



IOWA ADMINISTRATIVE BULLETIN

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CONTENTS IN THIS ISSUE

Pages 1279 to 1368 include **ARC 1820C**, **ARC 1822C**, **ARC 1823C**,
ARC 1825C to **ARC 1829C** and **ARC 1831C** to **ARC 1842C**

ADMINISTRATIVE SERVICES

DEPARTMENT[11]

Filed, Offset of debts owed state agencies,
40.1 to 40.16 **ARC 1842C**..... 1338

AGENDA

Administrative rules review committee..... 1273

ALL AGENCIES

Agency identification numbers..... 1277
Citation of administrative rules..... 1271
Schedule for rule making..... 1272

DELAY

Economic Development Authority[261]
Workforce housing tax incentives
program, 48.7(2)..... 1369

ECONOMIC DEVELOPMENT

AUTHORITY[261]

Notice, Iowa tourism grant
program—eligibility, application
scoring, administration, 42.1, 42.3,
42.4, 42.6 **ARC 1820C**..... 1279
Filed, Apprenticeship training program,
ch 12 **ARC 1826C**..... 1345
Filed Emergency, Economic development
region initiatives, 31.1, 31.13 **ARC 1822C**.... 1337
Filed, Redevelopment tax credits
program for brownfield and grayfield
sites, amendments to ch 65 **ARC 1827C**..... 1348
Filed, Strategic infrastructure program,
ch 118 **ARC 1825C**..... 1354
Delay, Workforce housing tax incentives
program, 48.7(2)..... 1369

ENVIRONMENTAL PROTECTION

COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]“umbrella”

Notice, Beverage container deposits;
hydrogeologic investigation and
monitoring requirements; sanitary
landfills: biosolids monofills;
beautification grant program; waste tire
stockpile abatement program, amend
ch 107; rescind chs 110, 112, 210, 218
ARC 1823C..... 1280

HISTORICAL DIVISION[223]

CULTURAL AFFAIRS DEPARTMENT[221]“umbrella”

Notice, Historic preservation and cultural
and entertainment district tax credits,
amendments to ch 48 **ARC 1836C**..... 1282

INSPECTIONS AND APPEALS

DEPARTMENT[481]

Filed, Indigent defense claims processing,
rescind ch 9 **ARC 1829C**..... 1357

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]“umbrella”

Filed, Psychologists—provisional
licensure, 5.16, 240.1, 240.5(3),
240.6(1), 240.12 to 240.15, 240.18,
240.19, 241.3(2) **ARC 1834C**..... 1357
Filed, Military service and veteran
reciprocity, ch 20 **ARC 1833C**..... 1359
Filed, Dietitians—updates to organization
names and terminology, 81.5, 81.6,
83.2(1) **ARC 1835C**..... 1362

PUBLIC HEALTH DEPARTMENT[641]

- Notice, Grants to counties program for testing, reconstructing and plugging private water wells, 24.1, 24.2, 24.5 to 24.7, 24.9(2), 24.14(3) **ARC 1840C** 1300
- Notice, Limited radiologic technologist examination fee, 42.9(2)“e”(3) **ARC 1841C** 1303
- Notice, Vision screening, ch 52 **ARC 1838C** 1303
- Notice, Local public health services, ch 80 **ARC 1839C** 1308

PUBLIC HEARINGS

- Summarized list 1275

REVENUE DEPARTMENT[701]

- Notice, Historic preservation and cultural and entertainment district tax credit projects, 42.19, 42.54, 52.18, 52.47, 58.10 **ARC 1837C** 1315

SECRETARY OF STATE[721]

- Notice, Voting systems—network security, 22.50 **ARC 1828C** 1331
- Filed, Election forms and instructions—cross-reference updates, amendments to ch 21 **ARC 1831C** 1363

TRANSPORTATION DEPARTMENT[761]

- Notice, Extension of junkyard control to national highway system, 116.1 to 116.3 **ARC 1832C** 1333

TREASURER OF STATE

- Notice—Public funds interest rates 1335

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]; workers' compensation rate filings [515A.6(7)]; usury rates [535.2(3)"a"]; and agricultural credit corporation maximum loan rates [535.12].

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

STEPHANIE A. HOFF, Administrative Code Editor

Telephone: (515)281-3355

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CITATION of Administrative Rules

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

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)

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

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

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

Schedule for Rule Making 2015

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

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
17	Friday, January 30, 2015	February 18, 2015
18	Friday, February 13, 2015	March 4, 2015
19	Friday, February 27, 2015	March 18, 2015

PLEASE NOTE:

Rules will not be accepted after **12 o'clock noon** on the Friday filing deadline days unless prior approval has been received from the Administrative Rules Coordinator's office.

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

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

The Administrative Rules Review Committee will hold its regular, statutory meeting on February 6, 2015, at 9 a.m. in Room 116, State Capitol, Des Moines, Iowa. The following rules will be reviewed:

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Offset of debts owed state agencies, 40.1 to 40.16 Filed **ARC 1842C** 1/21/15

CREDIT UNION DIVISION[189]

COMMERCE DEPARTMENT[181]"umbrella"

Mergers, ch 16 Notice **ARC 1816C** 1/7/15

DENTAL BOARD[650]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Administration of sedation and nitrous oxide inhalation analgesia, 29.4, 29.5(12) Filed **ARC 1810C** 1/7/15

Military service and veteran reciprocity, ch 52 Filed **ARC 1811C** 1/7/15

ECONOMIC DEVELOPMENT AUTHORITY[261]

Apprenticeship training program, ch 12 Filed **ARC 1826C** 1/21/15

Economic development region initiatives, 31.1, 31.13 Filed **Emergency ARC 1822C** 1/21/15

Iowa tourism grant program—eligibility, application scoring, administration, 42.1, 42.3, 42.4, 42.6 Notice **ARC 1820C** 1/21/15

Redevelopment tax credits program for brownfield and grayfield sites, amendments to ch 65 Filed **ARC 1827C** 1/21/15

Strategic infrastructure program, ch 118 Filed **ARC 1825C** 1/21/15

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Beverage container deposits; hydrogeologic investigation and monitoring requirements; sanitary landfills: biosolids monofills; beautification grant program; waste tire stockpile abatement program, amend ch 107; rescind chs 110, 112, 210, 218 Notice **ARC 1823C** 1/21/15

HISTORICAL DIVISION[223]

CULTURAL AFFAIRS DEPARTMENT[221]"umbrella"

Historic preservation and cultural and entertainment district tax credits, amendments to ch 48 Notice **ARC 1836C** 1/21/15

HUMAN SERVICES DEPARTMENT[441]

State supplementary assistance program—annual adjustments to eligibility and payment levels, 51.4(1), 51.7, 52.1 Notice **ARC 1812C**, also Filed **Emergency ARC 1813C** 1/7/15

Area education agency personnel providing services under Medicaid—update of cross reference, 77.28(4) Filed **ARC 1807C** 1/7/15

HCBS reimbursement rate—staff training costs, 79.1(15)"b"(9) Notice **ARC 1818C** 1/7/15

Nursing facilities—preadmission screening and resident review process, 81.1, 81.3, 81.6, 81.7(2), 81.10, 81.11(1), 81.13(14), 81.22(2) Filed **ARC 1806C** 1/7/15

Child care centers and child development homes—record check process, 109.1, 109.6(6), 110.7(3) Filed **ARC 1809C** 1/7/15

Child development homes and child care assistance—notifications, provider agreements, sanctions, recoupment, 110.7(7), 170.5, 170.9(6) Notice **ARC 1819C** 1/7/15

Foster and adoptive parent preservice training, 117.1, 117.2, 200.4(4) Filed **ARC 1808C** 1/7/15

Eligibility for aftercare services program and preparation for adult living stipend, amendments to ch 187 Notice **ARC 1817C** 1/7/15

INSPECTIONS AND APPEALS DEPARTMENT[481]

Indigent defense claims processing, rescind ch 9 Filed **ARC 1829C** 1/21/15

NURSING BOARD[655]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Licensure—registered nurse, licensed practical nurse, advanced registered nurse practitioner, 3.1 to 3.9 Filed **ARC 1815C** 1/7/15

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Psychologists—provisional licensure, 5.16, 240.1, 240.5(3), 240.6(1), 240.12 to 240.15, 240.18, 240.19, 241.3(2) Filed **ARC 1834C** 1/21/15

Military service and veteran reciprocity, ch 20 Filed **ARC 1833C** 1/21/15

Dietitians—updates to organization names and terminology, 81.5, 81.6, 83.2(1) Filed **ARC 1835C** 1/21/15

PUBLIC HEALTH DEPARTMENT[641]

Grants to counties program for testing, reconstructing and plugging private water wells, 24.1,
 24.2, 24.5 to 24.7, 24.9(2), 24.14(3) Notice **ARC 1840C** 1/21/15
 Limited radiologic technologist examination fee, 42.9(2)“e”(3) Notice **ARC 1841C** 1/21/15
 Vision screening, ch 52 Notice **ARC 1838C**..... 1/21/15
 Local public health services, ch 80 Notice **ARC 1839C**..... 1/21/15

REVENUE DEPARTMENT[701]

Historic preservation and cultural and entertainment district tax credit projects, 42.19, 42.54,
 52.18, 52.47, 58.10 Notice **ARC 1837C**..... 1/21/15
 Compressed natural gas, liquefied natural gas, and motor fuel tax rates, 67.1, 67.3(5),
 67.21(1), 68.2, 69.1, 69.2, 69.5 to 69.9 Filed **ARC 1805C** 1/7/15

SECRETARY OF STATE[721]

Election forms and instructions—cross-reference updates, amendments to ch 21 Filed **ARC 1831C** 1/21/15
 Voting systems —network security, 22.50 Notice **ARC 1828C** 1/21/15

TRANSPORTATION DEPARTMENT[761]

Extension of junkyard control to national highway system, 116.1 to 116.3 Notice **ARC 1832C**..... 1/21/15

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 Mark Chelgren
 819 Hutchinson
 Ottumwa, Iowa 52501

Representative Lisa Heddens
 2401 Westwind Drive
 Ames, Iowa 50010

Senator Thomas Courtney
 2609 Clearview
 Burlington, Iowa 52601

Representative Megan Jones
 4470 Highway 71
 Sioux Rapids, Iowa 505857

Senator Wally Horn
 101 Stoney Point Road, SW
 Cedar Rapids, Iowa 52404

Representative Rick Olson
 3012 East 31st Court
 Des Moines, Iowa 5031

Senator Pam Jochum
 2368 Jackson Street
 Dubuque, Iowa 52001

Representative Dawn Pettengill
 P.O. Box A
 Mt. Auburn, Iowa 52313

Senator Roby Smith
 2036 East 48th Street
 Davenport, Iowa 52807

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 1610 Carbonado Road
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 Des Moines, Iowa 50319
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CREDIT UNION DIVISION[189]

Mergers,
ch 16
IAB 1/7/15 **ARC 1816C**

Conference Room, Division Offices
200 E. Grand Ave., Suite 370
Des Moines, Iowa

January 27, 2015
1 p.m.

ENVIRONMENTAL PROTECTION COMMISSION[567]

Air quality,
amendments to chs 20, 22,
23, 25, 31, 33
IAB 12/24/14 **ARC 1795C**

Conference Rooms, Air Quality Bureau
7900 Hickman Rd.
Windsor Heights, Iowa

January 26, 2015
1 p.m.

Beverage container deposits;
hydrogeologic investigation
and monitoring; sanitary
landfills: biosolids monofills;
beautification grant program;
waste tire stockpile abatement
program, amend ch 107; rescind
chs 110, 112, 210, 218
IAB 1/21/15 **ARC 1823C**

Fourth Floor West Conference Room
Wallace State Office Bldg.
Des Moines, Iowa

February 18, 2015
1 to 2 p.m.

HISTORICAL DIVISION[223]

Historic preservation and cultural
and entertainment district tax
credits, amendments to ch 48
IAB 1/21/15 **ARC 1836C**

Heritage Classroom, First Floor
State Historical Building
600 E. Locust
Des Moines, Iowa

February 11, 2015
3:30 p.m.

PUBLIC HEALTH DEPARTMENT[641]

Grants to counties program for
testing, reconstructing and
plugging private water wells,
24.1, 24.2, 24.5 to 24.7,
24.9(2), 24.14(3)
IAB 1/21/15 **ARC 1840C**

Origination site:
Director's Conference Room, Sixth Floor
Lucas State Office Bldg.
Des Moines, Iowa

February 10, 2015
9 to 11 a.m.

GoToMeeting:
<https://www1.gotomeeting.com/register/276590537>
Or by conference call:
Toll-free: 1-877-455-1368
Access Code: 867-616-596

Vision screening,
ch 52
IAB 1/21/15 **ARC 1838C**

GoToMeeting:
<https://www1.gotomeeting.com/join/735837521>
Or by conference call:
Toll-free: 1-877-309-2070
Access Code: 735-837-521

February 10, 2015
11 a.m. to 12:30 p.m.

Local public health services,
ch 80
IAB 1/21/15 **ARC 1839C**

GoToMeeting:
<https://www1.gotomeeting.com/register/238776977>
Or by conference call:
Toll-free: 1-866-952-8437
Access Code: 325-155-880

February 10, 2015
1:30 to 2:30 p.m.

Licensure standards for
substance-related disorder
and problem gambling treatment
programs, ch 155
IAB 1/7/15 **ARC 1814C**
(See **ARC 1745C**, IAB 12/10/14)

Origination site:
Director's Conference Room, Sixth Floor
Lucas State Office Bldg.
Des Moines, Iowa

January 27, 2015
11 a.m. to 12 noon

GoToMeeting:
<https://www1.gotomeeting.com/join/915040873>
Or by conference call:
Toll-free: 1-877-309-2070
Access Code: 915-040-873

REVENUE DEPARTMENT[701]

Historic preservation and cultural
and entertainment district tax
credits, 42.19, 42.54, 52.18,
52.47, 58.10
IAB 1/21/15 **ARC 1837C**

Heritage Classroom, First Floor
State Historical Building
600 E. Locust
Des Moines, Iowa

February 11, 2015
3:30 p.m.

TRANSPORTATION DEPARTMENT[761]

Extension of junkyard control to
national highway system,
116.1 to 116.3
IAB 1/21/15 **ARC 1832C**

North Conference Room, First Floor
Administration Building
800 Lincoln Way
Ames, Iowa

February 12, 2015
10 a.m.
(If requested)

UTILITIES DIVISION[199]

Peak alert notification,
20.11
IAB 12/10/14 **ARC 1768C**

Board Hearing Room 69
1375 E. Court Ave.
Des Moines, Iowa

January 28, 2015
10 a.m.

The following list will be updated as changes occur.

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

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

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

ADMINISTRATIVE SERVICES DEPARTMENT[11]
AGING, DEPARTMENT ON[17]
AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]
 Soil Conservation Division[27]
ATTORNEY GENERAL[61]
AUDITOR OF STATE[81]
BEEF INDUSTRY COUNCIL, IOWA[101]
BLIND, DEPARTMENT FOR THE[111]
CAPITAL INVESTMENT BOARD, IOWA[123]
CITIZENS’ AIDE[141]
CIVIL RIGHTS COMMISSION[161]
COMMERCE DEPARTMENT[181]
 Alcoholic Beverages Division[185]
 Banking Division[187]
 Credit Union Division[189]
 Insurance Division[191]
 Professional Licensing and Regulation Bureau[193]
 Accountancy Examining Board[193A]
 Architectural Examining Board[193B]
 Engineering and Land Surveying Examining Board[193C]
 Landscape Architectural Examining Board[193D]
 Real Estate Commission[193E]
 Real Estate Appraiser Examining Board[193F]
 Interior Design Examining Board[193G]
 Utilities Division[199]
CORRECTIONS DEPARTMENT[201]
 Parole Board[205]
CULTURAL AFFAIRS DEPARTMENT[221]
 Arts Division[222]
 Historical Division[223]
EARLY CHILDHOOD IOWA STATE BOARD[249]
ECONOMIC DEVELOPMENT AUTHORITY[261]
 City Development Board[263]
IOWA FINANCE AUTHORITY[265]
EDUCATION DEPARTMENT[281]
 Educational Examiners Board[282]
 College Student Aid Commission[283]
 Higher Education Loan Authority[284]
 Iowa Advance Funding Authority[285]
 Libraries and Information Services Division[286]
 Public Broadcasting Division[288]
 School Budget Review Committee[289]
EGG COUNCIL, IOWA[301]
EMPOWERMENT BOARD, IOWA[349]
ENERGY INDEPENDENCE, OFFICE OF[350]
ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]
EXECUTIVE COUNCIL[361]
FAIR BOARD[371]
HUMAN RIGHTS DEPARTMENT[421]
 Community Action Agencies Division[427]
 Criminal and Juvenile Justice Planning Division[428]
 Deaf Services Division[429]
 Persons With Disabilities Division[431]
 Latino Affairs Division[433]
 Status of African-Americans, Division on the[434]

Status of Women Division[435]
Status of Iowans of Asian and Pacific Islander Heritage[436]
HUMAN SERVICES DEPARTMENT[441]
INSPECTIONS AND APPEALS DEPARTMENT[481]
Employment Appeal Board[486]
Child Advocacy Board[489]
Racing and Gaming Commission[491]
State Public Defender[493]
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]
IOWA PUBLIC INFORMATION BOARD[497]
LAW ENFORCEMENT ACADEMY[501]
LIVESTOCK HEALTH ADVISORY COUNCIL[521]
LOTTERY AUTHORITY, IOWA[531]
MANAGEMENT DEPARTMENT[541]
Appeal Board, State[543]
City Finance Committee[545]
County Finance Committee[547]
NATURAL RESOURCES DEPARTMENT[561]
Energy and Geological Resources Division[565]
Environmental Protection Commission[567]
Natural Resource Commission[571]
Preserves, State Advisory Board for[575]
PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591]
PREVENTION OF DISABILITIES POLICY COUNCIL[597]
PROPANE EDUCATION AND RESEARCH COUNCIL, IOWA[599]
PUBLIC DEFENSE DEPARTMENT[601]
Military Division[611]
HOMELAND SECURITY AND EMERGENCY MANAGEMENT DEPARTMENT[605]
PUBLIC EMPLOYMENT RELATIONS BOARD[621]
PUBLIC HEALTH DEPARTMENT[641]
Professional Licensure Division[645]
Dental Board[650]
Medicine Board[653]
Nursing Board[655]
Pharmacy Board[657]
PUBLIC SAFETY DEPARTMENT[661]
RECORDS COMMISSION[671]
REGENTS BOARD[681]
Archaeologist[685]
REVENUE DEPARTMENT[701]
SECRETARY OF STATE[721]
SHEEP AND WOOL PROMOTION BOARD, IOWA[741]
TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION, IOWA[751]
TRANSPORTATION DEPARTMENT[761]
TREASURER OF STATE[781]
TURKEY MARKETING COUNCIL, IOWA[787]
UNIFORM STATE LAWS COMMISSION[791]
VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]
VETERINARY MEDICINE BOARD[811]
VOLUNTEER SERVICE, IOWA COMMISSION ON[817]
VOTER REGISTRATION COMMISSION[821]
WORKFORCE DEVELOPMENT DEPARTMENT[871]
Labor Services Division[875]
Workers' Compensation Division[876]
Workforce Development Board and Workforce Development Center Administration Division[877]

ARC 1820C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 15.106A, the Economic Development Authority gives Notice of Intended Action to amend Chapter 42, “Iowa Tourism Grant Program,” Iowa Administrative Code.

The rules in Chapter 42 describe the Iowa Tourism Grant Program. These amendments update the existing rules to provide grant applicants greater clarity on the standards for program eligibility, application scoring, and program administration.

The Economic Development Authority Board approved these amendments at a Board meeting held on December 19, 2014.

Interested persons may submit comments on or before February 10, 2015. Comments may be submitted to Nicole Shalla, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone (515)725-3043; e-mail nicole.shalla@iowa.gov.

These amendments do not have any fiscal impact to the state of Iowa.

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

These amendments are intended to implement Iowa Code section 15.106A.

The following amendments are proposed.

ITEM 1. Amend rule **261—42.1(15)**, definition of “Collaborative application,” as follows:
“*Collaborative application*” means an application in which ~~either~~ multiple partners are providing monetary support for the project ~~or multiple partners are actively participating in the project or both~~.

ITEM 2. Amend paragraph **42.3(1)“b”** as follows:
b. The applicant shall demonstrate an amount of local match equal to at least 25 percent of the amount of grant funds to be received by the applicant under the program. The local match shall be in the form of cash. The local match must consist of eligible expenses as described in rule 261—42.6(15).

ITEM 3. Amend paragraph **42.3(2)“c”** as follows:
c. ~~Documentation~~ Written documentation that the grant request is consistent with the cost of implementing the project. Examples of documentation include but are not limited to advertising rate sheets, bids, quotes, and invoices.

ITEM 4. Rescind paragraph **42.4(1)“f”** and adopt the following **new** paragraph in lieu thereof:
f. Budget: 10 points. The authority will view favorably budgets that are well-developed and relevant to the project.

ITEM 5. Amend subrule 42.4(2) as follows:
42.4(2) Approval process. The director of the authority will establish a review committee consisting of members of the Iowa tourism industry. The committee will score all completed applications in accordance with the criteria described in rules 261—42.3(15) and 261—42.4(15) and will use those scores to determine successful applicants. The committee may recommend partial funding of any or all applicants. If, after initially scoring all of the completed applications, the review committee is not able to allocate all the funds available or if any awards are rejected, the authority may allow one or more additional rounds of applications to be submitted and scored. ~~Before the execution of contracts, the authority will provide an award letter for each successful applicant to indicate the applicant’s acceptance or rejection of the recommended award amount. If any awards are rejected, the authority may allow one or more additional rounds of applications to be submitted and scored.~~ For each additional round

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

of applications, the authority will follow the same eligibility requirements and use the same scoring criteria as used in earlier rounds. The authority may accept as many rounds of applications for awards as it deems appropriate.

ITEM 6. Amend paragraph **42.6(2)“a”** as follows:

a. The costs associated with all phases of the execution of marketing tactics and strategies, including planning and design and production of tools such as advertising, print materials, and digital tools ~~and exhibits~~.

ITEM 7. Amend subrule 42.6(3) as follows:

42.6(3) Ineligible expenses. Expenses that are not directly related to the implementation of a tourism-related marketing project or a meeting, an event or a professional development project will be deemed ineligible. Ineligible expenses include but are not limited to vertical infrastructure; applicant staff salaries and wages; solicitation efforts; lobbying fees; items that are purchased for resale; prizes given to participants or event/festival attendees; alcoholic beverages; internships; all travel, meal and lodging costs of applicant staff or the applicant’s contractor; projects that receive funding from the authority’s regional sports authority district program; marketing programs already subsidized by the authority including, but not limited to, advertising in the Iowa travel guide or participation in the cooperative partnership program; or a project of an Iowa tourism region.

ARC 1823C**ENVIRONMENTAL PROTECTION COMMISSION[567]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 455B.304, 455C.9, 455D.7(1), and 455E.9(1), the Environmental Protection Commission hereby gives Notice of Intended Action to amend Chapter 107, “Beverage Container Deposits,” and to rescind Chapter 110, “Hydrogeologic Investigation and Monitoring Requirements,” Chapter 112, “Sanitary Landfills: Biosolids Monofills,” Chapter 210, “Beautification Grant Program,” and Chapter 218, “Waste Tire Stockpile Abatement Program,” Iowa Administrative Code.

This rule making results from the comprehensive five-year rules review that the Department of Natural Resources (Department) is currently undertaking pursuant to Iowa Code section 17A.7(2). The goal of the review is to identify and eliminate rules that are outdated, redundant or inconsistent with statute or other rules. This proposed rule making will eliminate unnecessary and unused verbiage and correct cross references, thus simplifying the rules of the Commission and making them easier to use and understand.

Amendments to Chapter 107, Beverage Container Deposits.

- The second unnumbered paragraph of rule 567—107.1(455C) relates to Iowa Code section 455C.8, which was repealed in 2013. Therefore, rescission is proposed for the paragraph.

- The definitions of “alcoholic beverage,” “alcoholic liquor,” “beer,” and “wine” in rule 567—107.2(455C) are unnecessarily redundant given the definitions cross-referenced in the definition of “beverage” in rule 567—107.2(455C) (see Iowa Code section 123.3). Therefore, rescission of these definitions is proposed.

- The definition of “beverage” in rule 567—107.2(455C) is proposed for rescission in order to be replaced with a new definition of “beverage” that updates the cross references to the definitions of “alcoholic liquor,” “beer,” and “wine” in Iowa Code section 123.3. In addition, the proposed new definition of “beverage” includes a cross reference to the definition of “high alcoholic content beer” in

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

Iowa Code section 123.3. The new definition of “beverage” also lists all referenced items from Iowa Code section 123.3 in alphabetical order.

• Rule 567—107.16(82GA, HF2700) provides means for managing a grant program for beverage container redemption centers under Iowa Code section 455C.17. The grant program was funded once in 2008. No funding has been appropriated since, and additional funding is not anticipated. If the grant program is ever funded again, it is likely that starting over with new administrative rules fashioned for the circumstances at that time would be beneficial. Therefore, this rule is proposed for rescission.

Rescission of Chapter 110, Hydrogeologic Investigation and Monitoring Requirements. Provisions of this chapter have been incrementally incorporated into other individual landfill chapters and no longer apply to any sanitary disposal projects currently permitted by the Department. The chapter is obsolete and does not serve the purpose for which it was originally drafted.

Rescission of Chapter 112, Sanitary Landfills: Biosolids Monofills. This chapter is no longer implemented because there are no landfills that accept only biosolids in Iowa. Should a facility decide to construct a landfill to accept biosolids, the existing Chapter 113 for municipal solid waste landfills would be applicable.

Rescission of Chapter 210, Beautification Grant Program. The funding for this program expired on June 30, 2014. There is no longer a need for this chapter.

Rescission of Chapter 218, Waste Tire Stockpile Abatement Program. This program was funded through a surcharge on vehicle titles; however, the funding expired at the end of fiscal year 2007. Iowa Code section 455D.11F, cited as the authority for this chapter, was repealed in 2004. The correct statutory authority for this chapter is Iowa Code section 455D.11C(2)“d.” Although there are still stockpiles of waste tires, without funding, this program cannot continue.

Any interested person may make written suggestions or comments on the proposed amendments until 4:30 p.m. on February 18, 2015. Such written materials should be directed to Theresa Stiner, Iowa Department of Natural Resources, 502 East Ninth Street, Wallace State Office Building, Des Moines, Iowa 50319-0034; fax (515)725-8202; or by e-mail to Theresa.Stiner@dnr.iowa.gov. Persons who have questions may contact Theresa Stiner by e-mail or at (515)725-8315.

A public hearing will be held on February 18, 2015, from 1 to 2 p.m. in the Fourth Floor West Conference Room of the Wallace State Office Building, 502 East Ninth Street, Des Moines, Iowa. Persons attending the public hearing may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the proposed rule making.

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

This rule making will have no fiscal impact on the State.

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

These amendments are intended to implement Iowa Code chapter 455C and sections 455B.304, 455D.11C and 455E.11.

The following amendments are proposed.

ITEM 1. Rescind the second unnumbered paragraph in rule **567—107.1(455C)**.

ITEM 2. Rescind the definitions of “Alcoholic beverage,” “Alcoholic liquor,” “Beer” and “Wine” in rule **567—107.2(455C)**.

ITEM 3. Rescind the definition of “Beverage” in rule **567—107.2(455C)** and adopt the following **new** definition in lieu thereof:

“*Beverage*” means alcoholic liquor or intoxicating liquor as defined in Iowa Code section 123.3(5), beer as defined in Iowa Code section 123.3(7), high alcoholic content beer as defined in Iowa Code section 123.3(19), wine as defined in Iowa Code section 123.3(47), and mineral water, soda water or similar carbonated soft drinks in liquid form intended for human consumption.

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

- ITEM 4. Rescind and reserve rule **567—107.16(82GA, HF2700)**.
- ITEM 5. Rescind and reserve **567—Chapter 110**.
- ITEM 6. Rescind and reserve **567—Chapter 112**.
- ITEM 7. Rescind and reserve **567—Chapter 210**.
- ITEM 8. Rescind and reserve **567—Chapter 218**.

ARC 1836C

HISTORICAL DIVISION[223]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3, 303.1A, and 404A.6, the Department of Cultural Affairs hereby gives Notice of Intended Action to amend Chapter 48, “Historic Preservation and Cultural and Entertainment District Tax Credits,” Iowa Administrative Code.

In 2014 Iowa Acts, House File 2453, the General Assembly made changes to the Historic Preservation and Cultural and Entertainment District Tax Credit Program. This program is administered by the Department of Cultural Affairs with the assistance of the Department of Revenue. These proposed amendments are necessary to implement new program requirements for the aspects of the program that are administered by the Department of Cultural Affairs (the Department). (See also Department of Revenue Notice of Intended Action published herein as **ARC 1837C** for proposed amendments and new rules relating to this program.)

The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions.

Any person who believes that the application of the discretionary provisions of these amendments would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department has considered the factors listed in Iowa Code section 17A.4A. The Department will issue a regulatory analysis as provided in Iowa Code section 17A.4A if a written request is filed by delivery or by mailing postmarked no later than February 23, 2015, to Kristen Vander Molen, Department of Cultural Affairs, Historical Building, 600 East Locust Street, Des Moines, Iowa 50319. Alternatively, requests may be e-mailed to kristen.vandermolen@iowa.gov. The request may be made by the Administrative Rules Review Committee, the Administrative Rules Coordinator, at least 25 persons signing that request who each qualify as a small business, or an organization representing at least 25 such persons.

Any interested person may make written suggestions or comments on these proposed amendments on or before February 10, 2015. Such written comments should be e-mailed to Kristen Vander Molen at kristen.vandermolen@iowa.gov. Persons who want to convey their views orally should contact Kristen Vander Molen at (515)281-4228.

A public hearing will be held on February 11, 2015, at 3:30 p.m. in the Heritage Classroom on the first floor of the State Historical Building at 600 East Locust Street, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

After analysis and review of this rule making, the Department finds that there may be a positive impact on jobs as a result of program changes.

These amendments are intended to implement 2014 Iowa Acts, House File 2453.

HISTORICAL DIVISION[223](cont'd)

The following amendments are proposed.

ITEM 1. Add the following **new** division heading before rule 223—48.1(303,404A):

DIVISION I
PROJECTS FOR WHICH APPLICATIONS WERE APPROVED AND
TAX CREDITS WERE RESERVED PRIOR TO JULY 1, 2014

ITEM 2. Amend subrule 48.5(2) as follows:

48.5(2) Computing the tax credit. The state historic preservation office (hereinafter referred to as SHPO) shall compute the tax credit based on the final qualified rehabilitation costs documented on part three of the application and shall issue a tax credit certificate pursuant to subrule 48.6(8).

a. For projects for which part two of the application was approved and tax credits were reserved before July 1, 2009: The only costs which may be included on part three of the application are the qualified rehabilitation costs incurred between the period ending on the project completion date and beginning on the date two years prior to the project completion date, provided that any qualified rehabilitation costs incurred prior to the date on which part two of the application was approved must be qualified rehabilitation expenditures under the federal rehabilitation credit in Section 47 of the Internal Revenue Code.

b. For projects for which part two of the application was approved on or after July 1, 2009: The only costs which may be included on part three of the application are those qualified rehabilitation costs incurred for the rehabilitation of eligible property during the rehabilitation period, provided that any costs incurred prior to the date on which part two of the application was approved must be qualified rehabilitation expenditures as defined in Section 47(c)(2) of the Internal Revenue Code.

ITEM 3. Amend subrule 48.6(1) as follows:

48.6(1) All applications for historic tax credits shall be on the current state fiscal year's forms and in accordance with the current state fiscal year's instructions provided by the SHPO. All applications must be complete and include all required supporting documentation before being considered for review and before beginning the review periods outlined in subrule 48.6(3). Application forms are available from the Tax Incentives Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust Street, Des Moines, Iowa 50319-0290. Applications may also be downloaded from the department of cultural affairs—state historical society of Iowa Web site.

a. Part one of the application identifies the eligibility of the property for the historic tax credit. Part one of the application is accepted year-round. Part one of the application must include all requested information. SHPO staff shall notify the applicant if part one of the application is incomplete. Incomplete applications will not be processed.

b. Part two of the application provides a detailed description of the rehabilitation project. Part two of the application is accepted when tax credits are available for the fund specified by the applicant pursuant to subrule 48.7(6) or, if no tax credits are available, in accordance with rule 223—48.8(303,404A). Part two of the application must include all requested information. SHPO staff shall notify the applicant if part two of the application is incomplete. Incomplete applications will not be processed.

c. Part three of the application provides the information and documentation required to request certification of project completion and includes an economic impact questionnaire. Part three of the application must include all requested information including certification in accordance with subrule 48.4(2). SHPO staff shall notify the applicant if part three of the application is incomplete. Incomplete applications will not be processed. Incomplete applications may be subject to abandonment as outlined in rule 223—48.12(303,404A).

(1) For projects for which part two of the application was approved and tax credits reserved before July 1, 2009, part three of the application shall be submitted within 6 months of the date on which the building is placed in service.

HISTORICAL DIVISION[223](cont'd)

(2) For projects for which part two of the application was approved and tax credits reserved on or after July 1, 2009, and before July 1, 2014, part three of the application shall be submitted within 24 months of the date on which the rehabilitation period ends.

d. Amendments to applications. An applicant shall amend an approved part one of the application or an approved part two of the application if the property changes ownership or if the applicant's name or address changes. An applicant shall amend an approved part two of the application to notify SHPO of, and to request review of, modifications to the original description of the rehabilitation project. Amendments to part two of the application shall not include modification of the rehabilitation costs estimated in the originally approved part two of the application. Amendments to part two of the application shall not result in the reservation of additional tax credits for a project. Amendments to part two will not be accepted after SHPO has approved part three of the application pursuant to subrule 48.6(8). An applicant may amend an approved part three of the application. Any amendment to part three shall meet all requirements applicable to part three. The total application processing fee charged for part three under rule 223—48.16(303,404A) is based on the final qualified rehabilitation costs as reported on the part three amendment.

