight rating must be used, not the vehicle's actual gross weight or gross combination weight. For purposes of this rule, "gross weight rating" and "gross combination weight rating" mean the same as defined in 49 CFR Section 383.5 effective October 1, 2024.

607.25(2) *Vehicle without legible manufacturer's certification label.* To complete a skills test using a vehicle that has no legible manufacturer's certification label, whether a power unit or towed vehicle, the applicant must provide documentation of the vehicle's gross vehicle weight rating, such as a manufacturer's certificate of origin, a title, or the vehicle identification number information for the vehicle. In the absence of such documentation, the vehicle may not be used, either alone or in combination.

This rule is intended to implement Iowa Code section 321.1.

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