

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to historic property rehabilitation tax exemption and providing an opportunity for public comment

The Economic Development Authority hereby proposes to adopt new Chapter 418, “Historic Property Rehabilitation Tax Exemption,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 15.121.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.121 and 427.16.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to adopt a new Chapter 418. The chapter will replace 223—Chapter 47, which was adopted by the State Historic Preservation Office (Office) prior to its alignment with the Authority in 2023 Iowa Acts, Senate File 514. 223—Chapter 47 is proposed to be rescinded as part of a concurrent rulemaking (ARC 0663D, IAB 10/14/26).

The new chapter describes the responsibilities and policies of the State Historic Preservation Officer (SHPO) and staff of the Office relating to the historic property rehabilitation tax exemption available pursuant to Iowa Code section 427.16.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on July 22, 2026. A public hearing was held on the following date(s):

- August 11, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on November 5, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

November 3, 2026 9:30 to 9:45 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
November 5, 2026 3:30 to 3:45 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

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 Authority 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 261—Chapter 418:

CHAPTER 418 HISTORIC PROPERTY REHABILITATION TAX EXEMPTION

261—418.1(15,427) Definitions. For purposes of this chapter, unless the context otherwise requires:

“*Adjusted basis*” means the same as defined in Iowa Code section 427.16.

“*Application for exemption*” means the application for a property tax exemption filed with the applicable assessor pursuant to Iowa Code section 427.16.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Certification*” means confirmation, following completion of an entire project, that substantial rehabilitation work for a historic property meets the federal standards.

“*Exemption*” means the temporary release from the increase in valuation due to certified substantial rehabilitation of a historic property contemplated by Iowa Code section 427.16.

“*Federal standards*” means the U.S. Secretary of the Interior's standards for rehabilitation set forth in 36 CFR 67.7.

“*Historic property*” means the same as defined in Iowa Code section 427.16(7).

“*Part 1 application*” means an application submitted to the authority to determine whether a property is a historic property.

“*Part 2 application*” means an application submitted to the authority to determine whether the proposed rehabilitation work for a historic property meets federal standards.

“*Part 3 application*” means an application submitted to the authority to determine whether the rehabilitation work for a historic property has been completed in accordance with the federal standards and that the expenditure constitutes a certified substantial rehabilitation.

“*Property owner*” means an individual or corporation that is the owner of real estate for taxation purposes.

“State historic preservation officer” or “SHPO” means the officer appointed and certified pursuant to Iowa Code section 15.121.

“Substantial rehabilitation” means the same as defined in Iowa Code section 427.16(8).

261—418.2(15,427) Program administration. Boards of supervisors administer historic property tax exemptions pursuant to Iowa Code section 427.16. The SHPO approves certifications for inclusion with an exemption application pursuant to this chapter.

261—418.3(15,427) Eligibility.

418.3(1) A property owner may apply for certification.

418.3(2) The SHPO will not approve a certification for a condominium.

261—418.4(15,427) Certification procedure.

418.4(1) All applications for certification shall be on such forms and in accordance with such instructions as may be established by the SHPO. Online applications and instructions may be obtained by visiting the authority’s website. An application shall not be considered submitted for review until the application is complete and all required supporting documentation and information are provided.

418.4(2) Applications for certification shall provide historical, architectural and financial information and plans, photographs and maps as required on the application forms.

a. Part 1 applications establish the significance of the property as a historic property. Photographs shall show the pre-rehabilitation condition of the property, including the interior and exterior, before any work or new construction begins.

b. Part 2 applications detail the existing conditions and the proposed rehabilitation workplan. Photographs shall show specific areas of work and both the interior and exterior conditions prior to the start of work. Photographs shall show the pre-rehabilitation condition of the property, including the interior and exterior, before any work or new construction begins.

c. Part 3 applications document the completed work. Photographs shall show specific areas where work has been completed and both the overall interior and exterior conditions after the completion of work. Part 3 applications shall include sufficient documentation to allow SHPO staff to determine whether the property has undergone a substantial rehabilitation. Such documentation may include but is not limited to a letter from the applicable county assessor establishing the taxpayer’s adjusted basis or verification of qualified expenditures by a certified public accountant authorized to practice in this state.

d. Applicants are strongly encouraged to obtain approvals on parts 1 and 2 of the application prior to the start of work to prevent delays in approval of certification or denials caused by rehabilitation work that is not completed in accordance with the federal standards. Applicants shall file completed part 3 applications with the authority on or before December 31 of the year the substantial rehabilitation is completed.

418.4(3) All applications will be reviewed by the SHPO within 30 days of receipt of a complete application. If the application is incomplete when submitted or if the SHPO requests additional information, the 30-day review period will restart when the SHPO receives the requested information.

418.4(4) Any modification to the original rehabilitation proposal following approval of a part 2 application requires that an applicant amend the part 2 application to request review of the modification. Amendments to the part 2 application may result in rescission of approval if the SHPO determines that the work does not meet the federal standards or does not otherwise comply with the requirements of the exemption. Amendments to the part 2 application will not be accepted after the authority has approved the part 3 application. Work completed after approval of certification may be reviewed pursuant to rule 261—418.6(15,427).

418.4(5) Materials submitted to the authority will not be returned.

418.4(6) The process of application for certification pursuant to this chapter does not substitute for any other reviews or applications that may be required of property owners.

418.4(7) Inquiries concerning information required, historic property eligibility, and review criteria should be addressed to the authority.

261—418.5(15,427) Review and approval standards for applications for certification.

418.5(1) Project certification shall be based on the federal standards.

418.5(2) The standards apply to interior and exterior work. All reviews shall consider the entire rehabilitation project, including any new construction on site, rather than only a limited segment of the project. Certification shall be based on conformity of the total project to the standards.

418.5(3) If required documentation is incomplete and the review and evaluation cannot be completed following a request for additional information and if no response is provided within one year, the application may be considered abandoned or, if applicable, the requested certification denied. The applicant shall be notified by the authority.

418.5(4) If the SHPO approves certification, the applicant shall be notified in writing.

261—418.6(15,427) Revocation of certification. The SHPO may revoke certification of a historic property if, during the period of the exemption, work is completed for the historic property that does not meet the federal standards. Proposed work for the historic property following approval of certification should be reviewed by the SHPO to ensure continued certification.

261—418.7(15,427) Application for exemption. Application for exemption forms may be obtained from the office of the appropriate assessor or board of supervisors and submitted as directed in Iowa Code section 427.16.

261—418.8(15,427) Appeals. Decisions made by the authority may be appealed pursuant to Iowa Code chapter 17A.

261—418.9(15,427) References. All references to the Code of Federal Regulations are to the laws as in effect on [effective date of this rulemaking].

These rules are intended to implement Iowa Code sections 15.121 and 427.16.