ITEM 4. Amend subrule 48.6(8) as follows:

48.6(8) Approval of part three of the application. Upon approval of part three of the application, the SHPO shall issue a tax credit certificate to the applicant in an amount equal to 25 percent of the qualified rehabilitation costs as estimated in part two of the application for the tax credit year originally reserved for the project upon approval of part two of the application, unless the qualified rehabilitation costs in part three of the application differ from the estimated qualified rehabilitation costs in part two of the application. Notwithstanding anything contained in this chapter to the contrary, the eligibility for the tax credit and the amount of the tax credit remain subject to audit by the department of revenue in accordance with Iowa Code chapters 421 and 422.

a. If the qualified rehabilitation costs documented in part three of the application are less than the qualified rehabilitation costs estimated in part two of the application, the SHPO shall issue a certificate in an amount equal to 25 percent of the final qualified rehabilitation costs and return any unused tax credits to the tax credit fund from which they were reserved. Notwithstanding the foregoing, tax credits that were reserved for a project but not used for that project may be used in accordance with Iowa Code chapter 404A as in effect beginning July 1, 2014, and Division II of this chapter.

b. For projects with tax credits reserved from the small projects fund and final qualified rehabilitation costs of \$750,000 or less: If the final qualified rehabilitation costs documented in part three of the application are greater than the qualified rehabilitation costs estimated in part two of the application, the SHPO shall issue tax credit certificates totaling 25 percent of the final qualified rehabilitation costs, with the initial tax credit certificate issued in the amount originally reserved for the project and the remainder for the earliest year in which tax credits are available in the small projects fund or, if no tax credits are available, in accordance with rule 223—48.8(303,404A).

c. For projects with tax credits reserved from the small projects fund and final qualified rehabilitation costs over \$750,000: The SHPO shall notify the applicant that the applicant may either:

(1) Apply for the cumulative total of qualified rehabilitation costs under any other fund for which the project is eligible. If the applicant receives a tax credit reservation from another fund, the applicant shall abandon the entirety of the applicant's tax credit reservation in the small projects fund in accordance with rule 223—48.12(303,404A); or

(2) Claim only the final qualified rehabilitation costs up to \$750,000. If the applicant chooses this option, the SHPO shall issue tax credit certificates totaling no more than \$187,500 for the project, with the initial tax credit certificate issued in the amount originally reserved for the project and the remainder for the earliest year in which tax credits are available in the small projects fund or, if no tax credits are available, in accordance with rule 223—48.8(303,404A).

d. For projects with tax credits reserved from any other fund: If the final qualified rehabilitation costs documented in part three of the application are greater than the qualified rehabilitation costs estimated in part two of the application, the SHPO shall issue tax credit certificates totaling 25 percent

HISTORICAL DIVISION[223](cont'd)

of the final qualified rehabilitation costs in the same fund from which tax credits were initially awarded, with the initial tax credit certificate issued for the amount originally reserved for the project and the remainder for the earliest year in which tax credits are available in the appropriate fund or, if no tax credits are available, in accordance with rule 223—48.8(303,404A).

e. Transition provisions. Notwithstanding anything to the contrary in paragraphs 48.6(8) “b,” “c” and “d” above, beginning on and after July 1, 2014, the taxpayer shall not be eligible for a reservation for any credits awarded in excess of the reservation amount, but shall be eligible to receive credits as they become available, in the small projects fund or otherwise, in accordance with the procedures developed from time to time by the SHPO. Such procedures shall give preference to taxpayers that had a reservation prior to July 1, 2014.

ITEM 5. Amend subrule 48.7(1) as follows:

48.7(1) *The small projects fund.* The SHPO shall reserve 10 percent of the tax credit allocation for any tax credit year in a small projects fund for projects with final qualified rehabilitation costs totaling \$750,000 or less.

~~a. At the end of each state fiscal year, any credits in the small projects fund that have not been reserved for small projects shall be available for small projects in subsequent fiscal years.~~

~~b. If the small projects fund is fully reserved, any applications for small projects received after full reservation of the small projects fund may be eligible for the statewide fund.~~

ITEM 6. Amend paragraph **48.7(7)“c”** as follows:

~~c. For purposes of this subrule, the phrase “in any fiscal year” refers to each of the three fiscal years for which credits may be reserved pursuant to Iowa Code section 404A.4(5) as amended by 2009 Iowa Acts, Senate File 481, section 3.~~

ITEM 7. Adopt the following **new** subrule 48.7(8):

48.7(8) *Transition provisions.* Notwithstanding anything contained in this chapter to the contrary, no tax credits shall be reserved under these administrative rules after July 1, 2014. See Iowa Code chapter 404A in effect beginning July 1, 2014, and Division II of this chapter.

ITEM 8. Amend subrule 48.8(7) as follows:

48.8(7) *Prioritization of review according to fund.* Once the master sequence list is set, the projects will be reviewed by fund in the sequential order in which they fall on the list.

a. Category A projects will be reviewed and reserved first. SHPO shall reserve the remaining credits for the project from the same tax credit fund selected by the applicant pursuant to subrule 48.7(6) if a selection was made. Otherwise, SHPO shall reserve the remaining credits for the project from the same tax credit fund from which the original reservation came or from another fund for which the project is eligible.

b. Following review of category A projects, tax credit funds will be reviewed in the following order:

- (1) Small projects fund, CED-GP fund, and new permanent jobs fund.
- (2) Disaster recovery fund.
- (3) Statewide fund.

c. Any tax credits that have not been reserved in a particular fund will be transferred, if applicable, to the appropriate fund as outlined in rule 223—48.7(303,404A). If a fund is exhausted before the completion of reviews for that fund, all remaining projects in that fund shall be eligible for the statewide fund and will be considered in the order shown on the master sequence list.

d. Notwithstanding the foregoing, no projects will be sequenced pursuant to this subrule on or after July 1, 2014.

ITEM 9. Adopt the following **new** subrule 48.9(5):

48.9(5) Notwithstanding the foregoing, no credits will be reserved under this rule on or after July 1, 2014.

HISTORICAL DIVISION[223](cont'd)

ITEM 10. Amend rule 223—48.10(303,404A) as follows:

223—48.10(303,404A) Project commencement.

48.10(1) Once a tax credit reservation is made for a project, rehabilitation must begin before the end of the state fiscal year in which the SHPO approved part two of the application. The applicant shall submit to the SHPO a project commencement report and cover letter certifying the commencement date of rehabilitation and outlining expenditure of qualified rehabilitation costs. This report and cover letter are due within the first ten working days of the next state fiscal year. Information about the project commencement report is available from the Tax Incentives Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust Street, Des Moines, Iowa 50319-0290. It may also be downloaded from the department of cultural affairs—state historical society of Iowa Web site.

48.10(2) In the event rehabilitation on a project does not begin before the end of the state fiscal year in which the SHPO approved part two of the application, the SHPO shall recapture the tax credit reservation in accordance with the provisions of rule 223—48.12(303,404A). Beginning on and after July 1, 2014, the recaptured reserved tax credit amount shall be available for award to the extent provided by Iowa Code chapter 404A as in effect beginning July 1, 2014, and Division II of this chapter.

ITEM 11. Amend subrule 48.11(1) as follows:

48.11(1) Once a tax credit reservation is made for a project, construction must be completed and the eligible property must be placed in service as follows:

a. For projects for which part two of the application was approved and tax credits reserved before July 1, 2009: The project shall be completed and the building shall be placed in service on or before June 30, 2011.

b. For projects for which part two of the application was approved and tax credits were reserved on or after July 1, 2009, and before July 1, 2014: The project shall be completed and the eligible property shall be placed in service within 60 months of the date on which part two of the application was approved or 72 months of the date on which part two of the application was approved if more than 50 percent of the qualified rehabilitation costs are incurred within 60 months of the date on which part two of the application was approved and the applicant requests the 12-month extension in writing from the SHPO.

(1) If the applicant requests the 12-month extension from the SHPO to complete the project and place the building in service, the applicant must complete a qualified rehabilitation costs schedule and cover letter documenting the expenditure of more than 50 percent of the qualified rehabilitation costs estimated in part two of the application. This report and cover letter are due within 30 days of the end of the 60-month period. Information about the qualified rehabilitation costs schedule is available from the Tax Incentives Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust Street, Des Moines, Iowa 50319-0290. The qualified rehabilitation costs schedule may be downloaded from the department of cultural affairs—state historical society of Iowa Web site.

(2) If the applicant does not request the additional 12 months from the SHPO, the applicant will be held to the requirement that the building be placed in service within 60 months of the date on which part two of the application was approved.

ITEM 12. Amend subrule 48.11(2) as follows:

48.11(2) In the event actual construction on a project is not completed and the eligible property is not placed in service within the time period allowed in accordance with subrule 48.11(1), the SHPO shall recapture the tax credit reservation in accordance with the provisions of rule 223—48.12(303,404A). Beginning on and after July 1, 2014, the recaptured reserved tax credit amount shall be available for award to the extent provided by Iowa Code chapter 404A as in effect beginning July 1, 2014, and Division II of this chapter.

ITEM 13. Amend subrule 48.12(5) as follows:

48.12(5) *Tax credit return to appropriate fund.* The SHPO shall return any recaptured tax credit reservations to the tax credit fund from which they were reserved. Beginning on and after July 1, 2014, the recaptured reserved tax credit amount shall only be available for award to the extent provided by Iowa Code chapter 404A as in effect beginning July 1, 2014, and Division II of this chapter.

HISTORICAL DIVISION[223](cont'd)

ITEM 14. Amend rule 223—48.15(303,404A) as follows:

223—48.15(303,404A) Tax credits in excess of tax liability.

48.15(1) An applicant whose tax credit exceeds the tax liability in the tax year for which the tax credit may be redeemed is entitled to a refund of the excess tax credit with interest under Iowa Code section 422.25. See also administrative rules of the department of revenue, particularly rules 701—42.15(422) 701—42.19(404A,422) and 701—52.18(404A,422).

48.15(2) In lieu of a refund, the applicant may have the excess tax credit applied to the tax liability for the following year.

ITEM 15. Amend **223—Chapter 48, Division I**, implementation sentence, as follows:

These rules are intended to implement Iowa Code ~~chapter~~ chapters 303 and ~~chapter~~ 404A as amended by ~~2009 Iowa Acts, Senate File 481.~~

ITEM 16. Reserve rules **223—48.18** to **223—48.20**.

ITEM 17. Add the following **new** division heading before rule 223—48.21(303,404A):

DIVISION II
PROJECTS FOR WHICH PART 2 APPLICATIONS WERE APPROVED AND AGREEMENTS
WERE ENTERED INTO ON OR AFTER JULY 1, 2014

ITEM 18. Adopt the following **new** rules 223—48.21(303,404A) to 223—48.37(303,404A):

223—48.21(303,404A) Purpose. A historic preservation and cultural and entertainment district tax credit (hereinafter referred to as “historic tax credit”) may be applied against the income tax imposed under Iowa Code chapter 422, division II, III, or V, or Iowa Code chapter 432 for qualified rehabilitation projects that have entered into and complied with an agreement with the department of cultural affairs (hereinafter referred to as “the department”) and complied with all applicable terms, laws, and rules. The program is administered by the department with the assistance of the department of revenue. The general assembly has mandated that the department and the department of revenue adopt rules to jointly administer Iowa Code chapter 404A. In general, the department evaluates whether projects comply with the prescribed standards for rehabilitation. The department shall make determinations on applications submitted to the program. The department may consult with the department of revenue on any matters related to Iowa Code chapter 404A, the administrative rules of the department, and any agreement entered into under Iowa Code chapter 404A, including but not limited to issues related to whether projects or claimed expenditures comply with the tax aspects of the program. After consulting with the department of revenue and verifying whether the requirements of the program and any agreement have been fulfilled, the department shall make the determination on an eligible taxpayer’s tax credit claim. This chapter sets forth the administration of the program by the department. The administrative rules for the department of revenue’s administration of the program can be found in rules 701—42.19(404A,422), 701—42.54(404A,422), 701—52.18(404A,422), and 701—58.10(404A,422).

223—48.22(404A) Definitions. The definitions listed in rules 223—1.2(17A,303) and 223—35.2(303) shall apply to terms as they are used throughout this chapter. In addition, for purposes of this chapter, unless the context otherwise requires:

“*Agreement*” means an agreement between an eligible taxpayer and the department concerning a qualified rehabilitation project as provided in Iowa Code section 404A.3(3) and rule 223—48.32(404A).

“*Applicant*” means an eligible taxpayer described in rule 223—48.27(404A).

“*Assessed value*” means the value of the eligible property on the most current property tax assessment at the time that the relevant application or agreement is submitted or the agreement is signed, as applicable.

“*Barn*” means an agricultural building or structure, in whatever shape or design, which was originally used for the storage of farm products or feed or for the housing of farm animals, poultry, or farm equipment.

HISTORICAL DIVISION[223](cont'd)

“*Certificate*” means a historic preservation and cultural and entertainment district tax credit certificate issued pursuant to Iowa Code section 404A.3(5).

“*Commencement date*” means the date set forth in the agreement, which date shall not be later than the end of the fiscal year in which the agreement is entered into.

“*Commercial property*” means property classified as commercial, industrial, railroad, utility, or multiresidential for property tax purposes under rules 701—71.1(405,427A,428,441,499B), 701—76.1(434), and 701—77.1(428,433,437,438).

“*Completion date*” means the date on which property that is the subject of a qualified rehabilitation project is placed in service, as that term is used in Section 47 of the Internal Revenue Code.

“*Department*” means the department of cultural affairs.

“*Director*” means the director of the department of cultural affairs.

“*Eligible taxpayer*” means the fee simple owner of the property that is the subject of a qualified rehabilitation project, or another person who will qualify for the federal rehabilitation credit allowed under Section 47 of the Internal Revenue Code with respect to the property that is the subject of a qualified rehabilitation project.

“*Federal rehabilitation credit*” or “*federal credit*” means the tax credit allowed under Section 47 of the Internal Revenue Code.

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

“*Government funding*” or “*funding originating from a government*” includes but is not limited to:

1. Any funding the applicant received from a government; or
2. Funding from a third party or a series of third parties where those funds originally came from a government or were derived from a government payment, grant, loan, tax credit or rebate or other government incentive; or
3. Funding from a third party or a series of third parties where those funds are derived from, secured by, or otherwise received in anticipation of a government payment, grant, loan, tax credit or rebate or other government incentive.

“*Historically significant*” means a property that is at least one of the following:

1. Property listed on the National Register of Historic Places or eligible for such listing.
2. Property designated as of historic significance to a district listed in the National Register of Historic Places or eligible for such designation.
3. Property or district designated a local landmark by a city or county ordinance.
4. A barn constructed prior to 1937.

“*Large project*” means a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of more than \$750,000.

“*Noncommercial property*” means property other than “commercial property” as defined in this rule.

“*Nonprofit organization*” means an organization described in Section 501 of the Internal Revenue Code unless the exemption is denied under Section 501, 502, 503, or 504 of the Internal Revenue Code. “Nonprofit organization” does not include a governmental body, as that term is defined in Iowa Code section 362.2.

“*Placed in service*” means the same as used in Section 47 of the Internal Revenue Code.

“*Property*” means the real property that is the subject of a “qualified rehabilitation project” or that is the subject of an application to become a qualified rehabilitation project.

“*Program*” means the historic preservation and cultural and entertainment district tax credit program set forth in this chapter.

“*Qualified rehabilitation expenditures*” or “*QREs*” means the same as defined in Section 47 of the Internal Revenue Code. Notwithstanding the foregoing sentence, expenditures incurred by an eligible taxpayer that is a nonprofit organization shall be considered “qualified rehabilitation expenditures” if they are any of the following:

1. Expenditures made for structural components, as that term is defined in Treasury Regulation § 1.48-1(e)(2).

HISTORICAL DIVISION[223](cont'd)

2. Expenditures made for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, and development fees.

“Qualified rehabilitation expenditures” does not include those expenditures financed by federal, state, or local government grants or forgivable loans unless otherwise allowed under Section 47 of the Internal Revenue Code.

“Qualified rehabilitation expenditures” may include expenditures incurred prior to the date an agreement is entered into under Iowa Code section 404A.3(3).

For more information, consult department of revenue 701—subrule 42.54(2).

“*Qualified rehabilitation project*” or “*project*” means a project for the rehabilitation of property in this state that meets all of the following criteria:

1. The property is historically significant as defined in this rule.
2. The property meets the federal standards as defined in this rule.
3. The project is a substantial rehabilitation as defined in this rule.

“*Related entities*” means any entity owned or controlled in whole or in part by the applicant; any person or entity that owns or controls in whole or in part the applicant; or any entity owned or controlled in whole or in part by any current or prospective officer, principal, director, or owner of the applicant.

“*Related persons*” means any current or prospective officer, principal, director, member, shareholder, partner, or owner of the applicant.

“*Small project*” means a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of \$750,000 or less.

“*Substantial rehabilitation*” means qualified rehabilitation costs that meet or exceed the following:

1. In the case of commercial property, costs totaling at least 50 percent of the assessed value of the property, excluding the land, prior to the rehabilitation or at least \$50,000, whichever is less; or
2. In the case of noncommercial property, costs totaling at least \$25,000 or 25 percent of the assessed value, excluding the land, prior to rehabilitation, whichever is less.

“*Tax credit*” or “*historic tax credit*” means the historic preservation and cultural and entertainment district tax credit established in Iowa Code chapter 404A.

This rule is intended to implement Iowa Code chapter 404A as amended by 2014 Iowa Acts, House File 2453.

223—48.23(404A) Amount of the tax credit. An eligible taxpayer that has entered into and complied with an agreement under Iowa Code section 404A.3(3) and has complied with the program statute and rules is eligible to claim a historic preservation and cultural and entertainment district tax credit of a maximum of 25 percent of the qualified rehabilitation expenditures of a qualified rehabilitation project that are specified in the agreement. Notwithstanding any other provision in Iowa Code chapter 404A, this chapter, or any provision in the agreement to the contrary, the amount of the tax credits shall not exceed 25 percent of the final qualified rehabilitation expenditures verified by the department pursuant to Iowa Code section 404A.3(5)“c.”

This rule is intended to implement Iowa Code section 404A.2 as amended by 2014 Iowa Acts, House File 2453.

223—48.24(404A) Management of annual aggregate tax credit award limit. The department shall not register, as described in rule 223—48.31(404A), more projects in a given fiscal year for tentative awards than there are tax credits available for that fiscal year under Iowa Code section 404A.4. The department will determine the projects for which sufficient tax credits are available based on the estimated qualified rehabilitation expenditures identified in the registration application, plus allowable cost overruns as described in paragraph 48.32(1)“c.”

48.24(1) Registration scoring. If applicants’ total tax credit requests from a fiscal year allocation exceed the tax credit allocation for that fiscal year, the department will prioritize its determinations based on the applicants’ registration scores. If, after determining the projects for which sufficient tax credits are available, the department determines there are insufficient tax credits in the fiscal year allocation to fully award the next highest scoring project, then to maximize the use of the available tax credits, the

HISTORICAL DIVISION[223](cont'd)

department in its sole discretion may register the project with the next highest score whose tentative tax credit award amount, including allowable cost overruns as described in paragraph 48.32(1) “c,” would not cause the department to exceed the annual aggregate tax credit award limit, so long as the project meets the minimum score as described in rule 223—48.31(404A). If there are no more projects that meet the minimum score described in rule 223—48.31(404A) that can be fully funded, the department in its sole discretion may make the remaining tax credits available for small projects or allow the remaining tax credits for the fiscal year to carry forward to the succeeding fiscal year to the extent permitted by Iowa Code section 404A.4.

48.24(2) Registrations for future tax credit allocations. Registrations for future tax credit allocations require a new application. When registering projects for a particular fiscal year, the department shall not award, reserve, or register tax credits from future fiscal years’ tax credit allocations. An applicant whose project is not registered due to an insufficient score or noncompliance with the application or the program statute or rules may submit future applications for future fiscal year tax credit allocations.

This rule is intended to implement Iowa Code section 404A.4 as amended by 2014 Iowa Acts, House File 2453.

223—48.25(404A) Application and agreement process, generally.

48.25(1) All applications and other filings related to the program shall be on such forms and in accordance with such instructions as may be established by the department from time to time. The current forms and instructions will be posted to the department’s Web site.

48.25(2) An application shall not be considered submitted for review until the application is completed and all required supporting documentation and information are provided.

48.25(3) The application and agreement process consists of six steps:

a. The applicant submits a Part 1 application, which is used to evaluate the property’s integrity and significance.

b. Unless the Part 1 application is denied, the applicant participates in a preapplication meeting with the department to discuss what to expect for the remainder of the application process.

c. If the Part 1 application is approved and the preapplication meeting is completed, the applicant submits a Part 2 application, which is used to evaluate the proposed rehabilitation work.

d. If the Part 2 application is approved, the applicant submits a registration application, which is used to score the applicant’s rehabilitation plan and financial readiness. If the project is awarded a sufficient registration score, satisfies other requirements of the application and program, and sufficient tax credits are available, the department may register the project.

e. If the project is registered, the applicant may enter into an agreement with the department that establishes the estimated amount of the tax credit award and the terms and conditions that must be met to receive the tax credits. An applicant must enter into and comply with an agreement in order to participate in the program and claim any tax credits.

f. Once the project is completed and the property is placed in service, the applicant submits a Part 3 application, which is used to evaluate whether the completed work meets the federal standards and the other requirements of the agreement, laws, and regulations of the program.

A more detailed description of each step is provided in rules 223—48.28(404A) through 223—48.33(404A).

This rule is intended to implement Iowa Code chapter 404A as amended by 2014 Iowa Acts, House File 2453.

223—48.26(404A) Small projects. Projects with anticipated final qualified rehabilitation expenditures of more than \$750,000 will be evaluated as large projects. Projects with \$750,000 or less in anticipated final rehabilitation expenditures will be evaluated as small projects. If an applicant anticipates that the final qualified rehabilitation expenditures will exceed \$750,000, the applicant may only submit its application as a large project. The department will not permit a small project applicant to submit additional or amended applications that would cause the final qualified expenditures to exceed \$750,000.

HISTORICAL DIVISION[223](cont'd)

48.26(1) *Small project fund.* The department shall allocate at least 5 percent of its annual fiscal year tax credit award limit to small projects.

48.26(2) *Aggregate award limit.* For applicants that receive credits from the small project allocation, the cumulative total award for multiple applications for a single property shall not exceed \$750,000 in qualified rehabilitation expenditures plus any allowable cost overruns as described in paragraph 48.32(1) “c,” regardless of the final qualified rehabilitation expenditures. The department will not accept an application by the same owner for a property for which credits were previously received through the small project fund if the application causes the cumulative total to exceed \$750,000, plus any allowable cost overruns as described in paragraph 48.32(1) “c.”

48.26(3) *Application and agreement process.* The Part 1, Part 2, and Part 3 application process and the agreement requirements are the same for small projects as for large projects. The registration process for small projects differs from that for large projects. See subrule 48.31(9) for more information on the registration process for small projects.

This rule is intended to implement Iowa Code section 404A.4 as amended by 2014 Iowa Acts, House File 2453.

223—48.27(404A) Who may apply for the tax credit. Only an eligible taxpayer may apply for the tax credit. To be an eligible taxpayer, the applicant must be either (1) the fee simple owner or (2) someone that will ultimately qualify for the federal rehabilitation credit with respect to the qualified rehabilitation project. A nonprofit organization as described in rule 223—48.22(404A) may apply for the tax credit if the nonprofit organization is the fee simple owner of the property.

48.27(1) *Applicants that are fee simple owners.* If the applicant qualifies as an eligible taxpayer on the basis that the applicant is the fee simple owner of the property, the applicant will be expected to provide proof of title as described in subrule 48.28(2).

48.27(2) *Applicants that will qualify for the federal credit.* If the applicant qualifies as an eligible taxpayer on the basis that the applicant will qualify for the federal rehabilitation credit with regard to the property, the applicant will be asked to provide increasingly substantial evidence as described in rule 223—48.30(404A) that the applicant will qualify for the federal credit, culminating with proof of actual fee simple ownership or a long-term lease that meets the requirements of the federal rehabilitation credit before the agreement is entered into with the department. Applicants that are eligible to apply under this subrule must obtain from the fee simple owner of the property a notarized written statement which indicates that the owner is aware of the application and has no objection and include the statement with the application.

48.27(3) *Who may not apply.* Government bodies as defined in Iowa Code section 362.2 may not apply. Additionally, an applicant may not apply for tax credits on a project if all of the work has been completed and the qualified rehabilitation project has already been placed in service.

This rule is intended to implement Iowa Code sections 404A.1 and 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.28(404A) Part 1 application—evaluation of significance. The Part 1 application is used to evaluate the property’s historic significance and integrity to determine whether the property is eligible to be a qualified rehabilitation project.

48.28(1) *Types of property that are eligible.* Property must be historically significant and maintained in a manner that is consistent with the federal standards.

48.28(2) *Proof of status as eligible taxpayer.* The Part 1 application may be submitted by an eligible taxpayer as described in rule 223—48.27(404A).

a. To prove the applicant is the fee simple owner, the applicant will be expected to provide title documentation. If the title is held in the name of an entity, the application must be accompanied by documentation which indicates that the signatory is the authorized representative of the entity.

b. If the applicant is not the fee simple owner but plans to apply for the federal rehabilitation credit, the applicant must provide a copy of the approved federal Part 1 application, unless the property is individually listed on the National Register of Historic Places. The applicant must also certify that

HISTORICAL DIVISION[223](cont'd)

the applicant plans to apply and expects to qualify for the federal credit, and the applicant must provide proof of permission from the fee simple owner as described in subrule 48.27(2).

48.28(3) *Submission period.* Part 1 applications may be submitted year-round.

48.28(4) *Required information.* Applicants must provide the department a site plan, photographs of the property, a copy of the county assessor's statement for the property, and such other information as the department may require.

48.28(5) *Review process.* The department will evaluate the appearance and condition of the building and verify the information provided by the applicant. Generally, the department will review fully completed Part 1 applications within 90 calendar days of receipt. The 90-day review period will be adhered to as closely as possible; however, it is not mandatory. If the application is incomplete when submitted or if for any other reason the department must request additional information, the 90-day review period will restart when the requested information is received by the department. The application may be rejected if any requested information is not provided.

48.28(6) *Response from department.* Upon completion of the review, the department shall issue a determination regarding whether the property meets the requirements to be considered historically significant.

48.28(7) *Period of validity.* A determination that the property meets the requirements to be considered historically significant shall be valid for five years from the issuance of the determination provided that the property is maintained in a manner consistent with the federal standards and that the fee simple owner of the property remains the same during such period. Changes to the property that are not approved by the department shall automatically invalidate the determination of historical significance, and reestablishment of the historical significance of the property as well as submittal of a new Part 1 application for a determination that the property is eligible shall be required.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.29(404A) *Preapplication meeting.* The purpose of the preapplication meeting is to provide feedback to the applicant and other interested parties that will enable the applicant to better plan and prepare for submission of the Part 2 and registration applications.

48.29(1) *Meeting requests.* Once the completed Part 1 application is submitted, the applicant may request a preapplication meeting by using the form available on the department's Web site.

48.29(2) *Timing of the preapplication meeting.* The meeting must take place no fewer than 30 days after the submission of the Part 1 application and prior to submission of the Part 2 application. Meetings may be held by teleconference at the department's discretion.

48.29(3) *Required information.* The applicant must bring at least the following items to the meeting: preliminary drawings, photographs of the exterior (all elevations) and interior, preliminary list of character-defining features and treatments or a draft Part 2 application, and a list of questions for which specific guidance is needed. The department may request additional information. If the preapplication meeting will be held by telephone, the required documents must be submitted electronically at least one week prior to the meeting date.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.30(404A) *Part 2 application—description of rehabilitation.* The purpose of the Part 2 application is to determine whether the proposed rehabilitation work meets the federal standards. The applicant must describe the rehabilitation work to be undertaken on the property. The review of the Part 2 application is a preliminary determination only and is not binding upon the department. A formal certification of rehabilitation shall be issued only after the rehabilitation work is completed.

48.30(1) *Proof of status as eligible taxpayer.* The Part 2 application must be submitted by an eligible taxpayer as described in rule 223—48.27(404A).

HISTORICAL DIVISION[223](cont'd)

a. An applicant that is the fee simple owner does not need to provide any additional information regarding ownership unless there has been a change in ownership since the Part 1 application was approved.

b. If the applicant is not the fee simple owner but plans to apply for the federal rehabilitation credit, the applicant must provide a copy of the signature page of the approved federal Part 2 application signed by the National Park Service. The applicant must also certify that the applicant plans to apply and expects to qualify for the federal credit and must provide proof of permission from the fee simple owner as described in subrule 48.27(2).

48.30(2) *Submission period.* Part 2 applications may be submitted at any time after the project has received an approved Part 1 and the applicant has participated in the preapplication meeting.

48.30(3) *Required information.*

a. The applicant must provide any information requested by the department, including but not limited to:

- (1) A detailed description of the rehabilitation;
- (2) An estimate of the total costs related to the rehabilitation and other work to be completed on the property, regardless of whether the costs will ultimately be qualified rehabilitation costs;
- (3) An estimate of the qualified rehabilitation expenditures; and
- (4) Photographs.

b. The applicant must also identify whether the applicant plans to submit a registration application as a small project or a large project. For more information on the differences in the registration application process for large and small projects, see rule 223—48.26(404A).

48.30(4) *Review process.* Using the federal standards, the department will evaluate the proposed work to determine whether the proposed project, including any new construction, is consistent with the federal standards, the historic character of the property and, where applicable, the registered or potential district in which the property is located. Generally, the department will review fully completed Part 2 applications within 90 calendar days of receipt. The 90-day review period will be adhered to as closely as possible; however, it is not mandatory. If the application is incomplete when submitted or if for any other reason the department must request additional information, the 90-day review period will restart when the requested information is received by the department. The application may be rejected if any requested information is not provided.

48.30(5) *Response from the department.* The review of the complete Part 2 application shall result in one of three responses:

a. The project is eligible to submit a registration application because the proposed rehabilitation described in the application is consistent with the historic character of the property or the district in which the property is located and the project, as proposed, appears to meet the federal standards. The project is eligible to submit a registration application;

b. The project is eligible to submit a registration application because the proposed rehabilitation described in the application will likely meet the federal standards if the stipulated conditions are met. The project is eligible to submit a registration application; or

c. The rehabilitation described in Part 2 of the application is not consistent with the historic character of the property or the district in which the property is located and the project does not meet the federal standards. The project is ineligible for registration. The project may submit a new Part 2 application for the property.

48.30(6) *Amendments.* Deviation from the original rehabilitation proposal could result in the denial of final project approval and revocation of the tax credit award. Applicants must submit amendments to the department prior to undertaking any work not in the original approved Part 2 application. Amendments must be submitted on forms approved by the department and available on the department's Web site.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

HISTORICAL DIVISION[223](cont'd)

223—48.31(404A) Registration application. If the department has approved Part 1 and Part 2 applications for a project, the applicant may submit a historic tax credit registration application during the applicable registration period. The registration application is used to determine whether the project is ready to proceed both financially and logistically. The registration application is also used to confirm whether the substantial rehabilitation test has been met and whether the project is a small project or a large project. The registration application is also used to obtain background information, including information that may disqualify an applicant from participating in the program, as well as other information about the applicant, related persons, and related entities. Though the application process is largely the same for small projects as it is for large projects, there are some differences. For details on those differences, see rule 223—48.26(404A).

48.31(1) Proof of status as eligible taxpayer. An eligible taxpayer as defined in rule 223—48.22(404A) may submit a registration application.

a. An applicant that is the fee simple owner must notify the department of any changes in ownership status since the Part 2 application was filed.

b. If the applicant is not the fee simple owner but plans to apply for the federal rehabilitation credit, the applicant's application will be scored based on the steps taken toward ownership as described in subrule 48.31(6). The applicant must certify that the applicant understands that the applicant will not qualify for any state historic tax credit if the applicant is not the fee simple owner or otherwise qualified for the federal credit. The applicant must also provide proof of permission from the fee simple owner as described in subrule 48.27(2).

48.31(2) Submission period. In general, applications for registration will only be accepted during the established application period as identified by the department from time to time on its Web site. However, applications for small project registration will be accepted year-round.

48.31(3) Required information. The registration application must include the following information as well as any additional information the department or the department of revenue may request: total project cost, an estimated schedule of qualified rehabilitation expenditures and a schedule of all funding sources received or anticipated to be received that will be used to fund the project, including those funding sources used or that will be used to finance or reimburse both qualified rehabilitation expenditures and those expenditures not being claimed as qualified rehabilitation expenditures, along with supporting documentation. The schedule must identify all government funding as defined in rule 223—48.22(404A), including any funding that originated or will originate from any government, whether federal, state, or local.

48.31(4) Certification and release of information. The applicant must identify and list all related persons and related entities, as those terms are defined in rule 223—48.22(404A). The applicant must release information requested by the department regarding the applicant, related persons, and related entities. The applicant must also certify that all representations, warranties, documents, or statements made or furnished in connection with the registration application are true and accurate. The certification and release of information are intended to identify information that will disqualify an applicant from participating in the program or that may have an adverse impact on the project. The certification and release of information are also intended to provide the department with information regarding the economic, ownership, and management realities related to the project by providing information about the actual persons and businesses affiliated with the applicant, the actual persons and businesses that will derive financial benefits from the project, as well as other businesses affiliated with the individuals involved with the project.

a. The department shall reject an application for registration if any of the following occurs or exists:

(1) The applicant fails to answer the questions and provide all requested information and documents.

(2) The applicant provides false or inaccurate information or documents to the department.

(3) The applicant, a related person, or a related entity has not filed any local, state, or federal tax returns that are due.

HISTORICAL DIVISION[223](cont'd)

(4) The applicant, a related person, or a related entity has any overdue local, state, or federal tax liability, including any tax, interest, or penalty.

(5) The applicant, a related person, or a related entity is currently in default, has an uncured breach, or is otherwise not in compliance with any contract, grant award, or tax credit program with the state of Iowa, any agency of the state of Iowa, or any other entity or instrumentality of the state of Iowa.

(6) The applicant, a related person, or a related entity has any past-due amounts owed to the state of Iowa, any agency of the state of Iowa, any other entity or instrumentality of the state of Iowa, or any person or entity that is eligible to submit claims to the state offset system under Iowa Code section 8A.504.

(7) The department determines, in its sole discretion, that registering the project, entering into an agreement with the department, or permitting the applicant's tax credit claim would cause the applicant or another person to default on, breach, or otherwise not comply with any contract, grant award, or tax credit program with the state of Iowa, any agency of the state of Iowa, or any other entity or instrumentality of the state of Iowa.

(8) The department determines, in its sole discretion, that the applicant will not be able to provide representations, warranties, conditions, or other terms of an agreement that would be acceptable to the department.

(9) Information is disclosed to the department that would cause the department, in its sole discretion, to decline to enter into an agreement with the applicant.

b. Scope of inquiry. The department may ask the applicant to disclose information and documents about other entities affiliated with the applicant, a related person, or a related entity if the department determines that the information regarding the applicant, related persons, and related entities does not adequately disclose to the department the economic, ownership, and management structure and realities related to a project.

48.31(5) Review period. In general, the department and the department of revenue will review fully completed registration applications within 30 calendar days of receipt. The 30-day review period will be adhered to as closely as possible; however, it is not mandatory. If the application is incomplete when submitted or if for any other reason the department or the department of revenue must request additional information, the 30-day review period will restart when the requested information is received by the department or the department of revenue, as the case may be. The department will reject an application if any requested information is not provided.

48.31(6) Scoring process. All completed applications will be reviewed and scored. In order for a project to be considered for registration, the application must meet a minimum score as established from time to time by the department and set forth in the current registration application. Scoring of the application will take into account readiness criteria, which may include the following:

a. Rehabilitation planning and project readiness. Projects will be scored based on whether the Part 2 application was approved with or without conditions.

b. Secured financing. Weighted preference will be given to projects that have financing or equity or both in place.

c. Steps taken towards ownership. Weighted preference will be given to the projects of applicants that are currently fee simple owners of the property.

d. Local government support. Weighted preference will be given to projects that have received support from their local jurisdiction.

e. Rehabilitation time line. Weighted preference will be given to projects that will be completed in the shortest amount of time.

f. Zoning and code review. Weighted preference will be given to the projects of applicants that can demonstrate a determination by the authority having jurisdiction that the project complies with the guidelines for construction permitting.

g. Such other information as the department may find relevant and request on the registration application.

48.31(7) Additional evaluation criteria. If the estimated maximum tax credit awards for all projects that scored above the minimum-score threshold based on the criteria in subrule 48.31(6) exceed the fiscal

HISTORICAL DIVISION[223](cont'd)

year tax credit allocation and there is a tie between two or more projects for the lowest score that meets the minimum threshold, the department will use the following criteria to evaluate those projects that are tied for the lowest score:

a. Statewide economic priorities. Weighted preference will be given to projects that address statewide economic priorities, including: permanent job creation; whether the project is in a federal or state disaster area; and whether the project is in a cultural and entertainment district or specifically mentioned in a great places contract.

b. Vacant property. The department will consider whether the properties are underutilized or not occupied and give preference to those projects on properties that are the most underutilized.

c. Preservation of rural resources. The department will evaluate projects based on the population size of the surrounding community with preference given to projects in communities with the lowest number of residents.

d. Previous application. The department will give weighted preference to projects for which the registration application had been successfully completed and which met the minimum score threshold during a previous application period but were not registered due to lack of available tax credits.

e. Other criteria. The department may give preference to projects based on such other criteria as the department may find relevant and request in the registration application.

48.31(8) Registration. Upon reviewing and scoring all applications that are part of the application period, the department may register the qualified rehabilitation projects to the extent sufficient tax credits are available based on the estimated qualified rehabilitation costs identified in the registration applications. Only projects that meet the minimum score established by the department may be registered. As described in rule 223—48.24(404A), in the case of insufficient funding, preference will be given to the projects with the highest registration score based on the criteria in subrules 48.31(6) and 48.31(7). At the time the project is registered, the department shall make a preliminary determination as to the amount of tax credits for which the project qualifies. The department shall make best efforts to notify the applicant within 45 calendar days after the close of the registration period as to whether the applicant's project has been registered. The registration notice shall include the amount of the applicant's tentative tax credit award, along with a notice that the amount is a preliminary, nonbinding determination only. The department will notify applicants whose projects were not registered and state whether the failure to register the project was due to the failure of the project to meet the minimum score, the lack of available tax credits, or another reason.

48.31(9) Small project registration application. The department may establish for small projects a registration application form and process that differ from the application form and process used for large projects. The forms will be available on the department's Web site. Small projects may submit registration applications year-round; however, the registration application must be submitted no later than 180 calendar days after receipt of approval of the Part 2 application from the department. Small project registration applications will be evaluated on a first-come, first-served basis, subject to the availability of tax credits.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.32(404A) Agreement. Upon successful registration of the project as described in subrule 48.31(8), the eligible taxpayer shall have 90 calendar days to finalize project funding and the purchase or lease of the property, if necessary, prior to entering into an agreement with the department. A condition precedent to any agreement will be proof that the eligible taxpayer is the actual fee simple owner or has a binding qualified long-term lease that meets the requirements of the federal rehabilitation credit. An eligible taxpayer shall not be eligible for historic tax credits unless the eligible taxpayer enters into an agreement with the department concerning the qualifying rehabilitation project and satisfies the terms and conditions that must be met to receive the tax credit award.

48.32(1) Terms and conditions. The agreement shall contain mutually agreeable terms and conditions, which shall, at a minimum, provide for the following:

HISTORICAL DIVISION[223](cont'd)

a. The maximum amount of the tax credit award. Notwithstanding anything in this chapter to the contrary, no tax credit certificate shall be issued until the department and the department of revenue verify the amount of final qualified rehabilitation expenditures and compliance with all other requirements of the agreement, Iowa Code chapter 404A, and the applicable rules.

b. The rehabilitation work to be performed.

c. The budget of the qualified rehabilitation project, including the projected qualified rehabilitation expenditures, and those expenditures not qualified, and allowable cost overruns. The amount of allowable cost overruns provided for in the agreement shall not exceed the following amounts:

(1) For a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of not more than \$750,000, 15 percent of the projected qualified rehabilitation expenditures provided for in the agreement.

(2) For a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of more than \$750,000 but not more than \$6 million, 10 percent of the projected qualified rehabilitation expenditures provided for in the agreement.

(3) For a qualified rehabilitation project with estimated final qualified rehabilitation expenditures of more than \$6 million, 5 percent of the projected qualified rehabilitation expenditures provided for in the agreement.

d. A schedule of all funding sources received or anticipated to be received that will be used to fund the project, including those funding sources used or that will be used to finance or reimburse both qualified rehabilitation expenditures and those expenditures not being claimed as qualified rehabilitation expenditures, along with supporting documentation. The schedule must identify all government funding as defined in rule 223—48.22(404A), including any funding that originated or will originate from any government, whether federal, state, or local.

e. The commencement date.

f. The completion date.

g. The agreement termination date, which shall not be earlier than five years from the date on which the tax credit certificate is issued.

h. Such other terms, conditions, representations, and warranties as the department may determine are necessary or desirable to protect the interests of the state.

48.32(2) Amendments. The department may for good cause amend an agreement. However, the department may not amend an agreement to allow cost overruns in excess of the amount described in paragraph 48.32(1)“c.” In addition, the commencement date, completion date, and agreement termination date may not be amended if such an amendment would violate the statutorily prescribed time limits. Any amendment approved by the department shall be signed by both parties.

48.32(3) Authority. Only the director or deputy director may enter into agreements on behalf of the department. Any agreement entered into on behalf of the department by a person other than the director or deputy director shall be void.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.33(404A) Part 3 application—request for certification of completed work and verification of qualified rehabilitation expenditures. Part 3 of the application is used to determine whether the project has complied with the terms of the agreement as well as with applicable laws, rules and regulations.

48.33(1) Submission period. The fully completed Part 3 application must be submitted no more than 180 calendar days after the property is placed in service.

48.33(2) Required information. The Part 3 application must include the following information:

a. Certification that the eligible taxpayer is the fee simple owner or is qualified for the federal rehabilitation credit and has a binding qualified long-term lease that meets the requirements of the federal rehabilitation credit.

HISTORICAL DIVISION[223](cont'd)

b. Using the qualified rehabilitation expenditures schedule form provided on the department's Web site, a schedule of total expenditures for the project, which shall identify in detail the final qualified rehabilitation expenditures and those expenditures that are not qualified.

c. A schedule of all funding sources used to finance the project, including those funding sources used to finance or reimburse both qualified rehabilitation expenditures and expenditures not being claimed as qualified rehabilitation expenditures, along with supporting documentation. The schedule must identify all government funding as defined in rule 223—48.22(404A), including any funding that originated from any government, whether federal, state, or local.

d. CPA examination. An eligible taxpayer shall engage a certified public accountant authorized to practice in this state to conduct an examination of the project in accordance with the American Institute of Certified Public Accountants' statements on standards for attestation engagements. Upon completion of the qualified rehabilitation project, the eligible taxpayer shall submit the examination to the department, along with a statement of the amount of final qualified rehabilitation expenditures and any other information deemed necessary by the department or the department of revenue in order to verify that all requirements of the agreement, Iowa Code chapter 404A, and all rules adopted pursuant to Iowa Code chapter 404A have been satisfied. The department may waive the examination requirement for projects if all of the following requirements are satisfied:

(1) The final qualified rehabilitation expenditures of the qualified rehabilitation project, as verified by the department, do not exceed \$100,000.

(2) The qualified rehabilitation project is funded exclusively by private funding sources.

e. Any information the department or the department of revenue may require for program evaluation.

48.33(3) Review period. The department and the department of revenue will make best efforts to review Part 3 applications within 90 calendar days after the application is filed. However, this time frame is not binding upon either the department or the department of revenue. The department and the department of revenue shall review the information submitted by the eligible taxpayer and determine whether a tax credit certificate may be issued. See rule 223—48.36(404A) for more information on certificate issuance.

223—48.34(404A) Fees. Applicants must pay a nonrefundable fee for the processing of Parts 2 and 3 of an application. The filing fees will be posted on the department's Web site and may be updated from time to time. The review fee for Part 2 will be due with the filing of the Part 2 application and will be based on the estimated qualified rehabilitation costs. The fee for review of Part 3 will be due with the filing of the Part 3 application and will be based on the final qualified rehabilitation costs.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.35(404A) Compliance.

48.35(1) Annual reports. The eligible taxpayer shall, for the length of the agreement, annually certify to the department compliance with the requirements of the agreement. The certification shall be due each year on the anniversary of the date upon which the agreement was entered into. Instructions and forms shall be made available on the department's Web site.

48.35(2) Burden of proof. The eligible taxpayer shall have the burden of proof to demonstrate to the department that all requirements of the agreement, Iowa Code chapter 404A, and the applicable rules are satisfied. The taxpayer shall notify the department in a timely manner of any changes in the qualification of the rehabilitation project or in the eligibility of the taxpayer to claim the tax credit provided under this chapter, or of any other change that may have a negative impact on the eligible taxpayer's ability to successfully complete any requirement under the agreement.

48.35(3) Events of default, revocation, recapture. If after entering into the agreement but before a tax credit certificate is issued, the eligible taxpayer or the qualified rehabilitation project no longer meets the requirements of the agreement, Iowa Code chapter 404A, and the applicable rules, the department may find the taxpayer in default and may revoke the tax credit award.

HISTORICAL DIVISION[223](cont'd)

a. Voluntary abandonment. An applicant may choose to irrevocably decline the tax credit that is the subject of the agreement at any time after the agreement is entered into. To irrevocably decline the tax credit, the applicant shall send a letter to the department stating the applicant's decision to irrevocably decline the tax credit. The department shall notify the applicant by certified U.S. mail or courier that the tax credit has been irrevocably declined. The tax credit shall be reallocated to the extent permitted by Iowa Code section 404A.4. If the applicant wishes to apply for a tax credit on the same qualified rehabilitation project at a later date, the applicant must complete the application process as though the project is a new project.

b. Revocation and recapture for prohibited activity; liability of certain transferees. If an eligible taxpayer obtains a tax credit certificate from the department by way of a prohibited activity, the eligible taxpayer and any transferee shall be jointly and severally liable to the state for the amount of the tax credits so issued, interest and penalties allowed under Iowa Code chapter 422, and reasonable attorney fees and litigation costs, except that the liability of the transferee shall not exceed an amount equal to the amount of the tax credits acquired by the transferee. The department of revenue, upon notification or discovery that a tax credit certificate was issued to an eligible taxpayer by way of a prohibited activity, shall revoke any outstanding tax credit and seek repayment of the value of any tax credit already claimed, and the failure to make such a repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due or required to be shown due with the filing of a return or deposit form. A qualifying transferee is not subject to the liability, revocation, and repayment imposed under this paragraph. For purposes of this paragraph:

(1) "Prohibited activity" means a breach or default under the agreement with the department, the violation of any warranty provided by the eligible taxpayer to the department or the department of revenue, the claiming of a tax credit issued under this chapter for expenditures that are not qualified rehabilitation expenditures, the violation of any requirements of Iowa Code chapter 404A or rules adopted pursuant to Iowa Code chapter 404A, misrepresentation, fraud, or any other unlawful act or omission.

(2) "Qualifying transferee" means a transferee who acquires a tax credit certificate issued under this chapter for value, in good faith, without actual or constructive notice of a prohibited activity of the eligible taxpayer who was originally issued the tax credit, and without actual or constructive notice of any other claim to or defense against the tax credit, and which transferee is not associated with the eligible taxpayer by being one or more of the following:

1. An owner, member, shareholder, or partner of the eligible taxpayer who directly or indirectly owns or controls, in whole or in part, the eligible taxpayer.

2. A director, officer, or employee of the eligible taxpayer.

3. A relative of the eligible taxpayer or a person listed in paragraph "1" or "2" of this subparagraph or, if the eligible taxpayer or an owner, member, shareholder, or partner of the eligible taxpayer is a legal entity, the natural persons who ultimately own such legal entity.

4. A person who is owned or controlled, in whole or in part, by a person listed in paragraph "1" or "2" of this subparagraph.

(3) "Relative" means an individual related by consanguinity within the second degree as determined by common law, a spouse, or an individual related to a spouse within the second degree as so determined, and includes an individual in an adoptive relationship within the second degree.

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.36(404A) Certificate issuance; claiming the tax credit. After consultation with the department of revenue to determine whether the terms of the agreement, Iowa Code chapter 404A, and the applicable rules have been met, the department shall issue a tax credit certificate to the eligible taxpayer stating the amount of tax credit under Iowa Code section 404A.2 the eligible taxpayer may claim, or the department shall issue a notice that the eligible taxpayer is not eligible to receive a tax credit certificate. The department shall issue the tax credit certificate or the notice not later than 60 days following the completion of the examination review, if applicable, and the verifications and consultation

HISTORICAL DIVISION[223](cont'd)

required under this rule. Notwithstanding the foregoing, the eligibility of the tax credit remains subject to audit by the department of revenue in accordance with Iowa Code chapters 421 and 422. For information on how to claim the tax credit, see department of revenue rules 701—42.54(404A,422), 701—52.47(404A,422), and 701—58.10(404A,422).

This rule is intended to implement Iowa Code section 404A.3 as amended by 2014 Iowa Acts, House File 2453.

223—48.37(303,404A) Appeals. Any person wishing to contest an application denial, the amount of the tax credit award, award revocation, or any department action that entitles the person to a contested case proceeding shall file an appeal, in writing, within 30 days of the department action giving rise to the appeal. Any person who does not seek an appeal within 30 days of the department action that gives rise to a right to a contested case proceeding shall be precluded from challenging the department action. Appeals will be governed by the procedures set forth in this rule, together with the process set out in Iowa Code sections 17A.10 to 17A.19. Challenges to an action by the department of revenue related to tax credit transfers, claiming of tax credits, tax credit revocation, or repayment or recovery of tax credits must be brought pursuant to department of revenue 701—Chapter 7.

48.37(1) Contents. The appeal shall contain the following in separate numbered paragraphs:

- a. A statement of the department action giving rise to the appeal.
- b. The date of the department action giving rise to the appeal.
- c. Each error alleged to have been committed, listed as a separate paragraph. For each error listed, an explanation of the error and all relevant facts related to the error shall be provided.
- d. Reference to the particular statutes, rules, or agreement terms involved, if known.
- e. A statement setting forth the relief sought.
- f. The signature of the person or that person's representative and the mailing addresses, telephone numbers, and e-mail addresses of the person and the person's representative.

48.37(2) Contested case proceedings. The presiding officer in any contested case proceeding shall be an administrative law judge who specializes in tax matters.

These rules are intended to implement Iowa Code chapter 404A as amended by 2014 Iowa Acts, House File 2453.

ARC 1840C

PUBLIC HEALTH DEPARTMENT[641]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 135.11(26), the Department of Public Health hereby gives Notice of Intended Action to amend Chapter 24, “Private Well Testing, Reconstruction, and Plugging—Grants to Counties,” Iowa Administrative Code.

The following paragraphs summarize the proposed amendments:

- Items 1 and 10 amend rules to update Iowa Code citations.
- Item 2 amends rule 641—24.2(135) to add a new definition.
- Item 3 amends subrules 24.5(1) to 24.5(7) to align reimbursement amounts with actual costs and to add arsenic testing as an eligible reimbursement item.
- Items 5 through 7 and 9 amend rules to provide clarification.
- Item 8 amends subrule 24.9(2) to reflect current Department structure.

Any interested person may make written suggestions or comments on these proposed amendments on or before February 10, 2015. Such written materials should be directed to Carmily Stone, Chief

PUBLIC HEALTH DEPARTMENT[641](cont'd)

of Bureau of Environmental Health Services, Iowa Department of Public Health, Lucas State Office Building, Fifth Floor, 321 East 12th Street, Des Moines, Iowa 50319; fax (515)281-4529; or e-mail carmily.stone@idph.iowa.gov.

Also, a public hearing will be held on Tuesday, February 10, 2015, from 9 to 11 a.m. on GoToMeeting. Interested persons may join the meeting by computer by accessing the following Web site: <https://www1.gotomeeting.com/register/276590537>. The use of microphone and speakers (VoIP) or a headset is recommended. Interested persons may also join the meeting by telephone in the United States and Canada, toll-free, at 1-877-455-1368; the access code is 867-616-596, and an audio PIN will be shown after the person joins the meeting. Interested persons may also attend the public hearing in person at the Director's Conference Room on the sixth floor of the Lucas State Office Building, 321 East 12th Street, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

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

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

These amendments are intended to implement Iowa Code sections 455E.11 and 135.11(26).

The following amendments are proposed.

ITEM 1. Amend rule 641—24.1(135) as follows:

641—24.1(135) Applicability. These rules apply to administration of the grants to counties program by the department in accordance with Iowa Code sections 135.11~~(29)(26)~~ and 455E.11(2) "*b*"(3)(b), ~~subsection 2, paragraph "b," subparagraph (3), subdivision (b)~~, for the purpose of testing private water wells, reconstructing private water wells, and the proper plugging of abandoned private water wells (including cisterns that present a contamination risk to groundwater); within the jurisdiction of each county board of health.

ITEM 2. Adopt the following **new** definition of "Public water supply" in rule **641—24.2(135)**:

"*Public water supply*" means a system for the provision to the public of piped water for human consumption, if such system has at least 15 service connections or regularly serves an average of at least 25 individuals daily at least 60 days during the year.

ITEM 3. Amend subrules 24.5(1) to 24.5(7) as follows:

24.5(1) Up to ~~\$500~~ \$1,000 for private water well-related training expenses, including registration, mileage, and per diem for employees attending department-approved trainings. Training approval is granted to water well-related training sponsored by the department, the Iowa Environmental Health Association, the Iowa Public Health Association, the Iowa Water Well Association, the Iowa department of natural resources, and or the Iowa Ground Water Association. The annual conference sponsored by the Iowa Onsite Waste Water Association is also approved. Other trainings must receive approval of the department ~~prior to submitting~~ before a voucher for expenses is submitted.

24.5(2) Up to ~~\$250~~ \$500 for ~~equipment expenses~~ supplies related to the grants to counties program. Eligible ~~equipment includes~~ supplies include, but ~~is~~ are not limited to, Global Positioning System (GPS) units, private water well data software, inspection ~~equipment~~ supplies, cameras, and sampling equipment.

24.5(3) Up to ~~\$250~~ \$1,000 for advertising and promotional expenses to educate county residents about the availability of funds for private water well testing, abandoned well plugging, and private water well reconstruction.

24.5(4) \$75 Actual costs will be paid for each private water well test conducted under the program, including ~~\$45~~ \$60 for administrative expenses. At a minimum, well sampling shall include analyses for total nitrate (including nitrite) and total coliform bacteria. Optional analyses may also include arsenic.

24.5(5) ~~\$475~~ Up to \$575 will be paid for each abandoned private water well plugging conducted in accordance with 567 IAC ~~—Chapter~~ 39, including \$75 for administrative expenses. Private water well

PUBLIC HEALTH DEPARTMENT[641](cont'd)

plugging must be conducted by a certified individual as defined in 567 IAC Chapter 82 or by the well owner under direct supervision by the county.

24.5(6) Up to \$375 will be paid for each cistern plugging but only for those cisterns deemed by the administrative authority to impact groundwater, including \$75 for administrative expenses. Cistern plugging must be conducted by a certified individual as defined in 567 IAC Chapter 82 or by the well owner under direct supervision by the county.

24.5(7) Up to \$600 \$1,000 in reconstruction costs plus 33 percent of actual reconstruction costs for administrative purposes will be paid for each private water well reconstruction. Grant funds may be used to conduct reconstruction intended to preclude contamination due to surface water intrusion by coliform or other infectious bacteria. Examples include repairs of casing, well caps, or pitless adapters, and elimination of well pits.

ITEM 4. Renumber subrules **24.6(5)** to **24.6(8)** as **24.6(6)** to **24.6(9)**.

ITEM 5. Adopt the following new subrules 24.6(5) and 24.6(10):

24.6(5) Plugging and reconstruction of wells that are not private water supply wells.

24.6(10) Reimbursement of any individual or entity other than the well owner.

ITEM 6. Amend subrule 24.7(3) as follows:

24.7(3) Qualified staff. Staff ~~performing services~~ conducting water well sampling, providing oversight of well or cistern plugging, providing oversight of well reconstructions, or providing technical assistance under this agreement shall complete a minimum of 12 hours of continuing education every year as approved by the Iowa Environmental Health Association Environmental Health Registry Program.

ITEM 7. Amend subrule 24.7(8) as follows:

24.7(8) ~~Workplan~~ Procedures manual. A detailed ~~workplan~~ procedures manual including, but not limited to, the following:

- a. The ~~names and~~ qualifications of personnel responsible for carrying out the program.
- b. No change.
- c. A description of ~~any proposed~~ the environmental health and public information programs related to the private well testing, abandoned well plugging, or private well reconstruction programs.
- d. Methods to be used by the applicant for selecting private water wells for testing, abandoned private water wells for plugging, or private water wells for reconstruction and the method to address the number of tests which will be reimbursed for individual property owners.
- e. to h. No change.

ITEM 8. Amend subrule 24.9(2) as follows:

24.9(2) Submission. The department will notify each county board of health of the grant application due date at least 60 days prior to the ~~grant application~~ due date. Completed applications must be received by the Iowa Department of Public Health, Division of Acute Disease Prevention, Emergency Response and Environmental Health, 321 E. 12th Street, Des Moines, Iowa 50319, by the close of business on the application due date. Applications not received by the application due date will be considered ineligible to receive funding during the appropriate fiscal year.

ITEM 9. Amend subrule 24.14(3) as follows:

24.14(3) The continuation or renewal of a grant shall be contingent upon the county's acceptable performance in carrying out its responsibilities described in the ~~workplan~~ procedures manual and in meeting the grant program goals and objectives. All grants will be issued for ~~not more than a period of~~ one year concurrent with a state fiscal year. Applicants must reapply to continue or renew any grant within the specified grant application acceptance period. The department may deny the awarding of a grant extension or may withdraw a grant if it is determined that the county has not carried out the grant responsibilities.

ITEM 10. Amend **641—Chapter 24**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 455E.11 and 135.11~~(29)~~(26).

ARC 1841C**PUBLIC HEALTH DEPARTMENT[641]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 136C.3, the Department of Public Health hereby gives Notice of Intended Action to amend Chapter 42, “Permit to Operate Ionizing Radiation Producing Machines or Administer Radioactive Materials,” Iowa Administrative Code.

This amendment increases the nonrefundable fee required of individuals applying to take the limited radiologic technologist examination. This fee increase is necessary to cover an increase in the fee assessed to the Department by the American Registry of Radiologic Technologists (ARRT) for providing this test. A passing score on this test administered through the ARRT is required in order for individuals to apply for the limited radiologic technologist permit. The ARRT sets the fee for providing the limited radiologic technologist examination, and effective January 1, 2015, the ARRT is raising the fee from \$100 to \$125. The Department collects fees from the individual when the individual applies to take the limited radiologic technologist examination. The Department is subsequently invoiced by the ARRT when the examination is provided.

Any interested person may make written suggestions or comments on this proposed amendment on or before February 10, 2015. Such written materials should be directed to Chief of the Bureau of Radiological Health, Iowa Department of Public Health, Lucas State Office Building, Fifth Floor, 321 East 12th Street, Des Moines, Iowa 50319; fax (515)281-4529; or e-mail angela.leek@idph.iowa.gov.

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

This amendment is intended to implement Iowa Code section 136C.3.

The following amendment is proposed.

Amend subparagraph **42.9(2)“e”(3)** as follows:

(3) Each individual making application to take an examination as a limited radiologic technologist in 42.9(2)“e”(1)“1” or “3” must submit an application and nonrefundable fee of ~~\$110~~ \$135 to the department each time the individual takes the examination.

ARC 1838C**PUBLIC HEALTH DEPARTMENT[641]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 135.39D, the Department of Public Health hereby gives Notice of Intended Action to adopt new Chapter 52, “Vision Screening,” Iowa Administrative Code.

Iowa Code section 135.39D establishes a vision screening requirement for children enrolled in a public or accredited nonpublic elementary school and directs the Department to adopt rules necessary to administer vision screening.

These rules strengthen existing efforts by implementing a comprehensive vision evaluation effort resulting in the reduction of vision impairment. A centralized data collection system will enable school

PUBLIC HEALTH DEPARTMENT[641](cont'd)

personnel to access vision screening information about students. The centralized data collection system will also be used to monitor the completion and accomplishment of statutory requirements as well as to provide data for continued communication with policymakers on future needs for vision screening in Iowa. This coordinated child vision screening program, in collaboration with stakeholders across the state, will educate parents and schools about the importance of screening, provide opportunities to screen, refer children identified as having vision impairments, and collect and analyze data to promote improvements in policy for the benefit of all children in Iowa.

Any interested person may make written comments or suggestions on the proposed rules on or before February 10, 2015. Such written comments should be directed to Melissa Ellis, Department of Public Health, Lucas State Office Building, 321 E. 12th Street, Des Moines, Iowa 50319. Comments may be sent by fax to (515)242-6013 or by e-mail to melissa.ellis@idph.iowa.gov.

Also, a public hearing will be held on Tuesday, February 10, 2015, from 11 a.m. to 12:30 p.m. on GoToMeeting. Interested persons may join the meeting by computer by accessing the following Web site: <https://www1.gotomeeting.com/join/735837521>. The use of a microphone and speakers (VoIP) or a headset is recommended. Interested persons may also join the meeting by telephone in the United States and Canada, toll-free, at 1-877-309-2070; the access code is 735-837-521, and an audio PIN will be shown after the person joins the meeting. The meeting ID is 116-092-152. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the rules.

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

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

These rules are intended to implement Iowa Code section 135.39D.

The following amendment is proposed.

Adopt the following **new** 641—Chapter 52:

CHAPTER 52
VISION SCREENING

641—52.1(135) Purpose. The purpose of the child vision screening program is to improve the eye health and vision of Iowa's children. The child vision screening program establishes a comprehensive vision evaluation effort to facilitate early detection and referral for treatment of visual impairment in order to reduce vision impairment in children.

641—52.2(135) Definitions. For purposes of this chapter, the following definitions apply:

“Advanced registered nurse practitioner” or *“ARNP”* means a person licensed to practice under rule 655—7.1(152).

“Child vision screening workgroup” means a group of eye health professionals in the state of Iowa established by the director and comprised of representatives of leading vision organizations, licensed ophthalmologists and licensed optometrists.

“Comprehensive eye examination” means a clinical diagnostic assessment performed by an optometrist or ophthalmologist to assess a person's level of vision and to detect any abnormality or diseases.

“Department” means the Iowa department of public health.

“Elementary school” means an Iowa public or accredited nonpublic school that a kindergarten or third grade student would attend.

“Iowa KidSight” means a joint project of the Lions Clubs of Iowa and the University of Iowa, Department of Ophthalmology and Visual Sciences, dedicated to enhancing the early detection and treatment of vision impairments in Iowa's young children (target population six months of age through kindergarten age) through screening and public education.

“IRIS” means the immunization registry information system as established in 641—Chapter 7.

PUBLIC HEALTH DEPARTMENT[641](cont'd)

“Online vision screening” means a vision screening test administered from the Internet to a child to assess vision and includes vision test results and recommendations.

“Ophthalmologist” means a person licensed to practice medicine and surgery or osteopathic medicine and surgery pursuant to Iowa Code chapter 148 and board-certified in ophthalmology as a specialist in medical and surgical eye problems.

“Optometrist” means a person licensed to practice optometry pursuant to Iowa Code chapter 154.

“Photoscreening” means a method of vision screening employing an automated technique that uses the red reflex of the eye to screen for eye problems and produces immediate readable results and a timely report of the results thereafter.

“Physician” means a person licensed to practice medicine and surgery or osteopathic medicine and surgery pursuant to Iowa Code chapter 148.

“Physician assistant” means a person licensed to practice as a physician assistant pursuant to Iowa Code chapter 148C.

“Potential vision impairment” means that a child’s vision appears to be compromised and there is reason for the child to be seen by an ophthalmologist or optometrist.

“Student vision card” means a card distributed by the Iowa Optometric Association to all schools in Iowa pursuant to Iowa Code section 280.7A. The student vision card recommends children receive a complete eye health examination.

“Vision screening” means an eye testing program that is age and developmentally appropriate and that assesses visual acuity or other risk factors contributing to refractive errors and other conditions.

641—52.3(135) Persons included and persons excluded.

52.3(1) The parent or guardian of a child who is to be enrolled in a public or accredited nonpublic elementary school shall ensure the child is screened for vision impairment at least once before enrollment in kindergarten and again before enrollment in grade three. The child vision screening requirements specified in this chapter apply to all persons seeking first-time enrollment in kindergarten or third grade in a public or accredited nonpublic elementary school in Iowa.

52.3(2) The child vision screening requirement shall not apply if the child vision screening conflicts with a parent’s or guardian’s genuine and sincere religious belief.

52.3(3) A child shall not be prohibited from attending school based upon failure of a parent or guardian to ensure the child has received the vision screening required by these rules.

641—52.4(135) Child vision screening components. The requirement for a child vision screening may be satisfied by any of the following:

52.4(1) A vision screening or comprehensive eye examination by an ophthalmologist or optometrist.

52.4(2) A vision screening conducted at a pediatrician’s or family practice physician’s office, a free clinic, a child care center, a local public health department, a public or accredited nonpublic school, or a community-based organization or by an advanced registered nurse practitioner or physician assistant.

52.4(3) All vision screening methods, including emerging vision screening technologies, shall be age-appropriate and shall be approved by the department. A list of acceptable child vision screening tests will be reviewed and updated annually by the department in consultation with the child vision screening workgroup and will be listed on the department’s Web site. These tests may include but are not limited to photoscreening and online vision screening.

641—52.5(135) Time line for valid vision screening.

52.5(1) Kindergarten. To be valid, a minimum of one child vision screening shall be performed on a child no earlier than one year prior to the date of the child’s enrollment in kindergarten and no later than six months after the date of the child’s enrollment in kindergarten.

52.5(2) Grade three. To be valid, a minimum of one child vision screening shall be performed on a child no earlier than one year prior to the date of the child’s enrollment in the third grade and no later than six months after the date of the child’s enrollment in the third grade.

PUBLIC HEALTH DEPARTMENT[641](cont'd)

52.5(3) Substantial compliance. A child vision screening may also be deemed valid by the department if the department determines the child has substantially complied with the child vision screening requirements.

641—52.6(135) Proof of child vision screening.

52.6(1) The parent or guardian of a child enrolled in kindergarten or third grade shall ensure that evidence of a child vision screening is submitted to the school district or accredited nonpublic elementary school in which the child is enrolled either electronically through IRIS pursuant to subrule 52.6(2) or in hard copy or electronic form pursuant to subrule 52.6(3).

52.6(2) If the child's vision screening results were electronically submitted to IRIS, the parent or guardian may notify the school district or accredited nonpublic elementary school of such submission to satisfy the requirement for evidence of a child vision screening.

52.6(3) If evidence of the child vision screening is not electronically submitted to IRIS, the parent or guardian shall provide evidence of the child vision screening in hard copy or electronic form directly to the school. Hard copy or electronic evidence of the vision screening shall include the child's first name, last name, date of birth and ZIP code; evidence of the vision screening including the date of screening, left eye results, right eye results, vision screening result of "pass" or "fail," and designation of "yes" or "no" for referral made; and the name of the provider who performed the vision screening. A parent or guardian may submit a completed student vision card to satisfy this requirement.

52.6(4) Submission of a faxed copy, photocopy, or electronic copy of the child vision screening results is acceptable.

641—52.7(135) Child vision screening reporting.

52.7(1) A person authorized to perform a child vision screening required by this chapter shall report results of the child vision screening to the department.

a. An ophthalmologist or optometrist shall report the hard-copy results to the parent or guardian to be forwarded to the department via the school or shall report the results via IRIS if available.

b. A pediatrician's or family practice physician's office, a free clinic, a child care center, a local public health department, a public or accredited nonpublic school, or a community-based organization or an ARNP or physician assistant shall report the hard-copy results to the parent or guardian to be forwarded to the department via the school or shall report the results via IRIS if available.

c. Results from an online vision screening administered from the Internet, shall be generated to report hard-copy results to the parent or guardian to be forwarded to the department via the school or shall report the results via IRIS if available.

d. The results of photoscreening vision screening, including those performed by Iowa KidSight, shall be reported by hard copy to the parent or guardian to be forwarded to the department via the school or shall be reported via IRIS if available.

52.7(2) The department will collect and maintain results of the vision screenings submitted in hard copy or through IRIS.

641—52.8(135) School requirements.

52.8(1) Each public and accredited nonpublic elementary school, in collaboration with the department, shall provide the parents or guardians of students enrolled in the school with vision screening referral resources prior to enrollment or during the enrollment period.

52.8(2) Each public and accredited nonpublic elementary school shall provide to parents or guardians of students for whom evidence of a child vision screening is not submitted community eye health referral resources, including contact information for the local public health department, maternal and child health agency, Iowa KidSight, the department, or an optometric or ophthalmology society.

52.8(3) Each public and accredited nonpublic elementary school shall arrange for the following to be forwarded to the department:

a. Evidence of child vision screening results provided by parents or guardians;

PUBLIC HEALTH DEPARTMENT[641](cont'd)

- b.* A list of students whose parents or guardians indicate that the students' results were reported through IRIS;
- c.* All student vision cards provided to the school; and
- d.* Any other evidence of vision screening provided to the school.

641—52.9(135) Iowa's child vision screening database module and follow-up. The department may develop and maintain a statewide child vision screening database module in IRIS to collect and maintain child vision screening results, to ensure students receive the required vision screening, and to monitor eye health.

52.9(1) The database module shall consist of vision screening information, including identifying and demographic data.

52.9(2) Database module reporting shall comply with rule 641—52.7(135).

52.9(3) Restricted uses of database module. The database module information shall not be used to:

- a.* Market services to students or nonstudents,
- b.* Assist in bill collection services, or
- c.* Locate or identify students or nonstudents for any purpose other than those expressly provided in this rule.

52.9(4) Confidentiality of database module information. Child vision screening information, including identifying and demographic data maintained in the database module, is confidential and may not be disclosed except under the following limited circumstances:

a. The department may release information from the database module to the following:

- (1) The person who received the child vision screening or the parent or guardian of the person who received the child vision screening;
- (2) Users of the database module that complete an agreement with the department that specifies the conditions under which the database module can be accessed and that have been issued an organization code and username by the department;
- (3) Persons or entities requesting child vision screening data in an aggregate form that does not identify an individual either directly or indirectly;
- (4) Agencies that complete an agreement with the department which specifies conditions for access to database module information and how that information will be used;
- (5) A representative of a state or federal agency, or an entity bound by that state or federal agency, to the extent the information is necessary to perform a legally authorized function of the agency or the department. The state or federal agency is subject to confidentiality regulations that are the same as or more stringent than those in the state of Iowa; or
- (6) Licensed health care providers, agencies, and other persons involved with vision screenings, eye examinations, follow-up services, and intervention services as necessary to administer this chapter.

b. Approved database module users shall not release child vision screening data except to the person who received the child vision screening; the parent or guardian of the person who received the child vision screening; health records staff of schools; medical, optometry, ophthalmology or health care providers providing continuity of care; and other approved users of the database module.

641—52.10(135) Referral requirements.

52.10(1) If a vision screening identifies a potential vision impairment in a child, the person who performed the vision screening shall, if the person is not an ophthalmologist or optometrist, refer the child to an ophthalmologist or optometrist for a comprehensive eye examination.

52.10(2) Persons performing vision screenings shall contact parents or guardians of children identified as having potential vision impairment based on the results of a vision screening required pursuant to this chapter or a comprehensive eye examination required pursuant to subrule 52.10(1) in order to provide information on obtaining necessary vision correction.

These rules are intended to implement Iowa Code section 135.39D.

ARC 1839C**PUBLIC HEALTH DEPARTMENT[641]****Notice of Intended Action**

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 135.11(13), the Department of Public Health hereby gives Notice of Intended Action to rescind Chapter 80, “Local Public Health Services,” Iowa Administrative Code, and to adopt a new Chapter 80 with the same title.

The rules in Chapter 80 describe the requirements for local public health services funding. The proposed changes simplify the language in Chapter 80 and make changes necessary due to legislation. The following definitions have been removed because the terms are not utilized in the rules: “administrative expense,” “appropriation formula,” “care coordination,” “dependent nursing,” “direct care worker,” “independent nursing,” “nursing process,” “outcome measures,” “poverty,” “pre-service education,” “process,” “program,” “quality improvement,” “resources,” “service management,” “state grant,” and “workforce development.” The following definitions have been revised to provide clarification: “authorized agency,” “consumer,” “contractor,” “personal health services,” “protective services,” “restricted assets,” and “unrestricted assets.” The following new definitions are proposed: “allocation,” “appropriation,” “elderly,” “financial resources,” “formula,” “home care aide,” “low income,” “LPHS,” and “orientation.”

In addition to the definition changes, the rules include updated funding language to reflect the two current appropriations for community capacity/local board of health and healthy aging. The rules also include revised funding formulas as recommended by a workgroup representing local public health agencies. Proposed Chapter 80 also updates Iowa Code references, minimum agency requirements for coordination of services, and qualifications for home care aides and case management services.

Any interested person may make written comments or suggestions on the proposed rules on or before February 10, 2015. Such written comments should be directed to Dawn Mouw, Bureau of Local Public Health Services, Department of Public Health, 321 East 12th Street, Des Moines, Iowa 50319. E-mail may be sent to Dawn.Mouw@idph.iowa.gov.

There will also be a public hearing on February 10, 2015, from 1:30 to 2:30 p.m. on GoToMeeting. Interested persons may join the meeting by computer by accessing the following Web site: <https://www1.gotomeeting.com/register/238776977>. The use of microphone and speakers (VoIP) or a headset is recommended. Interested persons may also join the meeting by telephone in the United States and Canada, toll-free, at 1-866-952-8437; the access code is 325-155-880, and an audio PIN will be shown after the person joins the meeting. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the rules.

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

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

These rules are intended to implement Iowa Code section 135.11(13).

The following amendment is proposed.

Rescind 641—Chapter 80 and adopt the following **new** chapter in lieu thereof:

CHAPTER 80
LOCAL PUBLIC HEALTH SERVICES

PUBLIC HEALTH DEPARTMENT[641](cont'd)

641—80.1(135) Purpose. The purpose of the local public health services (LPHS) contract is to implement the core public health functions, deliver essential public health services, and increase the capacity of local boards of health (LBOH) to promote healthy people and healthy communities.

641—80.2(135) Definitions. For the purposes of these rules, the following definitions apply:

“Allocation” means the process to distribute funds.

“Appropriation” means the funding category.

“Authorized agency” means a contractor or a private nonprofit or governmental organization delivering all or part of the LPHS funded by the LPHS contract.

“Community” means the aggregate of persons with common characteristics such as race, ethnicity, age, or occupation or other similarities such as location.

“Consumer” means an individual, family, or community utilizing essential public health services through the LPHS contract.

“Contractor” means a local board of health (LBOH).

“Core public health functions” means the scope of activities which serve as a broad framework for public health agencies. Core public health functions are:

1. Assessment, which means to regularly and systematically collect, assemble, analyze, and make available information on the health of the community, including statistics on health status, community health needs and personal health services and epidemiologic and other studies of health problems.

2. Policy development, which means efforts to serve the public interest in the development of comprehensive public health policies by promoting the use of a scientific knowledge base in decision making about public health and by taking the lead in comprehensive public health policy development.

3. Assurance, which means public health efforts to assure constituents that services necessary to achieve agreed-upon goals are provided either by encouraging actions by other entities (private or public sector), by requiring such action through regulation, or by providing services directly.

“Department” means the Iowa department of public health.

“Elderly” means an individual aged 60 years and older.

“Essential public health services” means activities carried out by the authorized agency fulfilling core public health functions. Essential public health services include:

1. Monitoring health status and understanding health issues facing the community.
2. Protecting people from health problems and health hazards.
3. Giving people information they need to make healthy choices.
4. Engaging the community to identify and solve health problems.
5. Developing public health policies and plans.
6. Enforcing public health laws and regulations.
7. Helping people receive health services.
8. Maintaining a competent public health workforce.
9. Evaluating and improving programs and interventions.
10. Contributing to and applying the evidence base of public health.

“Evaluation” means the process to measure the effectiveness of interventions by measuring outcomes against previously established goals and objectives.

“Financial resources” means the unrestricted assets owned by a consumer and, if applicable, the consumer’s spouse. The place of residence and one vehicle are exempt from consideration of resources.

“Formula” means the mathematical calculation applied to the state appropriation to determine the amount of available funds to be distributed to each county.

“Health promotion” means organizational, economic and environmental supports and education to stimulate healthy behaviors in individuals, groups or communities.

“Home care aide” means an individual who is trained and supervised to provide services, care, and emotional support to consumers in the home or in the community.

“Income” means all sources of revenue for the consumer and, if applicable, the consumer’s spouse.

“Local board of health” or *“LBOH”* means a county, city or district board of health as defined in Iowa Code section 137.102.

PUBLIC HEALTH DEPARTMENT[641](cont'd)

“*Low income*” means the U.S. Census Bureau’s Small Area Income and Poverty Estimates (SAIPE) (All Ages in Poverty) used to determine low income.

“*LPHS*” means local public health services.

“*Nonprofit*” means an entity meeting the requirements for tax-exempt status under the U.S. Internal Revenue Code.

“*Orientation*” means a period or process of introduction and adjustment to adapt the individual’s knowledge and skills from prior education to the individual’s current job duties.

“*Outcome*” means an action or event that follows as a result or consequence of the provision of a service or support.

“*Personal health services*” means health services delivered to individuals, including primary care, specialty care, hospital care, emergency care, and rehabilitative care. For the purpose of the LPHS contract, personal health services include nursing and home care aide activities.

“*Population-based services*” means interventions or activities for a community to promote health and to prevent disease, injury, disability, premature death, and exposure to environmental hazards.

“*Procedures*” means the steps to be taken to implement a policy.

“*Protective services*” means interventions or activities for a child or adult to alleviate, protect against, or prevent situations which could lead to abuse or neglect. For the purposes of the LPHS contract, protective services require an order from the justice system.

“*Restricted assets*” means assets typically involving a penalty for early withdrawal, such as IRA accounts, KEOGH accounts, 401(k) accounts, employee retirement accounts, and other deferred tax protected assets involving a penalty for early withdrawal.

“*Sliding fee scale*” means a scale of consumer fee responsibility based on an assessment of the consumer’s ability to pay all or a portion of the charge for services.

“*Unrestricted assets*” means assets that can be converted to cash.

“*Vulnerable population*” means individuals or groups in the community who are unable to promote and protect their personal or environmental health.

641—80.3(135) Local public health services (LPHS). Local public health services improve the health of the entire community; prevent illness; enhance the quality of life; provide services to safeguard the health and wellness of the community; reduce, prevent, and delay institutionalization of consumers; and preserve and protect families.

80.3(1) Priority population. The LPHS contract serves individuals throughout the lifespan and prioritizes service to vulnerable populations in Iowa.

80.3(2) Appropriations. The fiscal appropriations which assist in supporting LPHS are determined annually by the general assembly.

80.3(3) Contractor assurance. In order to receive funding, the contractor shall provide to the department assurance that authorized agencies meet all applicable federal, state, and local requirements. The contractor may directly provide or subcontract all or part of the delivery of services. The contractor shall ensure that each authorized agency complies with Title IV of the Civil Rights Act, the Americans with Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act of 1973 and with affirmative action requirements. In addition, the contractor shall ensure that each authorized agency has, at a minimum, the following:

- a. A governing board;
- b. Program policies and procedures;
- c. A consumer appeals process;
- d. Records appropriate to the level of consumer care;
- e. Personnel policies and procedures which, at a minimum, include:
 - (1) Delegation of authority and responsibility for agency administration;
 - (2) Staff supervision;
 - (3) A staff training program for the identification and reporting of child and dependent adult abuse to the department pursuant to Iowa Code sections 232.69 and 235B.3;
 - (4) An employee grievance procedure;

PUBLIC HEALTH DEPARTMENT[641](cont'd)

- (5) Annual employee performance evaluations;
- (6) A nondiscrimination policy;
- (7) An employee orientation program; and
- (8) Current job descriptions;

f. Fiscal management, which shall, at a minimum, include:

- (1) An annual budget;
- (2) Fiscal policies and procedures which follow generally accepted accounting practices; and
- (3) An annual audit performed according to usual and customary accounting principles and practices;

g. Evaluation of agency and program activities which shall, at a minimum, include:

- (1) Evidence of an annual evaluation; and
- (2) Methods of reporting outcomes of evaluation to the LBOH.

80.3(4) *Coordination of public health services.*

a. The authorized agency is responsible for determining the ability of a job applicant to meet the requirements outlined in the job description. At a minimum, individuals responsible for coordinating public health services shall meet one of the following criteria:

- (1) Be a registered nurse (RN) who is licensed to practice nursing in the state of Iowa and who has a recommended minimum of two years of related public health experience; or
- (2) Possess a bachelor's degree or higher in public health, health administration, nursing or other applicable field from an accredited college or university; or
- (3) Be an individual with two years of related public health experience.

b. Individuals who are responsible for the coordination of public health services on or before June 30, 2015, are exempt from the criteria in paragraph 80.3(4) "a."

80.3(5) *Coordination of home care aide services.*

a. The authorized agency is responsible for determining the ability of a job applicant to meet the requirements outlined in the job description. At a minimum, individuals performing coordination of home care aide services shall meet one of the following criteria:

- (1) Be a registered nurse (RN) licensed to practice nursing in the state of Iowa; or
- (2) Possess a bachelor's degree in social work, sociology, family and consumer science, education, or other health or human services field; or
- (3) Be a licensed practical nurse (LPN) licensed to practice nursing in the state of Iowa; or
- (4) Be an individual with two years of related public health experience.

b. Individuals who are responsible for the coordination of home care aide services on or before June 30, 2015, are exempt from the criteria in paragraph 80.3(5) "a."

80.3(6) *Home care aide services.*

a. The authorized agency shall ensure that each individual assigned to perform home care aide services meets one of the following:

(1) Be an individual who has completed orientation to home care in accordance with agency policy. At a minimum, orientation shall include four hours on the role of the home care aide; two hours on communication; two hours on understanding basic human needs; two hours on maintaining a healthy environment; two hours on infection control in the home; and one hour on emergency procedures. The individual shall have successfully passed an agency written test and demonstrated the ability to perform skills for the assigned tasks; or

(2) Be an individual who is in the process of receiving education or has completed the educational requirements but is not licensed as an LPN or RN, has documentation of successful completion of coursework related to the tasks to be assigned, and has demonstrated the ability to perform the skills for the assigned tasks; or

(3) Be an individual who possesses a license to practice nursing as an LPN or RN in the state of Iowa; or

(4) Be an individual who is in the process of receiving education or who possesses a degree in social work, sociology, family and consumer science, education, or other health and human services

PUBLIC HEALTH DEPARTMENT[641](cont'd)

field; has documentation of successful completion of coursework related to the tasks to be assigned; and has demonstrated the ability to perform the skills for the assigned tasks.

b. The authorized agency shall ensure that services or tasks assigned are appropriate to the individual's prior education and training.

c. The authorized agency shall ensure documentation of each home care aide's completion of at least 12 hours of annual in-service (prorated to employment).

d. The authorized agency shall establish policies for supervision of home care aides.

e. The authorized agency shall maintain records for each consumer. The records shall include:

- (1) An initial assessment;
- (2) A plan of care;
- (3) Assignment of home care aide;
- (4) Assignment of tasks;
- (5) Reassessment;
- (6) An update of the plan of care;
- (7) Home care aide documentation; and
- (8) Documentation of supervision of home care aides.

80.3(7) *Coordination of case management services.*

a. The authorized agency is responsible for determining the ability of a job applicant to meet the requirements outlined in the job description. At a minimum, individuals responsible for coordinating case management services shall meet one of the following criteria:

- (1) Be a registered nurse (RN) licensed to practice nursing in the state of Iowa; or
- (2) Possess a bachelor's degree with at least one year of experience in the delivery of services to vulnerable populations; or
- (3) Be a licensed practical nurse (LPN) licensed to practice nursing in the state of Iowa.

b. A home care aide with an equivalent of two years' experience may be delegated coordination of case management services as long as a qualified individual who meets one of the criteria in paragraph 80.3(7) "a" retains responsibility and provides supervision.

c. Individuals who are responsible for the coordination of case management services on or before June 30, 2015, are exempt from the criteria in paragraph 80.3(7) "a."

d. Case management services shall be provided at the direction of the consumer. The documentation to support the case management services shall include at a minimum:

- (1) An initial assessment of the consumer's needs;
- (2) Development and implementation of a service plan to meet the identified needs;
- (3) Linking of the consumer to appropriate resources and natural supports; and
- (4) Reassessment and updating of the consumer's service plan at least annually.

641—80.4(135) Utilization of LPHS contract funding. The contractor may bill public health activities to the LPHS contract based on the identified needs of the community.

80.4(1) *Planning process.* Annually, the contractor shall initiate a planning process with input from authorized agencies in order for the contractor to identify the utilization of LPHS contract funding.

80.4(2) *Funder of last resort.* The LPHS contract shall be billed as the funder of last resort.

a. The LPHS contract shall be billed at the authorized agency's cost or charge, whichever is less.

b. The LPHS contract shall not be billed for services eligible for third-party reimbursement (e.g., Medicare, Medicaid, private insurance, approved Iowa waivers, or other federal or state funds).

c. The LPHS contract shall not be billed for the balance between the authorized agency cost or charge, whichever is less, and the allowed reimbursement from a third-party payer.

d. The LPHS contract shall not be billed for fees waived by the authorized agency.

e. The LPHS contract shall not be billed for services provided in a previous fiscal year.

80.4(3) *Cost analysis.* The authorized agency shall complete, at a minimum, an annual cost report for each approved LPHS contract activity using a method approved by the department. The authorized agency shall maintain documentation to support each cost report. Expenses to be included in an annual

PUBLIC HEALTH DEPARTMENT[641](cont'd)

cost report must be documented by the agency as received before the expenses can be included in the cost report.

80.4(4) Fees and donations.

a. Authorized agencies shall use fees billed and donations received from consumers to support the activities billed to the LPHS contract.

b. Fees for services provided shall be based on a financial assessment which determines the consumer's financial responsibility.

c. Fees for services may be established by the authorized agency except for services described in subparagraph 80.4(4) "f"(6).

d. Donations shall be accepted.

e. A financial assessment that considers financial resources and income and determines the consumer's financial responsibility shall be completed for nursing (skilled and health maintenance) activities and all home care aide activities.

(1) The financial assessment shall be updated annually by the authorized agency.

(2) An authorized agency may consider additional health care-related expenses or financial resources above \$10,000 when determining the consumer's fee according to an agency's policy.

(3) Restricted assets shall not be considered as a resource in the determination of a consumer's financial responsibility for services.

(4) Unrestricted assets shall be considered in the determination of a consumer's financial responsibility for services in the sliding fee calculation.

f. Sliding fee scale. The following instructions apply to the use of the sliding fee scale.

(1) The authorized agency shall establish a sliding fee scale for all home care aide activities and nursing (skilled and health maintenance) activities.

(2) The sliding fee scale shall be based on the authorized agency's charge for services.

(3) The authorized agency shall determine the amount the consumer will pay according to the sliding fee scale prior to providing the service.

(4) A fee shall be charged to consumers who have an income at or above 200 percent of the most recent federal poverty guidelines.

(5) No fee shall be charged to consumers who have an income at or below 75 percent of the most recent federal poverty guidelines and have financial resources of \$10,000 or less.

(6) No fee shall be charged for protective services or communicable disease follow-up services.

(7) An authorized agency may charge a fee according to the authorized agency's policy for services other than those described in subparagraphs 80.4(4) "f"(1) to (6).

80.4(5) Alternative plan. A request and written plan is required for the use of the LPHS contract funds for any activity that is not one of the current activities identified in the contract documents. The request and plan shall be based on an assessment of the needs of the community and shall be submitted by the contractor to the department for approval. The plan shall:

a. Identify essential public health services to be delivered;

b. Describe the activity to be delivered;

c. Identify target populations to be served; and

d. Describe the anticipated impact due to the use of an alternative plan.

80.4(6) Reallocation. The department will annually determine the potential for unused funds from contracts. If funds are available, reallocation of the funds shall be at the discretion of the department.

641—80.5(135) Right to appeal.

80.5(1) Denial, reduction or termination of services.

a. When an authorized agency denies, reduces or terminates services funded by the LPHS contract against the wishes of a consumer, the authorized agency shall notify the consumer of the following:

(1) The action taken;

(2) The reason for the action; and

(3) The consumer's right to appeal.

PUBLIC HEALTH DEPARTMENT[641](cont'd)

b. If a consumer files an appeal, the authorized agency shall provide services to the consumer throughout the appeals process, unless the agency receives a waiver from the department pending the outcome of the appeal.

80.5(2) Local appeals process.

a. The authorized agency shall have a written procedure through which consumers funded by the LPHS contract may appeal to the contractor. The written procedure shall, at a minimum, include:

- (1) The method of notification of the right to appeal;
- (2) The procedure for conducting the appeal;
- (3) Time limits for each step;
- (4) Notification of the consumer's right to appeal to the contractor (that is, the local board of health (LBOH)); and
- (5) Notification of the outcome of the appeal. The notification shall include the facts used to reach the decision and the conclusions drawn from the facts to support the decision of the authorized agency.

b. The written appeals procedure and the record of appeals filed (including the record and disposition of each) shall be available for inspection by authorized representatives of the department.

80.5(3) Appeal to department.

a. If a consumer is dissatisfied with the decision of the local appeal, the consumer may appeal to the Iowa department of public health within 15 days of the receipt of the local contractor's appeal decision. The appeal shall be made in writing and sent by certified mail, return receipt requested, to the Division Director, Division of Health Promotion and Chronic Disease Prevention, Iowa Department of Public Health, Lucas State Office Building, Des Moines, Iowa 50319-0075.

b. Department review. The department shall evaluate the appeal based upon the merits of the local appeal documentation. A department decision affirming, reserving, or modifying the local appeal decision shall be issued within 30 days of the receipt of all local appeal documentation. The department decision shall be in writing and sent by certified mail, return receipt requested, to the consumer, the contractor, and the authorized agency.

80.5(4) Further appeal. The consumer may appeal the department's decision within 10 days of the receipt of the department's decision. The appeal shall be made in writing and sent to the Director, Iowa Department of Public Health, Lucas State Office Building, Des Moines, Iowa 50319-0075. Upon receipt of an appeal that meets contested case status, the department shall forward the appeal within 5 working days to the department of inspections and appeals pursuant to the rules adopted by the department of inspections and appeals regarding the transmission of contested cases. The continued process for appeals shall be governed by 641—Chapter 173, Iowa Administrative Code.

641—80.6(135) Community capacity/local board of health and healthy aging funds. The purpose of community capacity/local board of health and healthy aging funds is to assist an LBOH in implementing core public health functions, providing essential public health services that promote healthy aging throughout the lifespan, and enhancing health promotion and disease prevention services with a priority given to older Iowans and vulnerable populations.

80.6(1) Allocation for community capacity/local board of health. The appropriation to each county board of health is determined by the following formula: 40 percent of the total allocation shall be divided so that an equal amount is available for use in each county in the state. The remaining 60 percent shall be allocated to each county according to the county's population based upon the published data by the U.S. Census Bureau, which is the data available three months prior to the release of the LPHS application.

80.6(2) Allocation for healthy aging. The allocation for the healthy aging appropriation is determined by the following formula: 15 percent of the total appropriation shall be divided so that an equal amount is available for use in each county in the state. The remaining 85 percent shall be allocated to each county according to that county's proportion of state residents with the following demographic characteristics:

a. Sixty percent of the funds shall be allocated according to the number of elderly persons living in the county based upon the bridged-race population estimates produced by the U.S. Census Bureau in collaboration with the National Center for Health Statistics (NCHS).

PUBLIC HEALTH DEPARTMENT[641](cont'd)

b. Forty percent of the funds shall be allocated according to the number of low-income persons living in the county based upon the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE).

These rules are intended to implement Iowa Code subsection 135.11(13).

ARC 1837C

REVENUE DEPARTMENT[701]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3, 404A.6, 421.14 and 422.68, the Department of Revenue hereby gives Notice of Intended Action to amend Chapter 42, “Adjustments to Computed Tax and Tax Credits,” Chapter 52, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” and Chapter 58, “Filing Returns, Payment of Tax, Penalty and Interest, and Tax Credits,” Iowa Administrative Code.

In 2014 Iowa Acts, House File 2453, the General Assembly made changes to the Historic Preservation and Cultural and Entertainment District Tax Credit Program. This program is administered by the Department of Cultural Affairs with the assistance of the Department of Revenue. The proposed amendments are necessary to implement new program requirements for the aspects of the program that are administered by the Department of Revenue. (See also **ARC 1836C** published herein for the Historical Division Notice of Intended Action relating to this program).

Item 1 amends existing rule 701—42.19(404A,422) to explain how the rule will continue to apply to projects with Part 2 applications approved and individual income tax credit reservations made prior to the effective date of the Act. In addition, the amendment strikes provisions of the rule that are no longer applicable.

Item 2 adopts new rule 701—42.54(404A,422) to explain the administration of projects with Part 2 applications approved and agreements entered into on or after the effective date of the Act that anticipate using the credits to offset individual income tax liability.

Item 3 amends existing rule 701—52.18(404A,422) to explain how the rule will continue to apply to projects with Part 2 applications approved and corporation income tax credit reservations made prior to the effective date of the Act. In addition, the amendment strikes provisions of the rule that are no longer applicable.

Item 4 adopts new rule 701—52.47(404A,422) to explain the administration of projects with Part 2 applications approved and agreements entered into on or after the effective date of the Act that anticipate using the credits to offset corporation income tax liability.

Item 5 amends rule 701—58.10(422) to update cross references and to explain which rules will apply to a project based on its approval date.

The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions.

Any person who believes that the application of the discretionary provisions of these amendments would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department has considered the factors listed in Iowa Code section 17A.4A. The Department will issue a regulatory analysis as provided in Iowa Code section 17A.4A if a written request is filed by delivery or by mailing postmarked no later than February 23, 2015, to Alana Stamas, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457,

REVENUE DEPARTMENT[701](cont'd)

Des Moines, Iowa 50306. Alternatively, requests may be e-mailed to alana.stamas@iowa.gov. The request may be made by the Administrative Rules Review Committee, the Administrative Rules Coordinator, at least 25 persons signing that request who each qualify as a small business, or an organization representing at least 25 such persons.

Any interested person may make written suggestions or comments on these proposed amendments on or before February 10, 2015. Such written comments should be e-mailed to Alana Stamas at alana.stamas@iowa.gov or mailed to Alana Stamas, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457, Des Moines, Iowa 50306. Persons who want to convey their views orally should contact Alana Stamas, Policy and Communications Division, Department of Revenue, at (515)725-2265 or at the Department of Revenue offices on the fourth floor of the Hoover State Office Building.

A public hearing will be held on February 11, 2015, at 3:30 p.m. in the Heritage Classroom on the first floor of the State Historical Building at 600 E. Locust, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

After analysis and review of this rule making, the Department finds that the changes to the program could have a positive impact on jobs. The proposed changes clarify existing rules and provide guidance on the type of expenses that qualify, which should help program users better prepare for project success.

These amendments are intended to implement 2014 Iowa Acts, House File 2453.

The following amendments are proposed.

ITEM 1. Amend rule 701—42.19(404A,422) as follows:

701—42.19(404A,422) Historic preservation and cultural and entertainment district tax credit for projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014. A historic preservation and cultural and entertainment district tax credit, subject to the availability of the credit, may be claimed against a taxpayer's Iowa individual income tax liability for 25 percent of the qualified costs of rehabilitation of property to the extent the costs were incurred on or after July 1, 2000, for approved rehabilitation projects of eligible property in Iowa. ~~The administrative rules for the historic preservation and cultural and entertainment district tax credit for the historical division of the department of cultural affairs may be found under 223—Chapter 48.~~

The general assembly has mandated that the department of cultural affairs and the department of revenue adopt rules to jointly administer Iowa Code chapter 404A. 2014 Iowa Acts, House File 2453, amended the historic preservation and cultural and entertainment district tax credit program effective July 1, 2014. The department of revenue's provisions for projects with tax credits reserved prior to July 1, 2014, are found in this rule. The department of revenue's provisions for projects with agreements entered into on or after July 1, 2014, are found in rule 701—42.54(404A,422). The department of cultural affairs' rules related to this program may be found at 223—Chapter 48. Division I of 223—Chapter 48 applies to projects with reservations approved prior to July 1, 2014. Division II of 223—Chapter 48 applies to projects with agreements entered into on or after July 1, 2014.

Notwithstanding anything contained herein to the contrary, the department of cultural affairs shall not reserve tax credits under 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1, for applicants that do not have an approved Part 2 application and a tax credit reservation on or before June 30, 2014. Projects with approved Part 2 applications and provisional tax credit reservations on or before June 30, 2014, shall be governed by 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1; by 223—Chapter 48, Division I; and by rule 701—42.19(404A,422). Projects for which Part 2 applications were approved and agreements entered into after June 30, 2014, shall be governed by 2014 Iowa Acts, House File 2453; by 223—Chapter 48, Division II; and by rule 701—42.54(404A,422).

42.19(1) Eligible properties for the historic preservation and cultural and entertainment district tax credit. The following types of property are eligible for the historic preservation and cultural and entertainment district tax credit:

- a. Property verified as listed on the National Register of Historic Places or eligible for such listing.

REVENUE DEPARTMENT[701](cont'd)

- b. Property designated as of historic significance to a district listed in the National Register of Historic Places or eligible for such designation.
- c. Property or district designated a local landmark by a city or county ordinance.
- d. Any barn constructed prior to 1937.

42.19(2) *Application and review process for the historic preservation and cultural and entertainment district tax credit.*

a. Taxpayers who want to claim an income tax credit for completing a historic preservation and cultural and entertainment district project must submit an application for approval of the project. The application forms for the historic preservation and cultural and entertainment district tax credit may be requested from the State Tax Credit Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust, Des Moines, Iowa 50319-0290. The telephone number for this office is (515)281-4137. Applications for the credit will be accepted by the state historic preservation office on or after July 1, 2000, until such time as all the available credits allocated for each fiscal year are encumbered. ~~For fiscal years beginning on or after July 1, 2000, \$2.4 million shall be appropriated for historic preservation and cultural and entertainment district tax credits for each year. For the fiscal years beginning July 1, 2005, and July 1, 2006, an additional \$4 million of tax credits is appropriated for projects located in cultural and entertainment districts which are certified by the department of cultural affairs. If less than \$4 million of tax credits is appropriated during a fiscal year, the remaining amount shall be applied to reserved tax credits for projects not located in cultural and entertainment districts in the order of original reservation by the department of cultural affairs. For the fiscal year beginning July 1, 2007, \$10 million in historic preservation and cultural and entertainment district tax credits is available. For the fiscal year beginning July 1, 2008, \$15 million in historic preservation and cultural and entertainment district tax credits is available. For the fiscal year beginning July 1, 2009, through the fiscal year beginning July 1, 2011, \$50 million in historic preservation and cultural and entertainment district tax credits is available. The allocation of the \$50 million of credits for the fiscal year beginning July 1, 2009, through the fiscal year beginning July 1, 2011, is set forth in rule 223—48.7(303,404A).~~ For fiscal years beginning on or after July 1, 2012, \$45 million in historic preservation and cultural and entertainment district tax credits is available. Tax credits shall not be reserved by the department of cultural affairs for more than three years except for tax credits issued for contracts entered into prior to July 1, 2007.

~~b. For the state fiscal year beginning on July 1, 2009, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2009, and \$30 million of the credits may be claimed on tax returns beginning on or after January 1, 2010. For the state fiscal year beginning July 1, 2010, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2010, and \$30 million of tax credits may be claimed on tax returns beginning on or after January 1, 2011. For the state fiscal year beginning July 1, 2011, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2011, and \$30 million of tax credits may be claimed on tax returns beginning on or after January 1, 2012.~~

~~c. Applicants for the historic preservation and cultural and entertainment district tax credit must include all information and documentation requested on the application forms for the credit in order for the application to be processed.~~

~~d. The state historic preservation office (SHPO) shall establish selection criteria and standards for rehabilitation projects involving eligible property. The approval process shall not exceed 90 days from the date the application is received by SHPO. To the extent possible, the standards used by SHPO shall be consistent with the standards of the United States Secretary of the Interior for rehabilitation of eligible property.~~

~~e. Once SHPO approves a particular historic preservation and cultural and entertainment district tax credit project application, the office will encumber an estimated historic preservation and cultural and entertainment district tax credit under the name of the applicant(s) for the year the project is approved.~~

42.19(3) *Computation of the amount of the historic preservation and cultural and entertainment district tax credit.* The amount of the historic preservation and cultural and entertainment district tax credit is 25 percent of the qualified rehabilitation costs made to an eligible property in a project. Qualified

REVENUE DEPARTMENT[701](cont'd)

rehabilitation costs are those rehabilitation costs approved by ~~SHPO~~ the state historic preservation office for a project for a particular taxpayer to the extent those rehabilitation costs are actually expended by that taxpayer.

a. In the case of commercial property, qualified rehabilitation costs must equal at least \$50,000 or 50 percent of the assessed value of the property, excluding the value of the land, prior to rehabilitation, whichever is less. In the case of property other than commercial property, the qualified rehabilitation costs must equal at least \$25,000 or 25 percent of the assessed value, excluding the value of the land, prior to the rehabilitation, whichever amount is less.

b. In computing the tax credit, the only costs which may be included are the qualified rehabilitation costs incurred commencing from the date on which the first qualified rehabilitation cost is incurred and ending with the end of the taxable year in which the property is placed in service. The rehabilitation period may include dates that precede approval of a project, provided that any qualified rehabilitation costs incurred prior to the date of approval of the project are qualified rehabilitation costs.

c. For purposes of the historic preservation and cultural and entertainment district tax credit, qualified rehabilitation costs include those costs properly included in the basis of the eligible property for income tax purposes. Costs treated as expenses and deducted in the year paid or incurred and amounts that are otherwise not added to the basis of the property for income tax purposes are not qualified rehabilitation costs. Amounts incurred for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, development fees, and other construction-related costs are qualified rehabilitation costs to the extent they are added to the basis of the eligible property for tax purposes. Costs of sidewalks, parking lots, and landscaping do not constitute qualified rehabilitation costs. Any rehabilitation costs used in the computation of the historic preservation and cultural and entertainment district tax credit are not added to the basis of the property for Iowa income tax purposes if the rehabilitation costs were incurred in a tax year beginning on or after January 1, 2000, but prior to January 1, 2001. Any rehabilitation costs incurred in a tax year beginning on or after January 1, 2001, are added to the basis of the rehabilitated property for income tax purposes except those rehabilitation expenses that are equal to the amount of the computed historic preservation and cultural and entertainment district tax credit for the tax year.

EXAMPLE: ~~For example, the~~ The basis of a commercial building in a historic district was \$500,000, excluding the value of the land, before the rehabilitation project. During a project to rehabilitate this building, \$600,000 in rehabilitation costs were expended to complete the project and \$500,000 of those rehabilitation costs were qualified rehabilitation costs which were eligible for the historic preservation and cultural and entertainment district tax credit of \$125,000. Therefore, the basis of the building for Iowa income tax purposes was \$975,000, since the qualified rehabilitation costs of \$125,000, which are equal to the amount of the historic preservation and cultural and entertainment district tax credit for the tax year, are not added to the basis of the rehabilitated property. The basis of the building for federal income tax purposes was \$1,100,000. ~~However, for tax years beginning only in the 2000 calendar year, the basis of the building for Iowa income tax purposes would have been \$600,000, since for those tax periods, any qualified rehabilitation expenses used to compute the historic preservation and cultural and entertainment district tax credit for the tax year could not be added to the basis of the property.~~ It should be noted that this example does not consider any possible reduced basis for the building for federal income tax purposes due to the rehabilitation investment credit provided in Section 47 of the Internal Revenue Code. If the building in this example were eligible for the federal rehabilitation credit provided in Section 47 of the Internal Revenue Code, the basis of the building for Iowa tax purposes would be reduced accordingly by the same amount as the reduction required for federal tax purposes.

42.19(4) *Completion of the historic preservation and cultural and entertainment district project and claiming the historic preservation and cultural and entertainment district tax credit on the Iowa return.* After the taxpayer completes an authorized rehabilitation project, the taxpayer must be issued a certificate of completion of the project from the state historic preservation office of the department of cultural affairs. After verifying the taxpayer's eligibility for the historic preservation and cultural and entertainment district tax credit, the state historic preservation office shall issue a historic preservation and cultural and entertainment district tax credit certificate, which shall be ~~attached to~~ included with the

REVENUE DEPARTMENT[701](cont'd)

taxpayer's income tax return for the tax year in which the rehabilitation project is completed or the year the credit was reserved, whichever is the later. For example, if a project was completed in 2008 and the credit was reserved for the state fiscal year ending June 30, 2010, the credit can be claimed on the 2009 calendar year return that is due on April 30, 2010. The tax credit certificate shall include the taxpayer's name, the taxpayer's address, the taxpayer's tax identification number, the address or location of the rehabilitation project, the date the project was completed, the year the tax credit was reserved and the amount of the historic preservation and cultural and entertainment district tax credit. In addition, the tax credit certificate shall include a place for the name and tax identification number of a transferee, and the amount of the tax credit being transferred, and any consideration received in exchange for the tax credit, as provided in subrule 42.19(6). In addition, if the taxpayer is a partnership, limited liability company, estate or trust, where the tax credit is allocated to the owners or beneficiaries of the entity, a list of the owners or beneficiaries and the amount of credit allocated to each owner or beneficiary shall be provided with the certificate. The tax credit certificate shall be ~~attached to~~ included with the income tax return for the period in which the project was completed. ~~If the amount of the historic preservation and cultural and entertainment district tax credit exceeds the taxpayer's income tax liability for the tax year for which the credit applies, the taxpayer is entitled to a refund of the excess portion of the credit at a discounted value for tax periods ending prior to July 1, 2007. However, the refund cannot exceed 75 percent of the allowable tax credit. The refund of the tax credit shall be computed on the basis of the following table:~~

Annual Interest Rate	Five-Year Present Value/Dollar Compounded Annually
5%	\$.784
6%	\$.747
7%	\$.713
8%	\$.681
9%	\$.650
10%	\$.621
11%	\$.594
12%	\$.567
13%	\$.543
14%	\$.519
15%	\$.497
16%	\$.476
17%	\$.456
18%	\$.437

~~EXAMPLE: The following is an example to show how the table can be used to compute a refund for a taxpayer. An individual has a historic preservation and cultural and entertainment district tax credit of \$800,000 for a project completed in 2001. The individual had an income tax liability prior to the credit of \$300,000 on the 2001 return, which leaves an excess credit of \$500,000. The annual interest rate for tax refunds issued by the department of revenue in the 2001 calendar year is 11 percent. Therefore, to compute the five-year present value of the \$500,000 excess credit, \$500,000 is multiplied by the compound factor for 11 percent of .594 in the table, which results in a refund of \$297,000.~~

For tax years ending on or after July 1, 2007, any historic preservation and cultural and entertainment district tax credit in excess of the taxpayer's tax liability is fully refundable. In lieu of claiming the refund, the taxpayer may elect to have the overpayment credited to the tax liability for the following tax year.

REVENUE DEPARTMENT[701](cont'd)

42.19(5) *Allocation of historic preservation and cultural and entertainment district tax credits to the individual owners of the entity for tax credits reserved for fiscal years beginning on or after July 1, 2012.*

a. Projects beginning prior to July 1, 2005. When the taxpayer that has earned a historic preservation and cultural and entertainment district tax credit is a partnership, limited liability company, S corporation, estate or trust where the individual owners of the business entity are taxed on the income of the entity, the historic preservation and cultural and entertainment district tax credit shall be allocated to the individual owners. The business entity shall allocate the historic preservation and cultural and entertainment district tax credit to each individual owner on the same pro rata basis as the earnings of the business are allocated to the owners for projects beginning prior to July 1, 2005. For example, if a partner of a partnership received 25 percent of the earnings or income of the partnership for the tax year in which the partnership had earned a historic preservation and cultural and entertainment district tax credit, 25 percent of the credit would be allocated to this partner.

b. Projects beginning on or after July 1, 2005, for tax credits reserved for fiscal years beginning prior to July 1, 2012. For projects beginning on or after July 1, 2005, for tax credits reserved for fiscal years beginning prior to July 1, 2012, which used low-income housing credits authorized under Section 42 of the Internal Revenue Code to assist in the financing of the rehabilitation project, the credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation. For these projects, the partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder.

c. Tax credits reserved for fiscal years beginning on or after July 1, 2012. For tax credits reserved for fiscal years beginning on or after July 1, 2012, the partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder. The credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation.

42.19(6) *Transfer of the historic preservation and cultural and entertainment district tax credit.* For tax periods beginning on or after January 1, 2003, the historic preservation and cultural and entertainment district tax credit certificates may be transferred to any person or entity. A tax credit certificate of less than \$1,000 shall not be transferable.

~~Within 90 days of transfer of the tax credit certificate for transfers prior to July 1, 2006, the transferee must submit the transferred tax credit certificate to the state historic preservation office of the department of cultural affairs, along with a statement which contains the transferee's name, address and tax identification number and amount of the tax credit being transferred. For transfers on or after July 1, 2006, the transferee must submit the transferred tax credit certificate to the department of revenue. Within 30 days of receiving the transferred tax credit certificate and the statement from the transferee for transfers prior to July 1, 2006, the state historic preservation office shall issue a replacement tax credit certificate to the transferee.~~

a. For transfers on or after July 1, 2006, the department of revenue will issue the replacement tax credit certificate to the transferee. Within 90 days of the transfer of the tax credit certificate, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number and address, the denomination that each replacement tax credit certificate is to carry, the amount of all consideration provided in exchange for the tax credit and the names of recipients of any consideration provided in exchange for the tax credit. If a payment of money was any part of the consideration provided in exchange for the tax credit, the transferee shall list the amount of the payment of money in its statement to the department of revenue. If any part of the consideration provided in exchange for the tax credit included nonmonetary consideration, including but not limited to any promise, representation, performance, discharge of debt or nonmonetary rights or property, the tax credit transferee shall describe the nature of nonmonetary consideration and disclose any value the transferor and transferee assigned to the nonmonetary consideration. The tax credit transferee must indicate on its statement to the department of revenue if no consideration was provided in exchange for the tax credit. If the transferee is a partnership, limited liability company or S corporation, the transferee shall provide a list of the partners, members or shareholders and information on how the historic preservation and cultural and entertainment district tax credit should be divided

REVENUE DEPARTMENT[701](cont'd)

among the partners, members or shareholders. The transferee shall also provide the tax identification numbers and addresses of the partners, members or shareholders. The replacement tax credit certificate must contain the same information that was on the original certificate and must have the same expiration date as the original tax credit certificate.

b. The transferee may use the amount of the tax credit for any tax period for which the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included in Iowa taxable income for individual income, corporation income or franchise tax purposes. Any consideration paid for the transfer of the tax credit shall not be deducted from Iowa taxable income for individual income, corporation income or franchise tax purposes.

c. If the historic preservation and cultural and entertainment district tax credit of the transferee exceeds the tax liability shown on the transferee's return, the ~~refund tax credit shall be discounted as described in subrule 42.19(4) for tax years ending prior to July 1, 2007, just as the refund would have been discounted on the Iowa income tax return of the taxpayer. For tax years ending on or after July 1, 2007, any historic preservation and cultural and entertainment district tax credit of the transferee in excess of the transferee's tax liability is fully refundable.~~

This rule is intended to implement Iowa Code chapter 404A as amended by 2013 Iowa Acts, Senate File 436, and Iowa Code section 422.11D.

ITEM 2. Adopt the following new rule 701—42.54(404A,422):

701—42.54(404A,422) Historic preservation and cultural and entertainment district tax credit for projects with Part 2 applications approved on or after July 1, 2014, and agreements entered into on or after July 1, 2014. The department of cultural affairs is authorized by the general assembly to award tax credits for a percentage of the qualified rehabilitation expenditures on a qualified rehabilitation project as described in the historic preservation and cultural and entertainment district tax credit program, Iowa Code chapter 404A. The program is administered by the department of cultural affairs with the assistance of the department of revenue. The general assembly has mandated that the department of cultural affairs and the department of revenue adopt rules to jointly administer Iowa Code chapter 404A. In general, the department of cultural affairs is responsible for evaluating whether projects comply with the prescribed standards for rehabilitation while the department of revenue is responsible for evaluating whether projects comply with the tax aspects of the program.

2014 Iowa Acts, House File 2453, amended the historic preservation and cultural and entertainment district tax credit program effective July 1, 2014. The department of revenue's provisions for projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014, are found in rule 701—42.19(404A,422). The department of revenue's provisions for projects with Part 2 applications approved on or after July 1, 2014, and with agreements entered into on or after July 1, 2014, are found in this rule. The department of cultural affairs' rules related to this program may be found at 223—Chapter 48. Division I of 223—Chapter 48 applies to projects with tax credit reservations approved prior to July 1, 2014. Division II of 223—Chapter 48 applies to projects with Part 2 applications approved on or after July 1, 2014, and agreements entered to on or after July 1, 2014.

Notwithstanding anything contained herein to the contrary, the department of cultural affairs shall not reserve tax credits under 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1, for applicants that do not have an approved Part 2 application and a tax credit reservation on or before June 30, 2014. Projects with approved Part 2 applications and provisional tax credit reservations on or before June 30, 2014, shall be governed by 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1; by 223—Chapter 48, Division I; and by rule 701—42.19(404A,422). Projects for which Part 2 applications were approved and agreements entered into after June 30, 2014, shall be governed by 2014 Iowa Acts, House File 2453; by 223—Chapter 48, Division II; and by this rule.

42.54(1) Application, registration, and agreement for the historic preservation and cultural and entertainment district tax credit. Taxpayers that want to claim an income tax credit for completing a qualified rehabilitation project must submit an application for approval of the project. The application forms and instructions for the historic preservation and cultural and entertainment district tax credit are

REVENUE DEPARTMENT[701](cont'd)

available on the department of cultural affairs' Web site. Once a project is registered, the taxpayer must enter into an agreement with the department of cultural affairs to be eligible for the credit.

42.54(2) *Computation of the amount of the historic preservation and cultural and entertainment district tax credit.* The amount of the historic preservation and cultural and entertainment district tax credit is a maximum of 25 percent of the qualified rehabilitation expenditures verified by the department of cultural affairs and the department of revenue following project completion, up to the amount specified in the agreement between the taxpayer and the department of cultural affairs.

42.54(3) *Qualified rehabilitation expenditures.* "Qualified rehabilitation expenditures" means the same as defined in department of cultural affairs rule 223—48.22(404A). In general, the department of cultural affairs evaluates whether expenditures comply with the prescribed standards for rehabilitation while the department of revenue evaluates whether expenditures comply with the tax requirements to be considered qualified rehabilitation expenditures, including whether the expenditures are in accordance with the requirements of Internal Revenue Code Section 47 and its related regulations.

a. Type of property and services eligible. Iowa Code section 404A.1(6) incorporates the definition of "qualified rehabilitation expenditures" found in Internal Revenue Code Section 47. In accordance with Internal Revenue Code Section 47, the types of property and services claimed as qualified rehabilitation expenditures must be for "structural components," as that term is defined in Treasury Regulation § 1.48-1(e)(2), and for amounts incurred for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, development fees and other construction-related costs. Costs of sidewalks, parking lots and landscaping do not constitute types of property and services that are qualified rehabilitation expenditures.

b. Effect of financing sources on eligibility of expenditures. Expenses incurred for property described in paragraph 42.54(3)"a" will not be qualified rehabilitation expenditures unless actually incurred by the eligible taxpayer.

(1) For eligible taxpayers other than nonprofit organizations, expenses paid for with grants or forgivable loans are not considered incurred by the eligible taxpayer unless the grants or forgivable loans are treated as taxable income by the eligible taxpayer and properly includable in calculating the basis of the property.

(2) For eligible taxpayers that are nonprofit organizations, expenses are deemed to be incurred by the nonprofit so long as they meet the requirements of paragraph 42.54(3)"a" and are not financed directly or indirectly by federal, state or local government grants or forgivable loans.

42.54(4) *Completion of the qualified rehabilitation project and claiming the tax credit on the Iowa return.* After the taxpayer completes a qualified rehabilitation project, the taxpayer will be issued a certificate of completion of the project from the department of cultural affairs if the project complies with the federal standards, as defined in rule 223—48.22(404A). After the department of cultural affairs and the department of revenue verify the taxpayer's eligibility for the tax credit, the department of cultural affairs shall issue a tax credit certificate. For the taxpayer to claim the credit, the certificate must be included with the taxpayer's income tax return for the tax year in which the rehabilitation project is completed or the year in which the certificate is issued, whichever is later.

a. Information required. The tax credit certificate shall include the taxpayer's name, the taxpayer's address, the taxpayer's tax identification number, the address or location of the rehabilitation project, the date the project was completed and the amount of the historic preservation and cultural and entertainment district tax credit. In addition, the tax credit certificate shall include a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred, as provided in subrule 42.54(5). In addition, if the taxpayer is a partnership, limited liability company, estate or trust, and the tax credit is allocated to the owners or beneficiaries of the entity, a list of the owners or beneficiaries and the amount of credit allocated to each owner or beneficiary shall be provided with the certificate. The tax credit certificate shall be included with the income tax return for the period in which the project was completed or in which the certificate is issued, whichever is later.

b. Refund or carryforward. Any historic preservation and cultural and entertainment district tax credit in excess of the taxpayer's tax liability is fully refundable with interest computed under Iowa Code

REVENUE DEPARTMENT[701](cont'd)

section 422.25. In lieu of claiming the refund, the taxpayer may elect to have the overpayment credited to the tax liability for the following tax year.

c. Allocation of historic preservation and cultural and entertainment district tax credits to the individual owners of the entity. A partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder. The credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation.

42.54(5) *Transfer of the historic preservation and cultural and entertainment district tax credit.* The historic preservation and cultural and entertainment district tax credit certificates may be transferred to any person or entity. The transferee may use the amount of the tax credit transferred against the taxes imposed in Iowa Code chapter 422, divisions II, III, and V, and in Iowa Code chapter 432, for any tax year the original transferor could have claimed the tax credit. Any credit in excess of the transferee's tax liability is not refundable. A tax credit certificate of less than \$1,000 shall not be transferable.

a. Transfer process—information required. Within 90 days of transfer of the tax credit certificate, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement that contains the transferee's name, address and tax identification number, the amount of the tax credit being transferred, the amount of all consideration provided in exchange for the tax credit and the names of recipients of any consideration provided in exchange for the tax credit. If a payment of money was any part of the consideration provided in exchange for the tax credit, the transferee shall list the amount of the payment of money in its statement to the department of revenue. If any part of the consideration provided in exchange for the tax credit included nonmonetary consideration, including but not limited to any promise, representation, performance, discharge of debt or nonmonetary rights or property, the tax credit transferee shall describe the nature of the nonmonetary consideration and disclose any value the transferor and transferee assigned to the nonmonetary consideration. The tax credit transferee must indicate on its statement to the department of revenue if no consideration was provided in exchange for the tax credit. Within 30 days of receiving the transferred tax credit certificate and the statement from the transferee, the department of revenue will issue the replacement tax credit certificate to the transferee. If the transferee is a partnership, limited liability company or S corporation, the transferee shall provide a list of the partners, members or shareholders and information on how the historic preservation and cultural and entertainment district tax credit should be divided among the partners, members or shareholders. The transferee shall also provide the tax identification numbers and addresses of the partners, members or shareholders. The certificate must have the same information required for the original tax certificate and must have the same expiration date as the original tax credit certificate. The transferee may not claim a tax credit until a replacement certificate identifying the transferee as the proper holder has been issued.

b. Consideration. Any consideration received for the transfer of the tax credit shall not be included in Iowa taxable income for individual income, corporation income or franchise tax purposes. Any consideration paid for the transfer of the tax credit shall not be deducted from Iowa taxable income for individual income, corporation income or franchise tax purposes.

42.54(6) *Appeals.* Challenges to an action by the department of revenue related to tax credit transfers, the claiming of tax credits, tax credit revocation, or repayment or recovery of tax credits must be brought pursuant to 701—Chapter 7.

This rule is intended to implement Iowa Code chapter 404A as amended by 2014 Iowa Acts, House File 2453, and Iowa Code section 422.11D.

ITEM 3. Amend rule 701—52.18(404A,422) as follows:

701—52.18(404A,422) Historic preservation and cultural and entertainment district tax credit for projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014. A historic preservation and cultural and entertainment district tax credit, subject to the availability of the credit, may be claimed against a taxpayer's Iowa corporate income tax liability for 25 percent of the qualified costs of rehabilitation of property to the extent the costs were incurred on or after July 1, 2000, for the approved rehabilitation projects of eligible property in Iowa. ~~The administrative rules for the historic preservation~~

REVENUE DEPARTMENT[701](cont'd)

~~and cultural and entertainment district tax credit for the historical division of the department of cultural affairs may be found under 223—Chapter 48.~~

The general assembly has mandated that the department of cultural affairs and the department of revenue adopt rules to jointly administer Iowa Code chapter 404A. 2014 Iowa Acts, House File 2453, amended the historic preservation and cultural and entertainment district tax credit program effective July 1, 2014. The department of revenue's provisions for projects with tax credits reserved prior to July 1, 2014, are found in this rule. The department of revenue's provisions for projects with agreements entered into on or after July 1, 2014, are found in rule 701—52.47(404A,422). The department of cultural affairs' rules related to this program may be found at 223—Chapter 48. Division I of 223—Chapter 48 applies to projects with reservations approved prior to July 1, 2014. Division II of 223—Chapter 48 applies to projects with agreements entered into on or after July 1, 2014.

Notwithstanding anything contained herein to the contrary, the department of cultural affairs shall not reserve tax credits under 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1, for applicants that do not have an approved Part 2 application and a tax credit reservation on or before June 30, 2014. Projects with approved Part 2 applications and provisional tax credit reservations on or before June 30, 2014, shall be governed by 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1; by 223—Chapter 48, Division I; and by rule 701—52.18(404A,422). Projects for which Part 2 applications were approved and agreements entered into after June 30, 2014, shall be governed by 2014 Iowa Acts, House File 2453; by 223—Chapter 48, Division II; and by rule 701—52.47(404A,422).

52.18(1) *Eligible property for the historic preservation and cultural and entertainment district tax credit.* The following types of property are eligible for the historic preservation and cultural and entertainment district tax credit:

- a. Property verified as listed on the National Register of Historic Places or eligible for such listing.
- b. Property designated as of historic significance to a district listed in the National Register of Historic Places or eligible for such designation.
- c. Property or district designated a local landmark by a city or county ordinance.
- d. Any barn constructed prior to 1937.

52.18(2) *Application and review process for the historic preservation and cultural and entertainment district tax credit.*

a. Taxpayers who want to claim an income tax credit for completing a historic preservation and cultural and entertainment district project must submit an application for approval of the project. The application forms for the historic preservation and cultural and entertainment district tax credit may be requested from the State Tax Credit Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust, Des Moines, Iowa 50319-0290. The telephone number for this office is (515)281-4137. Applications for the credit will be accepted by the state historic preservation office on or after July 1, 2000, until such time as all the available credits allocated for each fiscal year are encumbered. ~~For fiscal years beginning on or after July 1, 2000, \$2.4 million shall be appropriated for historic preservation and cultural and entertainment district tax credits for each year. For the fiscal years beginning July 1, 2005, and July 1, 2006, an additional \$4 million of tax credits is appropriated for projects located in cultural and entertainment districts which are certified by the department of cultural affairs. If less than \$4 million of tax credits is appropriated during a fiscal year, the remaining amount shall be applied to reserved tax credits for projects not located in cultural and entertainment districts in the order of original reservation by the department of cultural affairs. For the fiscal year beginning July 1, 2007, \$10 million in historic preservation and cultural and entertainment district tax credits is available. For the fiscal year beginning July 1, 2008, \$15 million in historic preservation and cultural and entertainment district tax credits is available. For the fiscal year beginning July 1, 2009, through the fiscal year beginning July 1, 2011, \$50 million in historic preservation and cultural and entertainment district tax credits is available. The allocation of the \$50 million of credits for the fiscal year beginning July 1, 2009, through the fiscal year beginning July 1, 2011, is set forth in rule 223—48.7(303,404A).~~ For fiscal years beginning on or after July 1, 2012, \$45 million in historic preservation and cultural and entertainment district tax credits is available. Tax credits shall not be reserved by the department of

REVENUE DEPARTMENT[701](cont'd)

cultural affairs for more than three years except for tax credits issued for contracts entered into prior to July 1, 2007.

~~b. For the state fiscal year beginning on July 1, 2009, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2009, and \$30 million of the credits may be claimed on tax returns beginning on or after January 1, 2010. For the state fiscal year beginning July 1, 2010, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2010, and \$30 million of the credits may be claimed on tax returns beginning on or after January 1, 2011. For the state fiscal year beginning July 1, 2011, \$20 million of the credits may be claimed on tax returns beginning on or after January 1, 2011, and \$30 million of the credits may be claimed on tax returns beginning on or after January 1, 2012.~~

~~e. b.~~ Applicants for the historic preservation and cultural and entertainment district tax credit must include all information and documentation requested on the application forms for the credit in order for the applications to be processed.

~~d. The state historic preservation office (SHPO) is to establish selection criteria and standards for rehabilitation projects involving eligible property. The approval process is not to exceed 90 days from the date the application is received by SHPO. To the extent possible, the standards used by SHPO are to be consistent with the standards of the United States Secretary of the Interior for rehabilitation of eligible property.~~

~~e. Once SHPO approves a particular historic preservation and cultural and entertainment district tax credit project application, the office will encumber an estimated historic preservation and cultural and entertainment district tax credit under the name of the applicant(s) for the year the project is approved.~~

52.18(3) *Computation of the amount of the historic preservation and cultural and entertainment district tax credit.* The amount of the historic preservation and cultural and entertainment district tax credit is 25 percent of the qualified rehabilitation costs made to eligible property in a project. Qualified rehabilitation costs are those rehabilitation costs approved by SHPO ~~the state historic preservation office~~ for a project for a particular taxpayer to the extent those rehabilitation costs are actually expended by that taxpayer.

a. In the case of commercial property, qualified rehabilitation costs must equal at least \$50,000 or 50 percent of the assessed value of the property, excluding the value of the land, prior to rehabilitation, whichever is less. In the case of property other than commercial property, the qualified rehabilitation costs must equal at least \$25,000 or 25 percent of the assessed value, excluding the value of the land, prior to the rehabilitation, whichever amount is less.

b. In computing the tax credit, the only costs which may be included are the qualified rehabilitation costs incurred commencing from the date on which the first qualified rehabilitation cost is incurred and ending with the end of the taxable year in which the property is placed in service. The rehabilitation period may include dates that precede approval of a project, provided that any qualified rehabilitation costs incurred prior to the date of approval of the project must be qualified rehabilitation costs.

c. For purposes of the historic preservation and cultural and entertainment district tax credit, qualified rehabilitation costs include those costs properly included in the basis of the eligible property for income tax purposes. Costs treated as expenses and deducted in the year paid or incurred and amounts that are otherwise not added to the basis of the property for income tax purposes are not qualified rehabilitation costs. Amounts incurred for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, development fees, and other construction-related costs are qualified rehabilitation costs to the extent they are added to the basis of the eligible property for tax purposes. Costs of sidewalks, parking lots, and landscaping do not constitute qualified rehabilitation costs. Any rehabilitation costs used in the computation of the historic preservation and cultural and entertainment district tax credit are not added to the basis of the property for Iowa income tax purposes if the rehabilitation costs were incurred in a tax year beginning on or after January 1, 2000, but prior to January 1, 2001. Any rehabilitation costs incurred in a tax year beginning on or after January 1, 2001, are added to the basis of the rehabilitated property for income tax purposes except those rehabilitation costs that are equal to the amount of the computed historic preservation and cultural and entertainment district tax credit for the tax year.

REVENUE DEPARTMENT[701](cont'd)

~~EXAMPLE: For example, the~~ The basis of a commercial building in a historic district was \$500,000, excluding the value of the land, before the rehabilitation project. During a project to rehabilitate this building, \$600,000 in rehabilitation costs were expended to complete the project and \$500,000 of those rehabilitation costs were qualified rehabilitation costs which were eligible for the historic preservation and cultural and entertainment district tax credit of \$125,000. Therefore, the basis of the building for Iowa income tax purposes was \$975,000, since the qualified rehabilitation costs of \$125,000, which are equal to the amount of the historic preservation and cultural and entertainment district tax credit for the tax year, are not added to the basis of the rehabilitated property. The basis of the building for federal income tax purposes was \$1,100,000. ~~However, for tax years beginning only in the 2000 calendar year, the basis of the rehabilitated property would have been \$600,000, since for those tax periods any qualified rehabilitation costs used to compute the historic preservation and cultural and entertainment district tax credit for the tax year could not be added to the basis of the property.~~ It should be noted that this example does not consider any possible reduced basis for the building for federal income tax purposes due to the rehabilitation investment credit provided in Section 47 of the Internal Revenue Code. If the building in this example were eligible for the federal rehabilitation credit provided in Section 47 of the Internal Revenue Code, the basis of the building for Iowa tax purposes would be reduced accordingly by the same amount as the reduction required for federal tax purposes.

52.18(4) *Completion of the historic preservation and cultural and entertainment district project and claiming the historic preservation and cultural and entertainment district tax credit on the Iowa return.* After the taxpayer completes an authorized rehabilitation project, the taxpayer must get a certificate of completion of the project from the state historic preservation office of the department of cultural affairs. After verifying the taxpayer's eligibility for the historic preservation and cultural and entertainment district tax credit, the state historic preservation office shall issue a historic preservation and cultural and entertainment district tax credit certificate, which shall be ~~attached to~~ included with the taxpayer's income tax return for the tax year in which the rehabilitation project is completed or the year the credit was reserved, whichever is the later. For example, if a project was completed in 2008 and the credit was reserved for the state fiscal year ending June 30, 2010, the credit can be claimed on the 2009 calendar year return that is due on April 30, 2010. The tax credit certificate is to include the taxpayer's name, the taxpayer's address, the taxpayer's tax identification number, the address or location of the rehabilitation project, the date the project was completed, the year the tax credit was reserved, and the amount of the historic preservation and cultural and entertainment district tax credit. In addition, the tax credit certificate shall include a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred, and any consideration received in exchange for the tax credit, as provided in subrule 52.18(6). In addition, if the taxpayer is a partnership, limited liability company, estate or trust, where the tax credit is allocated to the owners or beneficiaries of the entity, a list of the owners or beneficiaries and the amount of credit allocated to each owner or beneficiary should be provided with the certificate. The tax credit certificate should be ~~attached to~~ included with the income tax return for the period in which the project was completed. ~~If the amount of the historic preservation and cultural and entertainment district tax credit exceeds the taxpayer's income tax liability for the tax year for which the credit applies, the taxpayer is entitled to a refund of the excess portion of the credit at a discounted value for tax periods ending prior to July 1, 2007. However, the refund cannot exceed 75 percent of the allowable tax credit. The refund of the tax credit is to be computed on the basis of the following table:~~

Annual Interest Rate	Five-Year Present Value/Dollar Compounded Annually
5%	\$.784
6%	\$.747
7%	\$.713
8%	\$.681
9%	\$.650
10%	\$.621

REVENUE DEPARTMENT[701](cont'd)

Annual Interest Rate	Five-Year Present Value/Dollar Compounded Annually
11%	\$.594
12%	\$.567
13%	\$.543
14%	\$.519
15%	\$.497
16%	\$.476
17%	\$.456
18%	\$.437

EXAMPLE: The following is an example to show how the table can be used to compute a refund for a taxpayer. An individual has a historic preservation and cultural and entertainment district tax credit of \$800,000 for a project completed in 2001. The individual had an income tax liability prior to the credit of \$300,000 on the 2001 return, which leaves an excess credit of \$500,000. We will assume that the annual interest rate for tax refunds issued by the department of revenue in the 2001 calendar year is 11 percent. Therefore, to compute the five-year present value of the \$500,000 excess credit, \$500,000 is multiplied by the compound factor for 2001 which is 11 percent or .594 which results in a refund of \$297,000.

For tax years ending on or after July 1, 2007, any historic preservation and cultural and entertainment district tax credit in excess of the taxpayer's tax liability is fully refundable. In lieu of claiming the refund, the taxpayer may elect to have the overpayment credited to the tax liability for the following tax year.

52.18(5) Allocation of historic preservation and cultural and entertainment district tax credits to individual owners of the entity for tax credits reserved for fiscal years beginning on or after July 1, 2012.

a.—Projects beginning prior to July 1, 2005. When the business entity that has earned a historic preservation and cultural and entertainment district tax credit is an S corporation, partnership, limited liability company, estate or trust where the individual owners of the business entity are taxed on the income of the entity, the historic preservation and cultural and entertainment district tax credit is to be allocated to the individual owners. The business entity is to allocate the historic preservation and cultural and entertainment district tax credit to each individual owner in the same pro rata basis that the earnings or profits of the business entity are allocated to the owners for projects beginning prior to July 1, 2005. For example, if a shareholder of an S corporation received 25 percent of the earnings of the corporation and the corporation had earned a historic preservation and cultural and entertainment district tax credit, 25 percent of the credit would be allocated to the shareholder.

b.—Projects beginning on or after July 1, 2005, for tax credits reserved for fiscal years beginning prior to July 1, 2012. For projects beginning on or after July 1, 2005, for tax credits reserved for fiscal years beginning prior to July 1, 2012, which used low income housing tax credits authorized under Section 42 of the Internal Revenue Code to assist in the financing of the rehabilitation project, the credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation. For these projects, the partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder.

c.—Tax credits reserved for fiscal years beginning on or after July 1, 2012. For tax credits reserved for fiscal years beginning on or after July 1, 2012, the partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder. The credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation.

52.18(6) Transfer of the historic preservation and cultural and entertainment district tax credit. For tax periods beginning on or after January 1, 2003, the historic preservation and cultural and entertainment district tax credit certificates may be transferred to any person or entity. A tax credit certificate of less than \$1,000 shall not be transferable.

REVENUE DEPARTMENT[701](cont'd)

~~Within 90 days of transfer of the tax credit certificate for transfers prior to July 1, 2006, the transferee must submit the transferred tax credit certificate to the state historic preservation office of the department of cultural affairs, along with a statement which contains the transferee's name, address and tax identification number and the amount of the tax credit being transferred. For transfers on or after July 1, 2006, the transferee must submit the transferred tax credit certificate to the department of revenue. Within 30 days of receiving the transferred tax credit certificate and the statement from the transferee for transfers prior to July 1, 2006, the state historic preservation office shall issue a replacement tax credit certificate to the transferee.~~

a. For transfers on or after July 1, 2006, the department of revenue will issue the replacement tax credit certificate to the transferee. Within 90 days of the transfer of the tax credit certificate, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number and address, the denomination that each replacement tax credit certificate is to carry, the amount of all consideration provided in exchange for the tax credit and the names of recipients of any consideration provided in exchange for the tax credit. If a payment of money was any part of the consideration provided in exchange for the tax credit, the transferee shall list the amount of the payment of money in its statement to the department of revenue. If any part of the consideration provided in exchange for the tax credit included nonmonetary consideration, including but not limited to any promise, representation, performance, discharge of debt or nonmonetary rights or property, the tax credit transferee shall describe the nature of nonmonetary consideration and disclose any value the transferor and transferee assigned to the nonmonetary consideration. The tax credit transferee must indicate on its statement to the department of revenue if no consideration was provided in exchange for the tax credit. If the transferee is a partnership, limited liability company or S corporation, the transferee shall provide a list of the partners, members or shareholders and information on how the historic preservation and cultural and entertainment district tax credit should be divided among the partners, members or shareholders. The transferee shall also provide the tax identification numbers and addresses of the partners, members or shareholders. The replacement tax credit certificate must contain the same information that was on the original certificate and must have the same expiration date as the original tax credit certificate.

b. The transferee may use the amount of the tax credit for any tax period for which the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included in Iowa taxable income for individual income, corporation income or franchise tax purposes. Any consideration paid for the transfer of the tax credit shall not be deducted from Iowa taxable income for individual income, corporation income or franchise tax purposes.

c. If the historic preservation and cultural and entertainment district tax credit of the transferee exceeds the tax liability shown on the transferee's return, the refund tax credit shall be discounted as described in subrule 52.18(4) for tax years ending prior to July 1, 2007, just as the refund would have been discounted on the Iowa income tax return of the taxpayer. For tax years ending on or after July 1, 2007, any historic preservation and cultural and entertainment district tax credit of the transferee in excess of the transferee's tax liability is fully refundable.

This rule is intended to implement Iowa Code chapter 404A as amended by 2013 Iowa Acts, Senate File 436, and Iowa Code section 422.33.

ITEM 4. Adopt the following **new** rule 701—52.47(404A,422):

701—52.47(404A,422) Historic preservation and cultural and entertainment district tax credit for projects with Part 2 applications approved on or after July 1, 2014, and agreements entered into on or after July 1, 2014. The department of cultural affairs is authorized by the general assembly to award tax credits for a percentage of the qualified rehabilitation expenditures on a qualified rehabilitation project as described in the historic preservation and cultural and entertainment district tax credit program, Iowa Code chapter 404A. The program is administered by the department of cultural affairs with the assistance of the department of revenue.

The general assembly has mandated that the department of cultural affairs and the department of revenue adopt rules to jointly administer Iowa Code chapter 404A. In general, the department of

REVENUE DEPARTMENT[701](cont'd)

cultural affairs is responsible for evaluating whether projects comply with the prescribed standards for rehabilitation while the department of revenue is responsible for evaluating whether projects comply with the tax aspects of the program. 2014 Iowa Acts, House File 2453, amended the historic preservation and cultural and entertainment district tax credit program effective July 1, 2014. The department of revenue's provisions for projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014, are found in rule 701—52.18(404A,422). The department of revenue's provisions for projects with Part 2 applications approved on or after July 1, 2014, and with agreements entered into on or after July 1, 2014, are found in this rule. The department of cultural affairs' rules related to this program may be found at 223—Chapter 48. Division I of 223—Chapter 48 applies to projects with reservations approved prior to July 1, 2014. Division II of 223—Chapter 48 applies to projects with Part 2 applications approved on or after July 1, 2014, and agreements entered into on or after July 1, 2014.

Notwithstanding anything contained herein to the contrary, the department of cultural affairs shall not reserve tax credits under 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1, for applicants that do not have an approved Part 2 application and a tax credit reservation on or before June 30, 2014. Projects with approved Part 2 applications and provisional tax credit reservations on or before June 30, 2014, shall be governed by 2013 Iowa Code chapter 404A as amended by 2013 Iowa Acts, chapter 112, section 1; by 223—Chapter 48, Division I; and by rule 701—52.18(404A,422). Projects for which Part 2 applications were approved and agreements entered into after June 30, 2014, shall be governed by 2014 Iowa Acts, House File 2453; by 223—Chapter 48, Division II; and by this rule.

52.47(1) *Application, registration, and agreement for the historic preservation and cultural and entertainment district tax credit.* Taxpayers that want to claim a corporation income tax credit for completing a qualified rehabilitation project must submit an application for approval of the project. The application forms and instructions for the historic preservation and cultural and entertainment district tax credit are available on the department of cultural affairs' Web site. Once a project is registered, the taxpayer must enter into an agreement with the department of cultural affairs to be eligible for the credit.

52.47(2) *Computation of the amount of the historic preservation and cultural and entertainment district tax credit.* The amount of the historic preservation and cultural and entertainment district tax credit is a maximum of 25 percent of the qualified rehabilitation expenditures verified by the department of cultural affairs and the department of revenue following project completion, up to the amount specified in the agreement between the taxpayer and the department of cultural affairs.

52.47(3) *Qualified rehabilitation expenditures.* "Qualified rehabilitation expenditures" means the same as defined in department of cultural affairs rule 223—48.22(404A). In general, the department of cultural affairs evaluates whether expenditures comply with the prescribed standards for rehabilitation while the department of revenue evaluates whether expenditures comply with the tax requirements to be considered qualified rehabilitation expenditures including whether the expenditures are in accordance with the requirements of Internal Revenue Code Section 47 and its related regulations.

a. Type of property and services eligible. Iowa Code section 404A.1(6) incorporates the definition of "qualified rehabilitation expenditures" found in Internal Revenue Code Section 47. In accordance with Internal Revenue Code Section 47, the types of property and services claimed as qualified rehabilitation expenditures must be for "structural components," as that term is defined in Treasury Regulation § 1.48-1(e)(2), and for amounts incurred for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, development fees and other construction-related costs. Costs of sidewalks, parking lots and landscaping do not constitute types of property and services that are qualified rehabilitation expenditures.

b. Effect of financing sources on eligibility of expenditures. Expenses incurred for property described in paragraph 52.47(3)"a" will not be qualified rehabilitation expenditures unless actually incurred by the eligible taxpayer.

(1) For eligible taxpayers other than nonprofit organizations, expenses paid for with grants or forgivable loans are not considered incurred by the eligible taxpayer unless the grants or forgivable

REVENUE DEPARTMENT[701](cont'd)

loans are treated as taxable income by the eligible taxpayer and properly includable in calculating the basis of the property.

(2) For eligible taxpayers that are nonprofit organizations, expenses are deemed to be incurred by the nonprofit so long as they meet the requirements of paragraph 52.47(3)“a” and are not financed directly or indirectly by federal, state or local government grants or forgivable loans.

52.47(4) Completion of the qualified rehabilitation project and claiming the tax credit on the Iowa return. After the taxpayer completes a qualified rehabilitation project, the taxpayer will be issued a certificate of completion of the project from the department of cultural affairs if the project complies with the federal standards, as defined in rule 223—48.22(404A). After the department of cultural affairs and the department of revenue verify the taxpayer’s eligibility for the tax credit, the department of cultural affairs shall issue a tax credit certificate. For the taxpayer to claim the credit, the certificate must be included with the taxpayer’s corporation income tax return for the tax year in which the rehabilitation project is completed or the year in which the certificate is issued, whichever is later.

a. Information required. The tax credit certificate shall include the taxpayer’s name, the taxpayer’s address, the taxpayer’s tax identification number, the address or location of the rehabilitation project, the date the project was completed and the amount of the historic preservation and cultural and entertainment district tax credit. In addition, the tax credit certificate shall include a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred, as provided in subrule 52.47(5). In addition, if the taxpayer is a partnership, limited liability company, estate or trust, and the tax credit is allocated to the owners or beneficiaries of the entity, a list of the owners or beneficiaries and the amount of credit allocated to each owner or beneficiary shall be provided with the certificate. The tax credit certificate shall be included with the income tax return for the period in which the project was completed or in which the certificate is issued, whichever is later.

b. Refund or carryforward. Any historic preservation and cultural and entertainment district tax credit in excess of the taxpayer’s tax liability is fully refundable with interest computed under Iowa Code section 422.25. In lieu of claiming the refund, the taxpayer may elect to have the overpayment credited to the tax liability for the following tax year.

c. Allocation of historic preservation and cultural and entertainment district tax credits to the individual owners of the entity. A partnership, limited liability company or S corporation may designate the amount of the tax credit to be allocated to each partner, member or shareholder. The credit does not have to be allocated based on the pro rata share of earnings of the partnership, limited liability company or S corporation.

52.47(5) Transfer of the historic preservation and cultural and entertainment district tax credit. The historic preservation and cultural and entertainment district tax credit certificates may be transferred to any person or entity. The transferee may use the amount of the tax credit transferred against the taxes imposed in Iowa Code chapter 422, divisions II, III, and V, and in Iowa Code chapter 432, for any tax year the original transferor could have claimed the tax credit. Any credit in excess of the transferee’s tax liability is not refundable. A tax credit certificate of less than \$1,000 shall not be transferable.

a. Transfer process—information required. Within 90 days of transfer of the tax credit certificate, the transferee must submit the transferred tax credit certificate to the department of revenue along with a statement that contains the transferee’s name, address and tax identification number, the amount of the tax credit being transferred, the amount of all consideration provided in exchange for the tax credit and the names of recipients of any consideration provided in exchange for the tax credit. If a payment of money was any part of the consideration provided in exchange for the tax credit, the transferee shall list the amount of the payment of money in its statement to the department of revenue. If any part of the consideration provided in exchange for the tax credit included nonmonetary consideration, including but not limited to any promise, representation, performance, discharge of debt or nonmonetary rights or property, the tax credit transferee shall describe the nature of the nonmonetary consideration and disclose any value the transferor and transferee assigned to the nonmonetary consideration. The tax credit transferee must indicate on its statement to the department of revenue if no consideration was provided in exchange for the tax credit. Within 30 days of receiving the transferred tax credit certificate and the statement from the transferee, the department of revenue will issue the replacement tax credit

REVENUE DEPARTMENT[701](cont'd)

certificate to the transferee. If the transferee is a partnership, limited liability company or S corporation, the transferee shall provide a list of the partners, members or shareholders and information on how the historic preservation and cultural and entertainment district tax credit should be divided among the partners, members or shareholders. The transferee shall also provide the tax identification numbers and addresses of the partners, members or shareholders. The certificate must have the same information required for the original tax certificate and must have the same expiration date as the original tax credit certificate. The transferee may not claim a tax credit until a replacement certificate identifying the transferee as the proper holder has been issued.

b. Consideration. Any consideration received for the transfer of the tax credit shall not be included in Iowa taxable income for individual income, corporation income or franchise tax purposes. Any consideration paid for the transfer of the tax credit shall not be deducted from Iowa taxable income for individual income, corporation income or franchise tax purposes.

52.47(6) Appeals. Challenges to an action by the department of revenue related to tax credit transfers, claiming tax credits, tax credit revocation, or repayment or recovery of tax credits must be brought pursuant to 701—Chapter 7.

This rule is intended to implement Iowa Code chapter 404A as amended by 2014 Iowa Acts, House File 2453, and Iowa Code section 422.11D.

ITEM 5. Amend rule 701—58.10(422) as follows:

701—58.10(404A,422) Historic preservation and cultural and entertainment district tax credit. For tax years beginning on or after January 1, 2001, a historic preservation and cultural and entertainment district tax credit, subject to the availability of the credit, may be claimed against a taxpayer's Iowa franchise tax liability for 25 percent of the qualified rehabilitation costs to the extent the costs were incurred for the rehabilitation of eligible property in Iowa. ~~For information on those types of property that are eligible for the historic preservation and cultural and entertainment district tax credit, how to file applications for the credit, how the historic preservation and cultural and entertainment district tax credit is computed, how the historic preservation and cultural and entertainment district tax credit can be transferred for tax periods beginning on or after January 1, 2003, and other details about the credit related to projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014, see rule 701—52.18(404A,422). For information related to projects with Part 2 applications approved on or after July 1, 2014, and agreements entered into on or after July 1, 2014, see rule 701—52.47(404A,422).~~ See also the administrative rules for the historic preservation and cultural and entertainment district tax credit for the historical division of the department of cultural affairs under 223—Chapter 48. Division I of 223—Chapter 48 applies to projects with Part 2 applications approved and tax credits reserved prior to July 1, 2014. Division II of 223—Chapter 48 applies to projects with Part 2 applications approved on or after July 1, 2014, and agreements entered into on or after July 1, 2014.

This rule is intended to implement Iowa Code chapter 404A as amended by ~~2005 Iowa Acts, House File 868, sections 20 through 26~~ 2014 Iowa Acts, House File 2453, and Iowa Code section 422.60.

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SECRETARY OF STATE[721]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 47.1 and 17A.4, the Secretary of State hereby gives Notice of Intended Action to amend Chapter 22, “Voting Systems,” Iowa Administrative Code.

SECRETARY OF STATE[721](cont'd)

These amendments are necessary to ensure computers used to tabulate election results are secure and that county commissioners acknowledge risks associated with connecting election computers to the county network or to the Internet.

Any interested person may make written suggestions or comments on the proposed amendments on or before February 10, 2015, by contacting Carol Olson, Deputy Secretary of State, Office of the Secretary of State, First Floor, Lucas State Office Building, Des Moines, Iowa 50319. Persons who want to convey their views orally should contact the Secretary of State's office by telephone at (515)281-0145 or in person at the Secretary of State's office on the first floor of the Lucas State Office Building.

Requests for a public hearing must be received by February 10, 2015.

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

These amendments are intended to implement Iowa Code section 52.5.

The following amendments are proposed.

ITEM 1. Amend subrule 22.50(1) as follows:

22.50(1) Staff access. The security policy shall describe who shall have access to the voting equipment, including the computers used in the commissioner's office to prepare ballots and voting equipment programs or to compile election results.

ITEM 2. Amend subrule 22.50(2) as follows:

22.50(2) Computers. For security purposes, computers used in the commissioner's office to prepare ballots and voting equipment programs or to compile ~~and report~~ election results ~~should~~ shall not be used for any other function and ~~should~~ shall not be linked to any computer network or to the Internet unless the commissioner has on file in the office of the state commissioner a current Election Computer Risk Acceptance Form indicating acceptance of this security risk. The Election Computer Risk Acceptance Form, once submitted, is current until the end of the next even-numbered calendar year.

a. If the election computers are linked to a network or to the Internet, the commissioner shall use a firewall to filter network traffic. Data transmissions over the Internet shall be encrypted and password-protected. Information posted to a Web site shall not be considered transmission of data over the Internet.

b. Access to the computer(s) used to prepare ballots and voting equipment programs or to compile election results shall be limited to persons specified by the commissioner in the written security policy. The level of access granted to each person identified in the policy shall be included in a written security policy specified.

(1) ~~Uniqueness. Every ID and password~~ The usernames and passwords for each user authorized in the security policy shall be unique. The creation of generic or shared user-IDs usernames is specifically prohibited. Each user shall have exactly one user-ID username and password, except where job requirements necessitate the creation of multiple IDs usernames to access different business functions.

(2) No change.

(3) ~~Generic user-IDs usernames.~~ Staff members with generic user-IDs usernames are not allowed to sign on to voting systems.

(4) No change.

c. No change.

ARC 1832C**TRANSPORTATION DEPARTMENT[761]****Notice of Intended Action**

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 307.10 and 307.12 and 2014 Iowa Acts, chapter 1123, section 5, the Iowa Department of Transportation hereby gives Notice of Intended Action to amend Chapter 116, “Junkyard Control,” Iowa Administrative Code.

These proposed amendments implement 2014 Iowa Acts, chapter 1123, sections 2 to 5, which became effective on July 1, 2014. Iowa Code chapter 306C was revised in accordance with federal regulations contained in the recent highway reauthorization bill “Moving Ahead for Progress in the 21st Century” (MAP-21). Prior to the 2014 Iowa Code revisions, state control over the visibility of junkyards applied to the interstate system only. 2014 Iowa Acts, chapter 1123, extended this control to all routes designated as the national highway system. Within Iowa Code chapter 306C, the national highway system now includes the interstates, most of the major state highways, and a few principal arterial and connector routes which are under municipal or county jurisdiction.

Control measures include screening requirements for junkyards established after May 6, 2015. Junkyards which were already in existence will be classified as nonconforming (grandfathered). Nonconforming sites which expand may be subject to screening requirements. Industrial areas and areas which are not visible to the highway due to natural features are exempt from control.

Continued receipt of the annual federal-aid highway apportionment is contingent upon compliance with federal junkyard control requirements. Failure to maintain effective control results in a reduction of Iowa’s apportionment by approximately \$32 million. This reduction continues on an annual basis until effective control can be demonstrated.

These rules do not provide for waivers. Any person who believes that the person’s circumstances meet the statutory criteria for a waiver may petition the Department for a waiver under 761—Chapter 11.

Any person or agency may submit written comments concerning these proposed amendments or may submit a written request to make an oral presentation. The comments or request shall:

1. Include the name, address, and telephone number of the person or agency authoring the comments or request.
2. Reference the number and title of the proposed rule, as given in this Notice, that is the subject of the comments or request.
3. Indicate the general content of a requested oral presentation.
4. Be addressed to Tracy George, Rules Administrator, Iowa Department of Transportation, Office of Policy and Legislative Services, 800 Lincoln Way, Ames, Iowa 50010; Internet e-mail address: tracy.george@dot.iowa.gov.
5. Be received by the Office of Policy and Legislative Services no later than February 10, 2015.

A meeting to hear requested oral presentations is scheduled for Thursday, February 12, 2015, at 10 a.m. at the Iowa Department of Transportation’s Administration Building, First Floor, North Conference Room, 800 Lincoln Way, Ames, Iowa.

The meeting will be canceled without further notice if no oral presentation is requested.

The proposed amendments may have an impact on small business. A request for a regulatory analysis pursuant to Iowa Code section 17A.4A must be submitted to the Office of Policy and Legislative Services at the address listed in this Notice by February 23, 2015.

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

These amendments are intended to implement Iowa Code sections 306C.1, 306C.2 and 306C.3 as amended by 2014 Iowa Acts, chapter 1123, sections 2 to 5.

The following amendments are proposed.

TRANSPORTATION DEPARTMENT[761](cont'd)

ITEM 1. Amend rule **761—116.1(306C)**, definition of “Adjacent area,” as follows:

“*Adjacent area*” means an area which is contiguous to and within 1,000 feet of the nearest edge of the right-of-way of ~~an interstate highway~~ any highway on the national highway system.

ITEM 2. Adopt the following **new** definition of “Nonconforming junkyard” in rule **761—116.1(306C)**:

“*Nonconforming junkyard*” means a junkyard which continues to be legally maintained, but which does not meet any of the exceptions in subrule 116.2(2), and which was lawfully established:

1. Prior to July 1, 1972, and is located within the adjacent area of an interstate highway.
2. Prior to May 6, 2015, and is located within the adjacent area of a noninterstate highway on the national highway system.
3. Prior to the effective date of a zoning change which caused nonconformity with these rules.
4. Prior to the departure or closure of an industrial activity which caused nonconformity with these rules.
5. Prior to the establishment of a highway as part of the national highway system.

ITEM 3. Amend rule 761—116.2(306C) as follows:

761—116.2(306C) Junkyards prohibited—exceptions.

116.2(1) Prohibitions.

a. After July 1, 1972, a person shall not establish, operate, or maintain a junkyard any portion of which is within the adjacent area ~~and is visible from the main traveled way~~ of any interstate highway, ~~except:~~

b. After May 6, 2015, a person shall not establish, operate, or maintain a junkyard any portion of which is within the adjacent area of a highway on the national highway system.

116.2(2) Exceptions. Junkyards that are prohibited in subrule 116.2(1) shall be allowed if they meet one or more of the following criteria:

- ~~1.~~ *a.* A ~~The~~ junkyard ~~which~~ is screened by natural objects, plantings, fences, or other appropriate means.
- ~~2.~~ *b.* A ~~The~~ junkyard ~~which~~ is located within an industrial zone.
- ~~3.~~ *c.* A ~~The~~ junkyard ~~which~~ is located within an unzoned industrial area.
- ~~4.~~ *d.* A ~~The~~ junkyard ~~which~~ is not visible from the main traveled portion of the highway.

This rule is intended to implement Iowa Code section 306C.2 as amended by 2014 Iowa Acts, chapter 1123, section 4.

ITEM 4. Amend rule 761—116.3(306C) as follows:

761—116.3(306C) Screening or removal.

116.3(1) *Lawfully established junkyards that subsequently become nonconforming.* *Nonconforming junkyards.* Any junkyard, ~~except those junkyards which meet the requirements of rule 116.2(306C), that was lawfully in existence on July 1, 1972, and any junkyard that was lawfully established but subsequently becomes nonconforming due to changed conditions, such as a change in zoning or being located upon land adjacent to any highway or land made an interstate highway after July 1, 1972, shall be screened, if feasible, or removed by the department. Nonconforming junkyards which do not meet any of the exceptions in subrule 116.2(2) shall be screened by the department, if feasible, or removed by the department. However, this requirement is conditioned on the availability of participating federal funds for this purpose and a determination by the department that such funds are adequate for this purpose. Prior to the date of the installation of screening or of removal, a nonconforming junkyard may continue in existence unscreened, provided the portion visible to the main traveled way is not increased in height, width, or length. This subrule shall not abrogate any other more restrictive state or local law or regulation which governs the screening, licensing, operation or existence of the junkyard.~~

116.3(2) *Junkyards established after July 1, 1972. Owner requirements.* Any junkyard established ~~and any portion of any junkyard expanded after July 1, 1972, and any junkyard abandoned or discontinued, except those junkyards or any portion of any junkyard which meets the requirements~~

TRANSPORTATION DEPARTMENT[761](cont'd)

of rule 116.2(306C), shall be screened or removed by the owner at no expense to the department. Required screening shall be maintained by the owner at the owner's expense so long as the junkyard remains subject to these rules. The following junkyards shall be screened or removed by the owner at no expense to the department:

a. Junkyards established after July 1, 1972, and located within the adjacent area of an interstate highway, but which do not meet any of the exceptions in subrule 116.2(2).

b. Junkyards established after May 6, 2015, and located within the adjacent area of a noninterstate highway on the national highway system, but which do not meet any of the exceptions in subrule 116.2(2).

c. Nonconforming junkyards of which portions visible to the main traveled way have increased in height, width, or length since the date the junkyard became nonconforming.

This rule is intended to implement Iowa Code section 306C.3 as amended by 2014 Iowa Acts, chapter 1123, section 5.

TREASURER OF STATE

Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the committee composed of Treasurer of State Michael L. Fitzgerald, Superintendent of Credit Unions JoAnn Johnson, Superintendent of Banking James M. Schipper, and Auditor of State Mary Mosiman have established today the following rates of interest for public obligations and special assessments. The usury rate for January is 4.25%.

INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.2 Unpaid Warrants	Maximum 6.0%
74A.4 Special Assessments	Maximum 9.0%

RECOMMENDED Rates for Public Obligations (74A.3) and School District Warrants (74A.7). A rate equal to 75% of the Federal Reserve monthly published indices for U.S. Government securities of comparable maturities. All Financial Institutions as defined by Iowa Code section 12C.1 are eligible for public fund deposits as defined by Iowa Code section 12C.6A.

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

New official state interest rates, effective January 10, 2015, setting the minimums that may be paid by Iowa depositories on public funds are listed below.

TIME DEPOSITS

7-31 days	Minimum .05%
32-89 days	Minimum .05%
90-179 days	Minimum .05%
180-364 days	Minimum .05%
One year to 397 days	Minimum .05%
More than 397 days	Minimum .15%

TREASURER OF STATE(cont'd)

These are minimum rates only. All time deposits are four-tenths of a percent below average rates. Public body treasurers and their depositories may negotiate a higher rate according to money market rates and conditions.

Inquiries may be sent to Michael L. Fitzgerald, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

ARC 1822C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed Emergency

Pursuant to the authority of Iowa Code section 15.106A, the Economic Development Authority amends Chapter 31, “Economic Development Region Initiatives,” Iowa Administrative Code.

The rules in Chapter 31 describe the Authority’s economic development region initiatives. These amendments are adopted to address comments made by the Administrative Rules Review Committee during its review of **ARC 1626C** (published in the 9/17/14 IAB) at its October 14, 2014, meeting.

Pursuant to Iowa Code section 17A.4(3), the Board finds that notice and public participation are unnecessary because the amendments ensure conformity with the statutes.

In compliance with Iowa Code section 17A.4(3), the Administrative Rules Review Committee at its December 12, 2014, meeting reviewed the Board’s findings and the amendments and approved the Emergency adoption.

The Board finds, pursuant to Iowa Code section 17A.5(2)“b”(2), that the normal effective date of these amendments should be waived and these amendments should be made effective upon filing, as the amendments confer a benefit on economic development regions applying for financial assistance.

The Economic Development Authority Board adopted these amendments at a Board meeting on December 19, 2014.

These amendments do not have any fiscal impact to the state of Iowa.

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

These amendments are intended to implement Iowa Code sections 15E.231 and 15E.351.

These amendments became effective December 19, 2014.

The following amendments are adopted.

ITEM 1. Amend rule 261—31.1(15E), introductory paragraph, as follows:

261—31.1(15E) Purpose. Authority If funding is made available, the authority resources may shall be available to assist an economic development region that has established a focused economic development effort. This effort shall include a regional development plan relating to one or more of the following areas:

ITEM 2. Amend rule 261—31.13(15E) as follows:

261—31.13(15E) Description and purpose. The authority may shall establish and administer a business accelerator program to provide financial assistance for the establishment and operation of a business accelerator for technology-based, value-added agricultural, information solutions, or advanced manufacturing start-up businesses or for a satellite of an existing business accelerator. The program may shall be designed to foster the accelerated growth of new and existing businesses through the provision of technical assistance.

[Filed Emergency 12/19/14, effective 12/19/14]

[Published 1/21/15]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1842C

ADMINISTRATIVE SERVICES DEPARTMENT[11]

Adopted and Filed

Pursuant to the authority of Iowa Code section 8A.104(5), the Department of Administrative Services (DAS) amends Chapter 40, "Offset of Debts Owed State Agencies," Iowa Administrative Code.

The Department of Administrative Services is continuing its effort to review its administrative rules in accordance with Executive Order 71 by amending certain State Accounting Enterprise rules to eliminate conflict with statute and ensure proper due process in the offset procedure.

These amendments were published under Notice of Intended Action in the November 26, 2014, Iowa Administrative Bulletin as **ARC 1742C**. No public comment was received. The Department made minor changes to subrule 40.4(1) and rule 11—40.8(8A) to improve the clarity of the adopted amendments.

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

These amendments are intended to implement Iowa Code chapter 8A, subchapter V, as amended by 2014 Iowa Acts, House File 2288 and Senate File 2257.

These amendments will become effective February 25, 2015.

The following amendments are adopted.

ITEM 1. Amend rule 11—40.1(8A) as follows:

11—40.1(8A) Definitions. For the purposes of this chapter, the following definitions shall govern:

"Claim" means a liquidated sum due, owing, and payable to a debtor from a public agency.

"Collection entity" means the department of administrative services and any other state public agency that maintains a separate accounting system, and elects to establish a debt collection setoff procedure for collection of debts owed to the state or its agencies public agency, and participates in the department of administrative services' offset program.

"Debtor" means any person owing a debt to the state of Iowa or any state a public agency.

"Department" means the Iowa department of administrative services.

"Director" means the director of the Iowa department of administrative services or the director's designee.

"Judicial branch" means the same as that set forth in Iowa Code section 602.1102.

"Liability" or "debt" means a "qualifying debt" as defined in Iowa Code section 8A.504(1) "c" or any liquidated sum due and owing to the state of Iowa or any state agency which has accrued through contract, subrogation, tort, operation of law, or any legal theory regardless of whether there is an outstanding judgment for that sum. Before setoff, the amount of a person's liability to a state agency shall be at least \$50, owing, and payable by a debtor to a public agency. Such liquidated sum may be accrued through contract, subrogation, tort, operation of law, or any legal theory regardless of whether there is an outstanding judgment for that sum.

"Liability owed to a court" or "debt owed to a court" means any liquidated sum due, owing, and payable to any clerk of the Iowa district court including, but not limited to, "court debt" as defined in Iowa Code section 602.8107(1) which remains unpaid 30 or more days after the date the court debt was due.

"Liquidated" means that the amount of the claim or debt is definite, determined, and fixed by agreement of the parties, by operation of law, or through court or administrative proceedings.

"Offset" means to set off or compensate a state agency which has a legal claim against a person or entity where there exists a person's valid claim on a state agency that is in the form of a liquidated sum due, owing and payable. Before setoff, the amount of a person's claim on a state agency shall be at least \$50 liabilities owed by persons to public agencies against claims owed to persons by public agencies.

"Offset program" means the department program for debt collection under the provisions of Iowa Code section 8A.504 through the daily processing and income tax refund programs.

"Person" or "entity" means an individual, corporation, business trust, estate, trust, partnership or association, or any other legal entity, but does not include a state agency.

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

“Public agency” or “agency” means a board, commission, department, including the department of administrative services, or other administrative office or unit of the state of Iowa or any other state entity reported in the Iowa comprehensive annual financial report, or a political subdivision of the state, or an office or unit of a political subdivision, or a clerk of district court. However, “public agency” or “agency” does not mean any of the following:

1. The office of the governor;
2. The general assembly, or any office or unit under its administrative authority; or
3. The judicial branch, as provided in Iowa Code section 602.1102 other than the clerk of the district court. Offset procedures uniquely applicable to debts owed to clerks of the district court are set forth in rules 11—40.10(8A) to 11—40.15(8A).

~~“State agency” or “agency” means a unit of state government, which is an authority, board, commission, committee, council, department, examining board, or independent agency as defined in Iowa Code section 7E.4, including but not limited to each principal central department enumerated in Iowa Code Supplement section 7E.5. However, “state agency” or “agency” does not mean any of the following:~~

1. ~~The office of the governor or the office of an elective constitutional or statutory officer.~~
2. ~~The general assembly, or any office or unit under its administrative authority.~~
3. ~~The judicial branch, as provided in Iowa Code section 602.1102.~~
4. ~~A political subdivision of the state or its offices or units, including but not limited to a county, city, or community college.~~

ITEM 2. Amend rule 11—40.2(8A) as follows:

11—40.2(8A) Scope and purpose.

40.2(1) Purpose. The purpose of these rules is to establish a procedure by which state agencies can cooperate in identifying debtors who owe liabilities to those state agencies and to establish a procedure for offsetting debtors’ claims against state agencies with liabilities or debts which those debtors owe the state agencies public agencies can participate in the department’s offset program by identifying debtors who owe liabilities to those public agencies and to establish a procedure for offsetting those liabilities against claims owed to debtors by public agencies.

40.2(2) Collection. Agencies may collect debts under the provisions of Iowa Code Supplement section 8A.504 through the daily processing offset system and income tax refund offset programs. Agencies utilizing the income tax refund offset system under the provisions of Iowa Code Supplement section 8A.504, which allows for the recovery of child support, foster care, and public assistance payments; the recovery of guaranteed student or parental loans; or recovery of any liquidated sum due, owing, and payable to the clerk of the district court may also utilize this offset system to collect debts due. Any state agency exempt from the provisions of Iowa Code Supplement section 8A.513 and that is making payments shall be subject to these rules.

40.2(3) Inclusions in and exclusions from setoff. The offset system may be used to collect any debt described in rule 40.1(8A). However, some claims against the state or state agencies on behalf of certain persons are made from funds exempt from collection and are thus unavailable for offset. A consolidated listing of payment sources unavailable for offset is available from the department’s state accounting enterprise Iowa Code section 8A.504 as long as the conditions of rule 11—40.3(8A) are satisfied. However, some claims against public agencies on behalf of certain debtors are made from funds exempt from collection and are thus unavailable for offset. A consolidated listing of payment sources unavailable for offset is available from the department’s state accounting enterprise.

ITEM 3. Amend rule 11—40.3(8A) as follows:

11—40.3(8A) Participation guidelines.

40.3(1) Participation—cost effective. Those state public agencies qualified under rule 11—40.2(8A) to use this chapter’s offset provisions should utilize these provisions when it is cost-effective to do so. Final determination regarding whether or not it will be cost-effective to offset any debt owed will be at

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

the discretion of the director. Generally, it will not be cost-effective to offset a debt if the total anticipated collection cost will exceed the amount of the claim ~~that could reasonably be expected to be realized as a result of the collection costs~~. The cost-effectiveness criteria that the director applies will not be the same for every agency. Circumstances differ among agencies. The following nonexclusive examples are intended to provide guidance in determining cost-effectiveness. These examples represent instances in which it might not be cost-effective to offset debts.

EXAMPLE A: A debtor has ceased operations for an extended period of time.

EXAMPLE B: A business has changed its ~~form~~ organizational structure (e.g., from a sole proprietorship to a partnership or corporation).

EXAMPLE C: A debt has been placed with a private collection firm and it appears likely that the firm will collect the debt.

EXAMPLE D: The age or health of a debtor is such that it is unlikely that the debtor will be receiving any payments from ~~the state or a state~~ a public agency.

EXAMPLE E: The debtor is a foreign student who has left the country.

EXAMPLE F: The debtor is ~~a person~~ in bankruptcy.

EXAMPLE G: ~~By~~ Pursuant to statute or federal regulations, certain agencies cannot write off debts. If the debt of one of these agencies has been owed for a substantial amount of time, it may be reasonable to assume that referral would not be cost-effective (e.g., the debtor has changed its name or address or for some other reason would be impossible to locate).

40.3(2) *Minimal debt amounts accepted.* Before a debt may be placed in the offset program, the amount of a debtor's original liability must be at least \$50, except when the source of the claim is a tax refund or tax rebate, in which case the debt may be, at a minimum, \$25.

40.3(3) *Debts legally enforceable.* Public agencies may only place debts in the offset program if the debts are legally enforceable and all of the following conditions are satisfied:

a. The debt shall have been established (liquidated) by one of the following means:

(1) Mutual written agreement between the debtor and the public agency;

(2) Alternative procedures authorized by applicable state or federal law with respect to a "qualifying debt" as defined in Iowa Code section 8A.504(1); or

(3) Court proceeding or administrative process which included notice to the debtor and an opportunity for the debtor to contest the amount of the debt through a contested case procedure under Iowa Code chapter 17A or a substantially equivalent process.

b. The debt shall have been reduced to a final judgment or final agency determination that is no longer subject to appeal, certiorari, or judicial review or shall have been affirmed through appeal, certiorari, or judicial review.

c. The debt shall be in an amount certain that is past due and not subject to any legal prohibition to collection.

40.3(4) *Debtor's opportunity to challenge placement of debt in offset program.* Unless otherwise provided by applicable state or federal law for a "qualifying debt" as defined in Iowa Code section 8A.504(1) "c," debts shall not be placed in the offset program until after the public agency has:

a. Made a good-faith effort to collect the debt through other means;

b. Provided the debtor advance notice that the debt will be placed in the offset program if not paid when due; and

c. Provided a formal or informal opportunity for the debtor to challenge placement of the debt in the offset program. Such opportunity may be separate from or combined with the debtor's opportunity to contest the amount of the debt. The public agency has the burden to determine whether due process will be satisfied under the circumstances by the form of the opportunity provided for the debtor to challenge placement of the debt in the offset program.

ITEM 4. Amend rule 11—40.4(8A) as follows:

11—40.4(8A) Duties of the agency. ~~An agency seeking offset shall have the following duties regarding the department and debtors.~~ Public agencies that seek to place debts in the offset program shall have the following duties regarding the department and debtors.

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

40.4(1) Notification to the department.

a. ~~An agency must provide a list of debtors to the department of administrative services. A public agency seeking to place debts in the offset program must provide a list of debtors to the department. This list must be in a format and type prescribed by the department and include only information relevant to the identification of the person owing debtors owing debts to the public agency.~~

b. ~~The director shall not process a claim under the provisions of Iowa Code Supplement section 8A.504 until notification is received from the state public agency that the debt has been established through notice and opportunity to be heard satisfies the requirements of rule 11—40.3(8A) or, in the case of a debt owed to a district court clerk, is a “court debt” as defined in Iowa Code section 602.8107(1) which has been due for 30 or more days. The agency shall provide, along with each liability file, a written statement to the director declaring that the debt has occurred provisions of this paragraph are satisfied.~~

40.4(2) Change Notification of change in status of debt. ~~A state agency that has provided a liability file to the department of administrative services must notify the department immediately of any change in the status of a debt to the state. Each public agency that has chosen to submit a debt for participation in the offset program must notify the department immediately of any change in the status of the public agency’s individual debts submitted under the offset program. This notification shall be made no later than 30 calendar days from the occurrence of the change. A change in status may come from payment of the debt, invalidation of the liability, alternate payment arrangements with the debtor, bankruptcy, or other factors.~~

40.4(3) Semiannual certification of file. ~~Each agency that maintains a liability file shall be required to certify Each public agency that has provided a liability file to the department shall be required to recertify the file to the department semiannually. This certification recertification shall be made in a manner prescribed by the director. Debtors not certified recertified in the manner prescribed will be removed from the liability file.~~

40.4(4) Notification to debtor. ~~An Each public agency shall send notification to the debtor within ten 10 calendar days from the date the agency was notified by the department of a potential offset. This notification shall include:~~

- a. The public agency’s right to the payment in question.
- b. The public agency’s right to recover the payment through the offset procedure.
- c. The basis of the public agency’s case in regard to the debt.
- d. The right of the debtor to request the split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons.
- e. The debtor’s right to appeal the offset and the required appeal procedure to follow in that appeal.
- f. The name of the public agency or division and a telephone number for the person owing to contact in the case of questions to which the debt is owed, with a telephone number for the debtor to contact the public agency regarding questions about the offset.

~~The department may require that a copy of this notice be sent to the department, but an agency is not required to routinely send such notices to the department. Once the offset has been completed, the agency shall notify the debtor of the action taken along with the balance, if any, still due to the agency. It is the responsibility of the agency to make payment to the person owing the state any payment offset by the department to which the state is not entitled, in accordance with established procedures.~~

40.4(5) Payment of residual funds to debtor. ~~It is the responsibility of the public agency to reimburse the debtor for the difference between the amount of liability payable and the amount of the claim payable to the debtor.~~

40.4(6) Appeal. ~~Debtors shall have the right to appeal the application of an offset upon notice of the potential offset. An agency subject to Iowa Code chapter 17A shall give notice, conduct hearings, and allow appeals in conformity with Iowa Code chapter 17A. Other public agencies shall give notice, conduct hearings, and allow appeals in a manner substantially equivalent to that provided under Iowa Code chapter 17A.~~

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

ITEM 5. Amend rule 11—40.5(8A) as follows:

11—40.5(8A) Duties of the department—performance of the offset. The department will develop procedures for administering each offset program request ~~by a public agency on an individual debtor~~ basis. Procedures will vary in order to achieve the greatest efficiency in administering each offset.

Before issuing an authorized payment to a person or entity, the department will match the payment against a debt listing provided by the state public agencies participating in the offset program. The department will notify the state public agency of the ~~person's debtor's~~ or entity's name, address, identifying number, and amount of the entitled payment.

The department shall hold the payment which offsets the liquidated sum due and payable for a period not to exceed 45 days while awaiting notification from the agency as to the amount required to satisfy the ~~person's debtor's~~ or entity's debt to the state. If notification is not made to the department by the state public agency within 45 days, the amount of the payment shall be released to the ~~person debtor~~ or entity.

The department will make the offset only after the state public agency has notified the debtor or entity as prescribed in subrule 40.4(4). The department shall then refund any balance amount due from the state public agency to the ~~person debtor~~ or entity.

ITEM 6. Amend rule 11—40.6(8A) as follows:

11—40.6(8A) Multiple claims—priority of payment. In the case of multiple claims to payments filed under Iowa Code Supplement section 8A.504, after satisfaction of the provisions of Iowa Code section 422.73, priority shall be given to claims filed ~~by the child support recovery unit or the foster care recovery unit.~~ Next priority shall be given to claims filed ~~by the college student aid commission.~~ Next priority shall be given to claims filed ~~by the office of investigations.~~ Next priority shall be given to claims filed ~~by a clerk of the district court.~~ Last priority shall be given to claims filed under Iowa Code Supplement section 8A.504. in the following order:

1. Claims filed by the child support recovery unit or the foster care recovery unit;
2. Claims filed by a clerk of the district court;
3. Claims filed by the college student aid commission;
4. Claims filed by the investigation division of the department of inspections and appeals; and
5. All other claims filed by public agencies under Iowa Code section 8A.504.

The order of priority for offset against multiple claims by more than one state public agency shall be determined by the date the liability was listed with the department. Subsequent entries of claims by state public agencies shall be offset in order of the date the listing was made with the department.

ITEM 7. Amend rule 11—40.7(8A) as follows:

11—40.7(8A) Payments of offset amounts. Payments to the public agency requesting ~~the offset shall be made by the department on the twenty-fifth day of each month~~ participation in the offset program shall be made by the department by the last day of the month in which the request is made.

ITEM 8. Amend rule 11—40.8(8A) as follows:

11—40.8(8A) Reimbursement for offsetting liabilities. Costs incurred by the department in administering the offset program will be charged to the ~~state department requesting offset~~ public agency requesting placement of the debt into the offset program. ~~The~~ These costs will be deducted from the gross proceeds collected through offset and may include direct expenses such as salaries, supplies, equipment, and system modification and development costs; or indirect costs such as space, security, or utility costs. If the above-described procedure is prohibited by ~~paramount~~ higher state or federal law, the director shall allow reimbursement in a manner which conforms to the ~~paramount~~ higher law. Prior to placing a debt in the offset program, the public agency will enter into a memorandum of understanding with the department of administrative services which will outline the costs, responsibilities of the parties, and methods for remuneration of the offset funds.

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

ITEM 9. Amend rule 11—40.9(8A) as follows:

11—40.9(8A) Confidentiality of information. Information shared between ~~state~~ the department and the public agencies wishing to participate in the offset program shall be deemed confidential pursuant to Iowa Code section 8A.504(2) “b” and shall be disclosed only to the extent ~~that sufficient information is given that is relevant to the identification of persons liable to or claimants of state agencies. The information is to be used for the purpose of offset only necessary to sufficiently identify the debtor(s) liable to the public agency.~~ Identifying information shall be used only for the purpose of participation in the offset program.

ITEM 10. Amend the title preceding rule **11—40.10(8A)** as follows:

JUDICIAL OFFSET PROCEDURES OFFSET OF DEBTS OWED TO CLERKS OF THE DISTRICT COURT

ITEM 11. Amend rule 11—40.10(8A) as follows:

11—40.10(8A) Incorporation by reference. ~~In providing judicial offset procedures, the department incorporates by reference the following rules and subrules to be applied to the substance and procedure under this heading:~~

- ~~1. 11—40.2(8A) Scope and purpose.~~
- ~~2. 11—40.3(8A) Participation guidelines.~~
- ~~3. 11—subrule 40.4(1) Duties of the agency—notification to the department.~~
- ~~4. 11—subrule 40.4(2) Duties of the agency—change in status of debt.~~
- ~~5. 11—subrule 40.4(3) Duties of the agency—semiannual certification of file.~~
- ~~6. 11—40.5(8A) Duties of the department—performance of the offset.~~
- ~~7. 11—40.7(8A) Payments of offset amounts.~~
- ~~8. 11—40.8(8A) Reimbursement for offsetting liabilities.~~
- ~~9. 11—40.9(8A) Confidentiality of information.~~

The department incorporates by reference rules 11—40.1(8A) to 11—40.9(8A). “Debtor,” for purposes of rules 11—40.10(8A) to 11—40.15(8A), shall pertain only to a debtor who owes a debt to a clerk of district court.

ITEM 12. Rescind rule **11—40.11(8A)**.

ITEM 13. Renumber rules **11—40.12(8A)** to **11—40.16(8A)** as **11—40.11(8A)** to **11—40.15(8A)**.

ITEM 14. Amend renumbered rule 11—40.11(8A) as follows:

11—40.11(8A) Applicability and procedure. For liabilities accrued and owing to any and all clerks of the Iowa district court, the department shall issue a written notice informing any ~~person~~ debtor having a valid claim against a ~~state~~ public agency that an offset will be ~~performed against the claim applied to the debt.~~ The department will ~~perform~~ apply the offsets for ~~such~~ district clerks as provided in Iowa Code Supplement section 8A.504, and the department will send a written notice to the ~~person liable for such a liability prior to and after the offset has been performed~~ debtor. Subsequently, the department will also provide administrative procedures and available remedies for contesting the validity of such an offset. The Iowa district court will provide the procedures and remedies for challenging the underlying liability at issue. This rule applies only to liabilities and debts owed to the clerks of the Iowa district court.

ITEM 15. Amend renumbered rule 11—40.12(8A) as follows:

11—40.12(8A) Notice of offset. The department shall send written notification of the offset to the ~~person that has a valid claim against any state agency that is a liquidated sum, due and payable and in which such a person is liable for a liability owed to any and all clerks of the Iowa district court within ten calendar days from the date the department is notified by the judicial branch of the uncollected liability~~ debtor

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

within 10 calendar days from the date the department is notified of such debt by the judicial branch. This notification must include:

1. ~~The judicial branch's right to the payment in question~~ The clerk of court claiming the liability;
2. ~~The judicial branch's right to recover the payment through the offset procedure~~ The clerk of court's right to the payment in question;
3. ~~The basis of the judicial branch's case in regard to the debt~~ The clerk of court's right to recover the payment through the offset program;
4. The basis of the clerk of court's case in regard to the debt;
4. 5. ~~The right of the person who owes the liability debtor~~ to request, within 15 days of the mailing of the notice, that the payment between parties be split when the payment in question is jointly owned or otherwise owned by two or more persons debtors;
5. 6. ~~The right of the person liable debtor~~ to contest the right of offset and the validity of such offset with the department by mailing, to the department's legal counsel, a protest within 15 days of the mailing of such notice, and that the procedure to follow in that appeal will conform, according to the context, to the rules of the department involving protests and contested case proceedings in 11—Chapter 7;
6. 7. ~~The name of the agency or division and the telephone number for the person liable for the liability to contact concerning questions regarding the validity of the offset and the procedures for the offset~~ The telephone number of the representative the debtor may contact concerning questions regarding the validity of the offset and the procedures for the offset;
7. 8. ~~That the person liable for the liability debtor~~ has the opportunity to contest the validity and amount of the liability by mailing, within 15 days of mailing of the notice of offset, a written application to contest the liability to the appropriate clerk of the Iowa district court; and
8. 9. ~~The name of the clerk of the district court and the telephone number for the person liable for the liability debtor~~ to contact concerning questions relating to the validity of the underlying liability and regarding the validity of the amount owed.

ITEM 16. Amend renumbered rule 11—40.13(8A) as follows:

11—40.13(8A) Procedure for contesting. ~~A person liable for a liability under this heading~~ The debtor may contest the validity or amount of the underlying liability by mailing written notification of the person's debtor's intent to contest such a liability to the appropriate clerk of the Iowa district court. The Iowa district court will provide the person liable debtor with the procedure and remedies for contesting the validity and amount of the underlying liability.

~~A person liable for a liability payable to the judicial branch that has been deemed qualified for offset may contest the validity of the offset or the right of the offset by mailing written notification to the Department of Administrative Services, Legal Counsel, Hoover State Office Building, Third Floor, Des Moines, Iowa 50319. The debtor may contest the validity of the offset or the right of the offset by mailing written notification to:~~

Department of Administrative Services
General Counsel
Hoover State Office Building
Third Floor
Des Moines, Iowa 50319

The department will provide the procedure and remedies for contesting the validity of the offset and right of offset pursuant to the applicable contested case rules set forth in 11—Chapter 7.

~~If a person liable to the judicial department debtor~~ gives written notice of intent to contest either the offset validity or the amount of the liability or the validity of the offset or right of offset, the judicial department the clerk of the district court and the department will hold a payment in abeyance until the final disposition of the contested liability or offset is determined.

ADMINISTRATIVE SERVICES DEPARTMENT[11](cont'd)

ITEM 17. Amend renumbered rule 11—40.14(8A) as follows:

11—40.14(8A) Postoffset notification and procedure. Following the offset, the department will notify the ~~person liable~~ debtor that the offset was performed. It is the responsibility of the department to make payment to the ~~person~~ debtor liable to the Iowa district court clerk of any amount to which the Iowa district court clerk is not entitled to receive under the offset, in accordance with established procedures.

ITEM 18. Amend renumbered rule 11—40.15(8A) as follows:

11—40.15(8A) Report of satisfaction of obligations. At least monthly, the department will file with the ~~clerk of the district court~~ judicial branch a notice of satisfaction of each obligation to the full extent of all moneys collected in satisfaction of ~~the~~ an offset obligation. No additional or separate written notice from the department regarding the performed offsets is required.

ITEM 19. Amend **11—Chapter 40**, implementation sentence, as follows:

These rules are intended to implement Iowa Code ~~Supplement~~ sections 8A.504, 422.16, 422.20, 422.72, and 422.73.

[Filed 1/2/15, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1826C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.106A and 15B.3(6), the Economic Development Authority hereby adopts new Chapter 12, "Apprenticeship Training Program," Iowa Administrative Code.

In 2014 Iowa Acts, House File 2460, the General Assembly authorized the Economic Development Authority to establish a program to provide financial assistance in the form of training grants to eligible registered apprenticeship training programs and provided for annual funding of up to \$3 million to the Authority for purposes of providing such assistance. The legislation directs the Authority to adopt rules for the implementation of the program. The rules herein establish a program to provide financial assistance to apprenticeship training programs and describe the manner in which the Authority will implement and administer the program.

Notice of Intended Action was published in the October 29, 2014, Iowa Administrative Bulletin as **ARC 1692C**. Comments received were generally supportive, and most questions related to the formula for distribution of the funding. These rules are identical to those published under Notice of Intended Action.

The Economic Development Authority Board adopted these rules on December 19, 2014, at the Board's monthly meeting.

After analysis and review, the Authority finds that this rule making would have a positive impact on jobs. The rules outline the process for expanding apprenticeship training programs in the state. Apprenticeship training is a proven method of on-the-job training that will help Iowa prepare for a globally competitive job market by upskilling Iowa workers in fields ranging from construction to information technology. The Iowa Department of Workforce Development has published wage information demonstrating that, in general, apprenticeship training programs result in better-paying jobs than other methods of training for the same occupation.

These rules are intended to implement 2014 Iowa Acts, House File 2460.

These rules will become effective on February 25, 2015.

The following amendment is adopted.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

Adopt the following new 261—Chapter 12:

CHAPTER 12
APPRENTICESHIP TRAINING PROGRAM

261—12.1(15,15B) Authority. The authority for adopting rules establishing an apprenticeship training program is provided in Iowa Code sections 15B.3(6) and 15.106A.

261—12.2(15,15B) Purpose. The purpose of the apprenticeship training program is to assist eligible apprenticeship programs by providing financial assistance in the form of training grants.

261—12.3(15,15B) Definitions.

“Apprentice” means a person who is at least 16 years of age, except where a higher minimum age is required by law, who is employed in an apprenticeable occupation, and is registered in Iowa with the U.S. Department of Labor, Office of Apprenticeship.

“Apprenticeable occupation” means an occupation approved for apprenticeship by the U.S. Department of Labor, Office of Apprenticeship.

“Apprenticeship program” means a program registered with the U.S. Department of Labor, Office of Apprenticeship, which includes terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement.

“Apprenticeship sponsor” means an entity operating an apprenticeship program or an entity in whose name an apprenticeship program is being operated, which is registered with or approved by the U.S. Department of Labor, Office of Apprenticeship.

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

“Financial assistance” means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the forms of grants, loans, forgivable loans, and royalty payments.

“Fund” means the apprenticeship training program fund created in Iowa Code section 15B.3.

“Lead apprenticeship sponsor” means a trade organization, labor organization, employer association, or other incorporated entity representing a group of apprenticeship sponsors.

“Program” means the apprenticeship training program established pursuant to this chapter.

“Total instructional hours” means the total instructional hours reported by an apprenticeship sponsor or lead apprenticeship sponsor. “Total instructional hours” does not mean the minimum federal standard for instructional hours.

“Training year” means the most recent calendar year.

261—12.4(15,15B) Annual appropriations—amount of assistance available—standard contract—use of funds.

12.4(1) The authority will provide financial assistance under the program from moneys appropriated for purposes of the program pursuant to Iowa Code section 15.342A and 2014 Iowa Acts, House File 2460, section 3.

12.4(2) The total amount of assistance available for a fiscal year will be the amount authorized by law as described in subrule 12.4(1) less an amount equal to 2 percent of the moneys in the fund appropriated to the authority for administrative purposes.

12.4(3) The authority will disburse funds to an apprenticeship sponsor or lead apprenticeship sponsor only after approval of a completed application and execution of a contract between the apprenticeship sponsor or lead sponsor and the authority. The authority shall have sole discretion in determining whether an applicant has provided all necessary information as required under this chapter. The authority will prepare a standard contract for the program to be executed by each eligible applicant. Each executed contract will provide for an amount of financial assistance in the form of a training grant as determined pursuant to rule 261—12.6(15,15B). All changes or amendments to the standard contract

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

shall be at the authority's sole discretion. All such changes shall be consistent with the requirements of Iowa Code chapter 15B and of this chapter. The authority will notify apprenticeship sponsors and lead apprenticeship sponsors by the end of a calendar year of any standard contract changes for the upcoming application period.

12.4(4) Financial assistance received by an apprenticeship sponsor or lead apprenticeship sponsor under this rule shall be used only for the cost of conducting and maintaining an apprenticeship program. The authority may require an apprenticeship sponsor or lead apprenticeship sponsor to provide any information reasonably necessary to verify the use of program funds.

261—12.5(15,15B) Eligibility for assistance. An eligible apprenticeship sponsor or lead apprenticeship sponsor may apply to the authority for assistance under the program. To be eligible, an applicant must meet all of the following requirements:

12.5(1) The applicant is an apprenticeship sponsor, or a lead apprenticeship sponsor, that is conducting an apprenticeship program registered with the U.S. Department of Labor, Office of Apprenticeship, through Iowa, for apprentices who will be employed at Iowa worksites.

12.5(2) The applicant provides all of the following information to the authority:

a. The federal apprentice registration number of each apprentice in the apprenticeship program.
b. The address and a description of the physical location where in-person training is conducted.
c. A certification of the apprenticeship sponsor's training standards as most recently approved by the U.S. Department of Labor, Office of Apprenticeship, or, in the case of a lead apprenticeship sponsor, a representative sample of participating members' training standards.

d. A certification of the apprenticeship sponsor's compliance review or quality assessment as most recently conducted by the U.S. Department of Labor, Office of Apprenticeship, unless the apprenticeship sponsor has not been subjected to a compliance review or quality assessment. In the case of a lead apprenticeship sponsor, a sampling of compliance reviews or quality assessments from participating members will be sufficient.

e. Any other information the authority reasonably determines is necessary.

12.5(3) The applicant shall apply on or before February 1 of each year in which funding is available. The application submitted by the applicant should reflect program information from the prior training year. Because all applications to the program must be received in order to determine the amount of financial assistance available under rule 261—12.6(15,15B), the authority will not accept applications on a continuous basis.

261—12.6(15,15B) Determination of financial assistance grants. The authority will provide financial assistance in the form of training grants to apprenticeship sponsors or lead apprenticeship sponsors. The maximum amount of financial assistance provided to an eligible apprenticeship sponsor or lead apprenticeship sponsor will be calculated in the following manner:

12.6(1) By determining the total amount of funding allocated for purposes of training grants for apprenticeship programs as described in rule 261—12.4(15,15B).

12.6(2) By adding together all of the following:

a. The total number of apprentices trained by all applying apprenticeship sponsors or lead apprenticeship sponsors during the most recent training year as calculated on the last day of the training year.

b. The total number of contact hours that apprenticeship instructors for all applying apprenticeship sponsors or lead apprenticeship sponsors spent in contact with apprentices during the most recent training year. For purposes of this paragraph, "contact hours" includes the time spent instructing apprentices in person or, in the case of a lead apprenticeship sponsor with programs totaling 100 or more total instructional hours, "contact hours" includes the time spent in online training if the total amount of online instruction does not account for more than 30 percent of the total instructional hours.

12.6(3) By adding together all of the following:

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

a. The total number of apprentices trained by a single applying apprenticeship sponsor or lead apprenticeship sponsor during the most recent training year as calculated on the last day of the training year.

b. The total number of contact hours that apprenticeship instructors for a single applying apprenticeship sponsor or lead apprenticeship sponsor spent in contact with apprentices during the most recent training year. For purposes of this paragraph, “contact hours” includes the time spent instructing apprentices in person or, in the case of a lead apprenticeship sponsor with programs totaling 100 or more total instructional hours, “contact hours” includes the time spent in online training if the total amount of online instruction does not account for more than 30 percent of the total instructional hours.

12.6(4) By determining the proportion, stated as a percentage, that a single applying apprenticeship sponsor’s or lead apprenticeship sponsor’s total calculated pursuant to subrule 12.6(3) bears to all applying apprenticeship sponsors’ or lead apprenticeship sponsors’ total calculated pursuant to subrule 12.6(2).

12.6(5) By multiplying the percentage calculated in subrule 12.6(4) by the amount determined in subrule 12.6(1).

261—12.7(15,15B) Application submittal and review process.

12.7(1) The authority will develop a standardized application and make the application available to applicants. To apply for assistance under the program, an applicant shall submit an application to the authority. Applications may be sent to the Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309. Required forms and instructions are available by contacting the authority at that address or from the authority’s Internet site at www.iowaeconomicdevelopment.com.

12.7(2) The director shall have final funding authority on applications for financial assistance under this program. Applications will be reviewed and processed for eligibility by the staff of the authority. The director of the authority will approve, defer or deny applications consistent with the requirements of this chapter.

261—12.8(15,15B) Notice and reporting.

12.8(1) *Notice of award.* Program applicants will be notified in writing of the funding decision, including any conditions and terms of the approval as may be required under the program.

12.8(2) *Reporting.* An applicant receiving assistance under the program 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.

These rules are intended to implement Iowa Code chapter 15B.

[Filed 12/23/14, effective 2/25/15]

[Published 1/21/15]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1827C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.106A and 15.293B(6), the Economic Development Authority hereby amends Chapter 65, “Brownfield and Grayfield Redevelopment,” Iowa Administrative Code.

In 2014 Iowa Acts, Senate File 2339, the General Assembly made changes to the Redevelopment Tax Credits Program for brownfield and grayfield sites. The amendments conform the rules to the legislative changes and implement the new program requirements.

Notice of Intended Action was published in the October 29, 2014, Iowa Administrative Bulletin as **ARC 1693C**. Comments received were generally supportive, and most questions related to the criteria

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

selected for the scoring. Some questions were received regarding the competitive process for awards and about the waiting list from last fiscal year. These questions were answered without requiring changes to the amendments. Technical changes were made in Items 7 and 8 for clarification.

The Economic Development Authority Board adopted these amendments on December 19, 2014, at the Board's monthly meeting.

After analysis and review of this rule making, the Authority finds that the amendments to the Redevelopment Tax Credits Program are likely to benefit the Iowa economy by helping more developers finance the redevelopment of underutilized existing infrastructure and by helping nonprofit organizations better finance redevelopment projects. The Iowa Department of Revenue has found that the program (1) increases the total assessed value of the redeveloped properties by more than 300 percent; (2) increases job creation at redeveloped properties by 139 percent; and (3) increases total wages at redeveloped properties by 119 percent.

These amendments are intended to implement 2014 Iowa Acts, Senate File 2339.

These amendments will become effective on February 25, 2015.

The following amendments are adopted.

ITEM 1. Amend rule **261—65.1(15)** and subrules **65.3(1)**, **65.4(1)** and **65.11(1)** by striking the term “redevelopment tax credit program” and inserting “redevelopment tax credits program” in lieu thereof.

ITEM 2. Adopt the following **new** definitions in rule **261—65.2(15)**:

“*Abandoned public building*” means a vertical improvement constructed for use primarily by a political subdivision of the state for a public purpose and whose current use is outdated or prevents a better or more efficient use of the property by the current owner. “Abandoned public building” includes vacant, blighted, obsolete, or otherwise underutilized property.

“*Political subdivision*” means a city, county, township, or school district.

“*Redevelopment tax credits program*” means the tax credits program administered pursuant to Iowa Code sections 15.293A and 15.293B.

“*Vertical improvement,*” “*improvement*” or “*improved*” means the same as defined in Iowa Code section 15J.2.

ITEM 3. Amend the following definitions in rule **261—65.2(15)**:

“*Grayfield site*” means an abandoned public building or an industrial or commercial property ~~meeting~~ that meets all of the following requirements:

1. Infrastructure on the property is outdated or prevents an efficient use of the property, including vacant, blighted, obsolete, or otherwise underutilized property.

2. Property improvements and infrastructure are at least 25 years old and one or more of the following conditions exist:

- Thirty percent or more of a building located on the property is available for occupancy and has been vacated or unoccupied for at least 12 months;
- Assessed value of improvements on the property has decreased by 25 percent or more;
- The property is used as a parking lot;
- Improvements on the property no longer exist.

“*Previously remediated or redeveloped*” means any prior remediation or redevelopment ~~at a brownfield or grayfield site~~, including development for which ~~an application for~~ or an award of ~~brownfield or grayfield~~ tax credits under this chapter has been made.

“*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.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

ITEM 4. Amend rule 261—65.6(15) as follows:

261—65.6(15) Application and award procedures General procedural overview.

65.6(1) Subject to availability of funds, applications to the brownfield redevelopment program will be accepted, reviewed and rated scored by economic development authority staff and by the advisory council on an annual basis. Brownfield redevelopment funds will be awarded scored on a competitive basis by the council, which will make recommendations on award amounts to the board.

65.6(2) Subject to availability of funds, applications to the redevelopment tax ~~credit~~ credits program for brownfields and grayfields will be accepted and reviewed by economic development authority staff and scored by the advisory council on a monthly an annual basis. For the fiscal year beginning July 1, 2014, applications must be received by March 1, 2015. For each fiscal year thereafter, applications will be accepted beginning on July 1 and must be received by September 1. Subject to the availability of funding, the authority may set additional application deadlines after September 1 and before the end of a fiscal year.

65.6(3) Applications for all forms of financial assistance will be reviewed by staff for completeness and eligibility. If additional information is required, the applicant shall be provided with notice, in writing, to submit additional information. Recommendations from the advisory council will be submitted to the board. The board may approve, deny or defer an application.

65.6(4) Application forms for the brownfield redevelopment program and the redevelopment tax credits program for brownfields and grayfields are available upon request from Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309. Additional information is available on the authority's Internet site at <http://www.iowaeconomicdevelopment.com>.

65.6(5) The authority may provide technical assistance as necessary to applicants. Authority staff may conduct on-site evaluations of proposed activities.

ITEM 5. Amend rule 261—65.7(15) as follows:

261—65.7(15) Application to the brownfield redevelopment program—agreements.

65.7(1) Every application for assistance shall include evidence of sponsorship and any other information the authority deems necessary in order to process and review the application. An application shall be considered received by the authority only when the authority deems it to be complete. Applications for assistance shall also include the following information:

a. A business plan. The business plan should, at a minimum, include a remediation plan, a project contact/applying agency, a project overview (which would include the background of the project area, goals and objectives of the project, and implementation strategy), and a project/remediation budget.

b. A statement of purpose describing the intended use of and proposed repayment schedule for any financial assistance received by the applicant.

65.7(2) The authority shall accept and review applications in conjunction with the council and the board. The council shall consider applications in the order complete applications are received and make application recommendations to the board. The council will score applications according to the application review criteria established pursuant to rule 261—65.9(15). The board shall approve or deny applications.

65.7(3) ~~Upon review of the application for the redevelopment tax credit program for brownfields and grayfields, the authority may register the project under the program. If the authority registers the project, it shall, in conjunction with the council and the board, make a preliminary determination as to the maximum amount of the tax credit for which the investor qualifies. After registering the project, the authority shall issue a letter notifying the investor of successful registration under the program. The letter shall include the maximum amount of tax credit for which the investor has received preliminary approval and shall state that the amount is a preliminary determination only. The preliminary determination is not a contract, contract term, promise, guarantee, assurance, or representation of the actual tax credit the investor will receive or should expect to receive. The preliminary determination is a nonbinding figure, provided purely for the investor's and the authority's information and convenience, based on the authority's existing understanding and estimates related to the project. The amount of tax credit included~~

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

~~on a certificate issued pursuant to this subrule shall be contingent upon completion of the requirements of subrules 65.7(4) to 65.7(6) and shall be based solely on completion and compliance with all terms and conditions of the contract pursuant to this rule, rule 261—65.10(15), and 2011 Iowa Code Supplement sections 15.293A and 15.293B.~~

~~65.7(4) 65.7(3)~~ Approved applicants shall enter into an agreement with the authority. The agreement for the redevelopment tax credit program for brownfields and grayfields shall specify the requirements necessary in order to receive tax credit and the maximum amount of tax credit available. The agreement for the brownfield redevelopment program shall specify the requirements necessary in order to receive benefits under the program.

~~65.7(5)~~ Upon completion of a registered project under the redevelopment tax credit program for brownfields and grayfields, an audit of the project's qualifying expenses shall be completed by an independent certified public accountant licensed in the state of Iowa and shall be submitted to the authority.

~~65.7(6)~~ Upon written notification of project completion from the investor, the authority will review the independent audit, verify the amount of the qualifying investment and issue a redevelopment tax credit certificate to the investor in the amount of the tax credit for which the investor is entitled under its contract with the authority.

ITEM 6. Rescind rule 261—65.8(15) and adopt the following new rule in lieu thereof:

261—65.8(15) Application to the redevelopment tax credits program—registration of projects—agreements.

65.8(1) *System for application, review, registration, and authorization of projects.* The authority will administer a system for application, review, registration, and authorization of projects as described in this subrule and will only issue tax credit certificates pursuant to subrule 65.11(3).

a. The authority will accept and, in conjunction with the council, review applications for tax credits provided in Iowa Code section 15.293A and, with the approval of the council, make tax credit award recommendations regarding the applications to the board.

b. Applications for redevelopment tax credits will only be accepted during the established application period as provided in subrule 65.6(2).

c. Upon review of an application, the authority may register the project with the redevelopment tax credits program. If the authority registers the project, the authority may, in conjunction with the council, make a preliminary determination as to the amount of tax credit for which an award recommendation will be made to the board.

d. After registering the project, the authority will notify the investor of successful registration under the redevelopment tax credits program. The notification may include the amount of tax credit for which an award recommendation will be made to the board. If an award recommendation is included in the notification, such notification will include a statement that the award recommendation is a recommendation only. The amount of tax credit included on a tax credit certificate issued pursuant to this rule shall be contingent upon an award by the board and upon completion of the requirements in this rule.

e. (1) All completed applications will be reviewed and scored, pursuant to subrule 65.8(2), on a competitive basis by the council and the board. In reviewing and scoring applications, the council and the board may consider any factors the council and board deem appropriate for a competitive application process, including but not limited to the financial need, quality, and feasibility of a qualifying redevelopment project.

(2) For purposes of this rule:

1. "*Feasibility*" means the likelihood that the project will obtain the financing necessary to allow for full completion of the project and the likelihood that the proposed redevelopment or improvement that is the subject of the project will be fully completed.

2. "*Financial need*" means the difference between the total costs of the project less the total financing that will be received for the project.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

3. “Quality” means the merit of the project after considering and evaluating its total characteristics and measuring those characteristics in a uniform, objective manner against the total characteristics of other projects that have applied for the tax credit provided in this chapter during the same established application period.

f. Upon reviewing and scoring all applications that are part of an annual application period, the board may award tax credits provided in this chapter.

g. If the applicant for a tax credit provided in this chapter has also applied to an agency of the federal government or to the authority, the board, or any other agency of state government for additional financial assistance, the authority, the council, and the board will consider the amount of funding to be received from such public sources when making a tax credit award pursuant to this rule.

h. An applicant that is unsuccessful in receiving a tax credit award during an established application period may make additional applications during subsequent application periods. Such applicants must submit a new application and must be competitively reviewed and scored in the same manner as other applicants in that same application period.

65.8(2) Scoring criteria.

a. Each application for tax credits during each established application period will be scored according to criteria set forth in this paragraph. Points will be added together and the resulting score averaged with the scores of applications evaluated by all council members. Scoring criteria include:

(1) The project’s feasibility: 25 points.

(2) The project’s financial need: 25 points.

(3) The project’s quality: 25 points.

(4) Whether the project was formerly registered under the program but did not receive an award: 25 points.

b. There is no minimum score required for a project to receive a recommendation for funding, but a higher score indicates that the council views a project more favorably. The council’s funding recommendation will reflect its overall view of the project in relation to other applying projects.

65.8(3) Required information. An investor applying for a tax credit shall provide the authority with all of the following:

a. Information showing the total costs of the qualifying redevelopment project, including the costs of land acquisition, cleanup, and redevelopment.

b. Information about the financing sources of the investment which are directly related to the qualifying redevelopment project for which the investor is seeking approval for a tax credit, as provided in this chapter.

c. Any other information deemed necessary by the board and the council to review and score the application pursuant to this rule.

65.8(4) Agreement required—recapture of credits. If an investor is awarded a tax credit pursuant to this rule, the authority and the investor shall enter into an agreement concerning the qualifying redevelopment project. If the investor fails to comply with any of the requirements of the agreement, the authority may find the investor in default under the agreement and may revoke all or a portion of the tax credit award. The department of revenue, upon notification by the authority of an event of default, shall seek repayment of the value of any such tax credit already claimed in the same manner as provided in Iowa Code section 15.330, subsection 2.

65.8(5) Project completion. A registered project shall be completed within 30 months of the date the project was registered unless the authority provides additional time to complete the project. A project will not be provided more than 12 months of additional time. If the registered project is not completed within the time required, the project is not eligible to claim a tax credit pursuant to this chapter.

65.8(6) Audit required.

a. Upon completion of a registered project, an audit of the project, completed by an independent certified public accountant licensed in this state, must be submitted to the authority.

b. Upon review of the audit and verification of the amount of the qualifying investment, the authority will issue a tax credit certificate to the investor stating the amount of tax credit that the investor may claim.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

ITEM 7. Amend subrule 65.11(4) as follows:

65.11(4) Amount of tax credit.

a. Pro rata share. The qualified investor may claim the amount based upon the pro rata share of the qualified investor's earnings from the partnership, limited liability company, S corporation, estate, or trust. ~~Any~~ Except as provided in paragraph 65.11(4) "b," any tax credit in excess of the qualified investor's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier. A tax credit shall not be carried back to a tax year prior to the tax year in which the qualified investor receives the tax credit.

b. Refundability. A tax credit in excess of the taxpayer's liability for the tax year is refundable if all of the following conditions are met:

(1) The taxpayer is an investor making application for tax credits provided in this rule and is an entity organized under Chapter 504 and qualifying under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code.

(2) The taxpayer establishes during the application process described in this chapter that the requirement in subparagraph 65.11(4) "b"(1) is satisfied. The authority, when issuing a certificate to a taxpayer that meets the requirements in paragraph 65.11(4) "b," will indicate on the certificate that such requirements have been satisfied. A certificate indicating that it is refundable pursuant to paragraph 65.11(4) "b" shall not also be transferred to another taxpayer unless all the requirements of paragraph 65.11(4) "b" have been met.

~~b. c.~~ *Percentage.* The amount of the tax credit shall equal one of the following:

- (1) Twelve percent of the taxpayer's qualifying investment in a grayfield site.
- (2) Fifteen percent of the taxpayer's qualifying investment in a grayfield site if the qualifying redevelopment project meets the requirements of green development as defined in 261—65.2(15).
- (3) Twenty-four percent of the taxpayer's qualifying investment in a brownfield site.
- (4) Thirty percent of the taxpayer's qualifying investment in a brownfield site if the qualifying redevelopment project meets the requirements of green development as defined in 261—65.2(15).

~~e. d.~~ *Maximum credit per project.* The maximum amount of a tax credit for a qualifying investment in any one qualifying redevelopment project shall not exceed 10 percent of the maximum amount of tax credits available in any one fiscal year pursuant to paragraph 65.11(4) "~~d.~~" "e."

~~d. e.~~ *Maximum credit total.* For the fiscal year beginning July 1, 2009, the maximum amount of tax credits issued by the authority shall not exceed \$1 million. For the fiscal year beginning July 1, 2011, ~~and for each subsequent fiscal year,~~ the maximum amount of tax credits issued by the authority shall be an amount determined by the board but not in excess of \$5 million. For the fiscal year beginning July 1, 2013, and for each subsequent fiscal year, the maximum amount of tax credits issued by the authority shall be an amount determined by the board but not in excess of the amount established pursuant to Iowa Code section 15.119.

ITEM 8. Amend subrule 65.11(5) as follows:

65.11(5) Claiming a tax credit. The qualified investor must ~~attach~~ include one or more tax credit ~~certificate(s) to~~ certificates with the qualified investor's tax return. A tax credit certificate shall not be used or ~~attached to~~ included with a return filed for a taxable year beginning prior to ~~July 1, 2009~~ the tax year listed on the certificate. The tax credit certificate or certificates ~~attached to~~ included with the qualified investor's tax return shall be issued in the qualified investor's name, expire on or after the last day of the taxable year for which the qualified investor is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the qualified investor's tax return.

[Filed 12/23/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1825C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.106A and 15.313(5), the Economic Development Authority hereby adopts new Chapter 118, "Strategic Infrastructure Program," Iowa Administrative Code.

In 2014 Iowa Acts, Senate File 2359, the General Assembly authorized the Authority to implement a new Strategic Infrastructure Program. These rules establish a program to provide such assistance and describe the manner in which the Authority intends to implement and administer the program.

Notice of Intended Action was published in the October 29, 2014, Iowa Administrative Bulletin as **ARC 1691C**. Comments received were generally supportive, and most questions related to the criteria selected for the scoring. These rules are identical to those published under Notice of Intended Action.

The Economic Development Authority Board adopted these rules on December 19, 2014, at the Board's monthly meeting.

After analysis and review of this rule making, the Authority finds that the new program is likely to create jobs and to substantially benefit the Iowa economy by helping develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the state. Such projects will include vertical improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets. Each project funded will attract additional public or private sector investment and will result in broad-based prosperity in the state.

These rules are intended to implement 2014 Iowa Acts, Senate File 2359.

These rules will become effective on February 25, 2015.

The following amendment is adopted.

Adopt the following **new** 261—Chapter 118:

CHAPTER 118
STRATEGIC INFRASTRUCTURE PROGRAM

261—118.1(15) Authority. The authority for adopting rules establishing a strategic infrastructure program is provided in Iowa Code section 15.313 and in Iowa Code section 15.106A.

261—118.2(15) Purpose. The purpose of the strategic infrastructure program is to assist projects that develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the state, and such projects are not adequately provided by the public or private sectors.

261—118.3(15) Definitions.

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

"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.

"Council" means the Iowa innovation council established pursuant to Iowa Code section 15.117A, or any panel or committee composed of members of the council.

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

"Eligible project" means a project meeting the requirements of rule 261—118.5(15).

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

"Program" means the strategic infrastructure program established in this chapter.

"Strategic infrastructure" means projects that develop commonly utilized assets that provide an advantage to one or more private sector entities or that create necessary physical infrastructure in the state, and such projects are not adequately provided by the public or private sectors. Such projects may

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

include vertical improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets, provided that each project is intended to attract additional public or private sector investment and result in broad-based prosperity in this state.

“Vertical improvement” means the same as defined in Iowa Code section 15J.2.

261—118.4(15) Program description, disbursement of funds, and contract administration.

118.4(1) Program description. The program established in this chapter provides financial assistance to certain strategic infrastructure projects. The board, after considering the recommendations made by the council, will determine which projects to fund and how much should be awarded to each project. The director and staff of the authority will collect and process applications from applicants, advise the council and the board as to the available program funding, and help evaluate whether a proposed project meets the requirements of the program. The council will review applications meeting the program requirements, score them according to the criteria described in rule 261—118.7(15), and make recommendations to the board as to the completeness of applications and as to which projects to fund, how much to award to each project, and the type of financial assistance to be provided. While the council’s recommendations are advisory and are not binding upon the board, the board will not take final action on an award unless the council has first considered the project, scored it, and made a recommendation. The board may approve an award for a project, decline to award a project, or refer a project back to the council for further review and recommendation.

118.4(2) Disbursement of funds. The authority will disburse funds to a project only after a complete application has been received, an award has been recommended by the council and approved by the board, a contract has been executed between the applicant and the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the contract will be on a reimbursement basis for expenses incurred by the applicant as provided under the contract.

118.4(3) Contract administration. The authority will prepare a contract for each project receiving an award from the board. The contract will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter. Substantial amendments to a contract must be approved by the board. The board may refer substantial amendments to the council for review and recommendation. Substantial amendments include the amount of financial assistance, the length of the contract, whether to terminate the contract, and the terms of a settlement following an event of default. Other changes or amendments to the contract may be negotiated by the authority with the approval of the director.

261—118.5(15) Program eligibility and application requirements. To be eligible for financial assistance under the program, an applicant shall meet all of the following requirements:

118.5(1) The applicant must describe in detail the nature, scope, design, and goals of the project, including the relationships of the entities and individuals involved, and in addition, the applicant must explain how the project fulfills the requirements of each of the subrules in this rule. The council and the board will use the description for purposes of scoring the project pursuant to rule 261—118.7(15).

118.5(2) The applicant must propose to develop a commonly utilized asset that either benefits one or more private sector entities or that creates necessary physical infrastructure in the state.

118.5(3) The applicant must propose to develop a project that is not adequately provided by the public or private sectors.

118.5(4) The applicant must propose a project that includes vertical infrastructure improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets and must describe how and to what extent the project will attract additional public or private sector investment and how the project will result in broad-based prosperity in the state.

118.5(5) The applicant must describe the project’s proposed financing structure, including the sources of funds and the proposed uses of the funds, and must propose the manner in which any financial assistance received under the program will be used.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

261—118.6(15) Application submittal and review process.

118.6(1) The authority will develop a standardized application process and make information on applying available to applicants with eligible projects. To apply for assistance under the program, an applicant shall submit an application to the authority. Applications may be sent to the Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309. Required forms and instructions are available by contacting the authority at that address. Other information may also be found on the authority's Internet site at www.iowaeconomicdevelopment.com.

118.6(2) The board has final decision-making authority on requests for financial assistance for this program. Applications will be accepted and processed by authority staff and reviewed and scored by the council. Applications will be reviewed in the order received by the authority. The authority and the board will consider applications on a continuing basis. The board will take final action on all applications for financial assistance; however, the authority may refuse to accept incomplete applications or may refuse to accept applications because of insufficient funds. The council will score applications according to the criteria specified in rule 261—118.7(15). There is no minimum score required for funding under the program; however, a lower score indicates that the council views the project less favorably than a project with a higher score.

261—118.7(15) Application scoring criteria. When applications for financial assistance under the program are reviewed, the criteria below will be considered and the application scored as described. When scoring the application according to each of the criteria below, to the extent that a proposed project involves multiple public and private sector entities, for-profit and nonprofit organizations, and economic development and educational institutions, the council will review such partnerships as indicating that a commonly utilized asset is being proposed and therefore may award more points under each criterion. The criteria under which each application will be scored are:

118.7(1) The overall quality of the project, especially as reflected in the description and explanation submitted pursuant to subrule 118.5(1): 20 points.

For purposes of this subrule, the council will consider a project's estimated economic impact and the extent to which it contributes to the overall quality of the project. The council will also consider the structure of the proposed project and the nature of the partnerships proposed to be formed as part of the proposed project.

118.7(2) The extent to which the commonly utilized asset proposed by the project benefits one or more private sector entities and the extent to which the commonly utilized asset creates necessary physical infrastructure in the state: 20 points.

For purposes of this subrule, more points will be awarded to projects demonstrating greater benefits or benefits to more entities and to projects demonstrating more critical necessary physical infrastructure.

118.7(3) The extent to which the proposed project provides benefits that are not adequately provided by the public or private sectors: 20 points.

118.7(4) The importance of the vertical infrastructure improvement developments, facilities and equipment upgrades, or the redevelopment or repurposing of underutilized property or other assets that are proposed, the extent to which the proposed project will attract additional public or private sector investment, and the likelihood that the project will result in broad-based prosperity in the state: 20 points.

118.7(5) The sufficiency of the proposed project's financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds: 20 points.

For purposes of this subrule, the council will consider a proposed project's overall financing gap and the total amount of funds leveraged from other sources.

261—118.8(15) Notice of award and reporting.

118.8(1) *Notice of award.* Successful applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the award.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

118.8(2) Reporting. An applicant receiving assistance under the program 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.

These rules are intended to implement Iowa Code section 15.313.

[Filed 12/23/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1829C

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Pursuant to the authority of Iowa Code section 10A.104(5), the Department of Inspections and Appeals hereby rescinds Chapter 9, "Indigent Defense Claims Processing," Iowa Administrative Code.

This chapter is unnecessary and redundant because the administrative rules adopted by the State Public Defender pursuant to the authority provided under Iowa Code section 13B.4 supersede the Department's existing administrative rules in Chapter 9. The State Public Defender's rules are contained in 493—Chapter 12, "Claims for Indigent Defense Services," 493—Chapter 13, "Claims for Other Professional Services," and 493—Chapter 14, "Claims for Attorney Fees in 600A Terminations," and set forth detailed procedures related to indigent defense claims processing.

The Department does not believe that this amendment imposes any financial hardship on any regulated entity, body, or individual.

Notice of Intended Action was published in the Iowa Administrative Bulletin on November 12, 2014, as **ARC 1727C**. No comments were received on the proposed amendment. The adopted amendment is identical to the one published under Notice of Intended Action.

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

This amendment is intended to implement Iowa Code sections 10A.104 and 13B.4.

This amendment shall become effective February 25, 2015.

The following amendment is adopted.

Rescind and reserve **481—Chapter 9**.

[Filed 12/29/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1834C

PROFESSIONAL LICENSURE DIVISION[645]

Adopted and Filed

Pursuant to the authority of Iowa Code section 147.76 and 2014 Iowa Acts, chapter 1043, the Professional Licensure Division hereby amends Chapter 5, "Fees," Chapter 240, "Licensure of Psychologists," and Chapter 241, "Continuing Education for Psychologists," Iowa Administrative Code.

These amendments implement 2014 Iowa Acts, chapter 1043, which provides for provisional licensure in psychology for persons who possess doctoral degrees in psychology from institutions approved by the Board of Psychology and for the setting of fees for the administrative costs of issuance and renewal of provisional licenses. The amendments address the process for issuance of provisional licenses, specify the fees for issuance and renewal of provisional licenses, and clarify the requirements for accrual of supervised work experience for licensure.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

Notice of Intended Action was published in the Iowa Administrative Bulletin on November 12, 2014, as **ARC 1730C**. A public hearing was held on December 2, 2014, from 11 a.m. to 12 noon in Conference Room 513, Fifth Floor, Lucas State Office Building, Des Moines, Iowa. One public comment, which was in favor of the proposed amendments, was received. The adopted amendments are identical to those published under Notice.

These amendments were adopted by the Board of Psychology on December 18, 2014.

These amendments are subject to the waiver provisions at 645—Chapter 18.

After analysis and review of this rule making, there will be a positive impact on jobs due to the new provisional license, which is valid for two years following issuance and is renewable for an additional two years. In addition, it is anticipated that persons with provisional licenses will complete the requirements for licensure, resulting in an increase in the availability of licensed psychologists in Iowa.

These amendments are intended to implement 2014 Iowa Acts, chapter 1043.

These amendments shall become effective on February 25, 2015.

The following amendments are adopted.

ITEM 1. Adopt the following **new** subrules 5.16(13) and 5.16(14):

5.16(13) Provisional license fee is \$120.

5.16(14) Provisional license renewal fee is \$170.

ITEM 2. Amend rule **645—5.16(147,154B)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 147.80 and chapters 17A, 154B and 272C and 2014 Iowa Acts, chapter 1043.

ITEM 3. Amend rule **645—240.1(154B)**, definition of “Reactivate,” as follows:

“*Reactivate*” or “*reactivation*” means the process as outlined in rule ~~645—240.18(17A,147,272C)~~ 645—240.14(17A,147,272C) by which an inactive license is restored to active status.

ITEM 4. Adopt the following **new** definition in rule **645—240.1(154B)**:

“*Provisional license*” means a license issued to a person who has met the educational qualifications for licensure and is engaged in professional experience under supervision that meets the requirements of rules 645—240.1(154B), 645—240.6(154B) and 645—240.9(154B).

ITEM 5. Adopt the following **new** subrule 240.5(3):

240.5(3) In addition to the title designations set forth in subrules 240.5(1) and 240.5(2), persons who possess provisional licenses shall add the designation “provisional license in psychology” following the “associate” or “resident” designation.

ITEM 6. Rescind subrule 240.6(1) and adopt the following **new** subrule in lieu thereof:

240.6(1) The supervised professional experience shall:

- a. Be a minimum of one year on a full- or part-time basis for no less than 1500 hours, or be a minimum of 1500 hours that are completed in no less than 10 months;
- b. Apply the principles of psychology;
- c. Be supervised by a licensed psychologist in accordance with subrule 240.6(2) and rule 645—240.9(154B);
- d. Be performed competently as attested to by the supervisor; and
- e. Have the fees and receipt of payment schedule remain the sole domain of the employing agency or supervising psychologist.

ITEM 7. Renumber rule **645—240.12(147)** as **645—240.13(147)**.

ITEM 8. Adopt the following **new** rule 645—240.12(85GA,ch1043):

645—240.12(85GA,ch1043) Requirements for provisional licensure. A provisional license shall not be granted unless the applicant has submitted a completed licensure application and the required licensure application fee.

240.12(1) An applicant for a provisional license shall provide the following:

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

a. A completed provisional license application. Applications are obtained and submitted via the board's Web site at <https://ibplicense.iowa.gov/>.

b. The provisional application fee payable to the Board of Psychology. The fee is nonrefundable.
240.12(2) The following documents must be received by the board office:

a. Official copies of academic transcripts sent directly from the school establishing that the requirements stated in 645—240.3(154B) are met; and

b. A completed supervision plan on the prescribed board form, signed by the applicant's supervisors who meet the definition of "supervisor" in rule 645—240.1(154B). A change in a supervisor or in the supervision plan requires submission of a new supervision plan on the prescribed board form.

240.12(3) The provisional license is effective for two years from the date of issuance. A provisional license may be renewed one time for a period of two years upon submission of the following:

a. A provisional license renewal application;

b. A provisional license renewal fee; and

c. A current supervision plan as required in these rules.

ITEM 9. Renumber rules **645—240.18(17A,147,272C)** and **645—240.19(17A,147,272C)** as **645—240.14(17A,147,272C)** and **645—240.15(17A,147,272C)**.

ITEM 10. Amend subparagraph **241.3(2)“c”(1)** as follows:

(1) Completing training to comply with mandatory reporter training requirements, as specified in 645—subrule **240.12(4)** **240.13(4)**. Hours reported for credit shall not exceed the hours required to maintain compliance with required training.

[Filed 12/31/14, effective 2/25/15]

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ARC 1833C

PROFESSIONAL LICENSURE DIVISION[645]

Adopted and Filed

Pursuant to the authority of Iowa Code section 147.76 and 2014 Iowa Acts, chapter 1116, section 34, the Professional Licensure Division hereby adopts new Chapter 20, "Military Service and Veteran Reciprocity," Iowa Administrative Code.

These rules implement the Home Base Iowa Act, 2014 Iowa Acts, chapter 1116, which requires all professional and occupational licensing boards, commissions, and authorities subject to Iowa Code chapter 272C to adopt rules by January 1, 2015, on military service and veteran licensure. The rules address the process under which the boards in the Professional Licensure Division will provide credit toward licensure qualifications for military service, education, and training; the procedures for issuing reciprocal or provisional licensure for veterans who are licensed in other jurisdictions; and the process under which applicants may request and boards may conduct an administrative hearing. The rules establish the same procedure for all 19 boards within the Professional Licensure Division.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 15, 2014, as **ARC 1668C**. A public hearing was held on November 4, 2014, from 10 to 11 a.m. in the Fifth Floor Professional Licensure Conference Room, Lucas State Office Building, Des Moines, Iowa. No public comments were received. The adopted rules are identical to those published under Notice.

These rules have been adopted by the 19 boards in the Professional Licensure Division.

These rules are subject to the waiver provisions at 645—Chapter 18.

After analysis and review of this rule making, there will be a positive impact on jobs due to the expedited process of issuing reciprocal and provisional licenses for veterans when they are locating in or returning to Iowa.

These rules are intended to implement 2014 Iowa Acts, chapter 1116, division VI.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

These rules shall become effective on February 25, 2015.

The following amendment is adopted.

Adopt the following new 645—Chapter 20:

CHAPTER 20
MILITARY SERVICE AND VETERAN RECIPROCITY

645—20.1(85GA,ch1116) Definitions.

“*Board*” means a licensing board within the professional licensure division.

“*License*” or “*licensure*” means any license, registration, certificate, or permit that may be granted by a licensing board within the professional licensure division.

“*Military service*” means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

“*Military service applicant*” means an individual requesting credit toward licensure for military education, training, or service obtained or completed in military service.

“*Veteran*” means an individual who meets the definition of “veteran” in Iowa Code section 35.1(2).

645—20.2(85GA,ch1116) Military education, training, and service credit. A military service applicant may apply for credit for verified military education, training, or service toward any experience or educational requirement for licensure by submitting a military service application form to the board office.

20.2(1) The application may be submitted with an application for licensure or examination, or prior to applying for licensure or to take an examination. No fee is required for submission of an application for military service credit.

20.2(2) The applicant shall identify the experience or educational licensure requirement to which the credit would be applied if granted. Credit shall not be applied to an examination requirement.

20.2(3) The applicant shall provide documents, military transcripts, a certified affidavit, or forms that verify completion of the relevant military education, training, or service, which may include, when applicable, the applicant’s Certificate of Release or Discharge from Active Duty (DD Form 214) or Verification of Military Experience and Training (VMET) (DD Form 2586).

20.2(4) Upon receipt of a completed military service application, the board shall promptly determine whether the verified military education, training, or service will satisfy all or any part of the identified experience or educational qualifications for licensure.

20.2(5) The board shall grant credit requested in the application in whole or in part if the board determines that the verified military education, training, or service satisfies all or part of the experience or educational qualifications for licensure.

20.2(6) The board shall inform the military service applicant in writing of the credit, if any, given toward an experience or educational qualification for licensure, or explain why no credit was granted. The applicant may request reconsideration upon submission of additional documentation or information.

20.2(7) A military service applicant who is aggrieved by the board’s decision may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board’s decision. The provisions of 645—Chapter 11 shall apply, except that no fees or costs shall be assessed against the military service applicant in connection with a contested case conducted pursuant to this subrule.

20.2(8) The board shall grant or deny the military service application prior to ruling on the application for licensure. The applicant shall not be required to submit any fees in connection with the licensure application unless the board grants the military service application. If the board does not grant the military service application, the applicant may withdraw the licensure application or request that the licensure application be placed in pending status for up to one year or as mutually agreed. The

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

withdrawal of a licensure application shall not preclude subsequent applications supported by additional documentation or information.

645—20.3(85GA,ch1116) Veteran reciprocity.

20.3(1) A veteran with an unrestricted professional license in another jurisdiction may apply for licensure in Iowa through reciprocity. A veteran must pass any examinations required for licensure to be eligible for licensure through reciprocity and will be given credit for examinations previously passed when consistent with board laws and rules on examination requirements. A fully completed application for licensure submitted by a veteran under this subrule shall be given priority and shall be expedited.

20.3(2) Such an application shall contain all of the information required of all applicants for licensure who hold unrestricted licenses in other jurisdictions and who are applying for licensure by reciprocity, including, but not limited to, completion of all required forms, payment of applicable fees, disclosure of criminal or disciplinary history, and, if applicable, a criminal history background check. The applicant shall use the same forms as any other applicant for licensure by reciprocity and shall additionally provide such documentation as is reasonably needed to verify the applicant's status as a veteran under Iowa Code section 35.1(2).

20.3(3) Upon receipt of a fully completed licensure application, the board shall promptly determine if the professional or occupational licensing requirements of the jurisdiction where the veteran is licensed are substantially equivalent to the licensing requirements in Iowa. The board shall make this determination based on information supplied by the applicant and such additional information as the board may acquire from the applicable jurisdiction. As relevant to the license at issue, the board may consider the following factors in determining substantial equivalence: scope of practice, education and coursework, degree requirements, postgraduate experience, and examinations required for licensure.

20.3(4) The board shall promptly grant a license to the veteran if the veteran is licensed in the same or similar profession in another jurisdiction whose licensure requirements are substantially equivalent to those required in Iowa, unless the applicant is ineligible for licensure based on other grounds, for example, the applicant's disciplinary or criminal background.

20.3(5) If the board determines that the licensing requirements in the jurisdiction in which the veteran is licensed are not substantially equivalent to those required in Iowa, the board shall promptly inform the veteran of the additional experience, education, or examinations required for licensure in Iowa. Unless the applicant is ineligible for licensure based on other grounds, such as disciplinary or criminal background, the following shall apply:

a. If a veteran has not passed the required examination(s) for licensure, the veteran may not be issued a provisional license, but may request that the licensure application be placed in pending status for up to one year or as mutually agreed to provide the veteran with the opportunity to satisfy the examination requirements.

b. If additional experience or education is required in order for the applicant's qualifications to be considered substantially equivalent, the applicant may request that the board issue a provisional license for a specified period of time during which the applicant will successfully complete the necessary experience or education. The board shall issue a provisional license for a specified period of time upon such conditions as the board deems reasonably necessary to protect the health, welfare or safety of the public unless the board determines that the deficiency is of a character that the public health, welfare or safety will be adversely affected if a provisional license is granted.

c. If a request for a provisional license is denied, the board shall issue an order fully explaining the decision and shall inform the applicant of the steps the applicant may take in order to receive a provisional license.

d. If a provisional license is issued, the application for full licensure shall be placed in pending status until the necessary experience or education has been successfully completed or the provisional license expires, whichever occurs first. The board may extend a provisional license on a case-by-case basis for good cause.

20.3(6) A veteran who is aggrieved by the board's decision to deny an application for a reciprocal license or a provisional license or is aggrieved by the terms under which a provisional license will be

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

granted may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. The provisions of 645—Chapter 11 shall apply, except that no fees or costs shall be assessed against the veteran in connection with a contested case conducted pursuant to this subrule.

These rules are intended to implement 2014 Iowa Acts, chapter 1116, division VI.

[Filed 12/31/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1835C**PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 147.76 and 2014 Iowa Acts, chapter 1006, the Professional Licensure Division hereby amends Chapter 81, "Licensure of Dietitians," and Chapter 83, "Discipline for Dietitians," Iowa Administrative Code.

These amendments implement 2014 Iowa Acts, chapter 1006, which addresses technical changes to reflect the name changes of the national organization of dietetic professionals and the accrediting body for the formal education and supervised experience training programs and clarifies that the Commission on Dietetic Registration examination is the board-approved licensure examination. These amendments also add the current terminology for supervised experience program requirements for licensure to be consistent with the current terminology used by the national accrediting body and update the terminology regarding licensure exemptions that pertain to dietetics students and the conduct of teaching clinical demonstrations to be consistent with the changes in names and terminology.

Notice of Intended Action for these amendments was published in the Iowa Administrative Bulletin on November 12, 2014, as **ARC 1728C**. A public hearing was held on December 2, 2014, from 12 noon to 1 p.m. in Conference Room 513, Fifth Floor, Lucas State Office Building, Des Moines, Iowa. One comment, which was in favor of these amendments, was received. The adopted amendments are identical to those published under Notice.

These amendments were adopted by the Board of Dietetics on December 19, 2014.

These amendments are subject to the waiver provisions at 645—Chapter 18.

After analysis and review of this rule making, there is no known negative jobs impact.

These amendments are intended to implement 2014 Iowa Acts, chapter 1006.

These amendments shall become effective on February 25, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule 81.5(1) as follows:

81.5(1) The applicant shall ~~be issued a license to practice dietetics by the board when the applicant possesses~~ possess a baccalaureate degree or postbaccalaureate degree from a U.S. regionally accredited college or university with a major course of study in human nutrition, food and nutrition, nutrition education, dietetics, or food systems management, or in an equivalent major course of study, which meets minimum academic requirements as established by the ~~American Dietetic Association Accreditation Council for Education in Nutrition and Dietetics (ACEND) of the Academy of Nutrition and Dietetics (AND)~~ Accreditation Council for Education in Nutrition and Dietetics (ACEND) of the Academy of Nutrition and Dietetics (AND) and is approved by the board.

ITEM 2. Amend subrule 81.5(2) as follows:

81.5(2) A foreign-trained dietitian shall:

a. Provide an official letter sent directly from the Commission on Dietetic Registration (CDR) to the board to verify that the applicant has met the minimum academic and didactic program requirements of CDR. Foreign degree ~~evaluation agencies and~~ equivalency evaluation requirements of the ~~Commission on Accreditation for Dietetics Education (CADE) of the~~

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

~~American Dietetic Association (ADA) Accreditation Council for Education in Nutrition and Dietetics (ACEND) of the Academy of Nutrition and Dietetics (AND) are listed on the CADE ACEND Web site at: <http://www.eatright.org/students/getstarted/international/agencies.aspx> <http://www.eatright.org/ACEND/content.aspx?id=241>; and~~

~~b. Provide evidence of meeting all other requirements in these rules.~~

ITEM 3. Amend rule 645—81.6(152A) as follows:

~~**645—81.6(152A) Supervised experience.** The applicant shall complete a documented supervised practice experience component that meets the requirements established by the Commission on Dietetic Registration (CDR) of the American Dietetic Association (ADA) an accredited competency-based supervised experience program approved by the Accreditation Council for Education in Nutrition and Dietetics (ACEND) of the Academy of Nutrition and Dietetics (AND).~~

ITEM 4. Amend subrule 83.2(1) as follows:

~~**83.2(1)** Failure to comply with the American Dietetic Association Academy of Nutrition and Dietetics/Commission on Dietetic Registration, Code of Ethics for the Profession of Dietetics and Process for Consideration of Ethics Issues, as revised effective January 1, 2010, hereby adopted by reference. Copies may be obtained from the American Dietetic Association Academy of Nutrition and Dietetics/Commission on Dietetic Registration Web site at <http://www.edrnet.org> <http://www.eatright.org/codeofethics/>.~~

[Filed 12/31/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

ARC 1831C

SECRETARY OF STATE[721]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 47.1 and 17A.4, the Secretary of State hereby amends Chapter 21, "Election Forms and Instructions," Iowa Administrative Code.

These amendments are necessary to update references and implementation language throughout Chapter 21. These amendments are purely technical in nature and will not have any effect on election administration in the state of Iowa.

These amendments were published under Notice of Intended Action in the Iowa Administrative Bulletin on November 26, 2014, as **ARC 1735C**. No public comments were received. The adopted amendments are identical to those published under Notice of Intended Action.

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

These amendments are intended to implement Iowa Code section 47.1.

These amendments will become effective February 25, 2015.

The following amendments are adopted.

ITEM 1. Amend rule **721—21.2(47)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 43.11, 43.19, 43.54, 43.67, 43.78, 44.3, 45.3, 45.4, 46.20, 47.1, and 47.2, ~~sections 53.2, 53.8, 53.17, 53.22, 53.25, and 53.40, as amended by 2009 Iowa Acts, House File 475; sections 53.45, 61.3, 161A.5, 260C.15, and 277.4, sections 260C.15 and 376.4, as amended by 2009 Iowa Acts, House File 475; and sections 376.11 and 420.130.~~

ITEM 2. Amend subrule 21.3(1) as follows:

21.3(1) *Identification documents for persons other than election day registrants.* Unless the person is registering to vote at the polls on election day, precinct election officials shall accept the identification documents listed in Iowa Code section 48A.8 from any person who is asked or required to present identification pursuant to Iowa Code section 49.77 ~~as amended by 2009 Iowa Acts, House File 475.~~

SECRETARY OF STATE[721](cont'd)

ITEM 3. Amend rule **721—21.3(49,48A)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~section~~ sections 48A.7A and section 49.77 as amended by 2009 Iowa Acts, House File 475, and P.L. 107-252, Section 303.

ITEM 4. Amend rule **721—21.4(49)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 49.77 ~~as amended by 2009 Iowa Acts, House File 475.~~

ITEM 5. Amend rule **721—21.7(48A)**, implementation sentence, as follows:

This rule is intended to implement ~~2007 Iowa Acts, House File 653~~ Iowa Code section 48A.7A.

ITEM 6. Amend rule **721—21.25(50)**, first unnumbered paragraph, as follows:

The recount shall be conducted by members of the absentee and special voters precinct board following the provisions of Iowa Code ~~section~~ sections 50.48 as amended by 2009 Iowa Acts, House File 475, Iowa Code section and 50.49 and 721—Chapter 26. The commissioner may use different memory cards for the recount and shall retain the information on the memory cards used in the election pursuant to 721—subrule 22.51(13). The commissioner may also use different election definition files if the commissioner believes the original election definition files were flawed. If the commissioner uses different election definition files for the recount, the commissioner shall also retain the election definition files for the election as required by 721—subrule 22.51(14).

ITEM 7. Amend rule **721—21.25(50)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 50.48 ~~as amended by 2009 Iowa Acts, House File 475, and Iowa Code section 50.49~~ 50.50.

ITEM 8. Amend rule **721—21.202(43,52)**, implementation sentence, as follows:

This rule is intended to implement ~~2009 Iowa Code Supplement section 43.31 [2009 Iowa Acts, House File 475, section 6].~~

ITEM 9. Amend rule **721—21.203(49,52)**, implementation sentence, as follows:

This rule is intended to implement ~~2009 Iowa Code Supplement section 49.57A [2009 Iowa Acts, House File 475, section 32].~~

ITEM 10. Amend rule **721—21.301(53)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code ~~section 48A.29 and sections 48A.26, 48A.29, 48A.37 and 53.25 as amended by 2009 Iowa Acts, House File 475.~~

ITEM 11. Amend rule 721—21.304(53) as follows:

721—21.304(53) Absentee ballot requests from voters whose registration records are “pending.” A voter who requests an absentee ballot and is assigned a status of “pending” must provide identification pursuant to Iowa Code section 48A.8 ~~as amended by 2009 Iowa Acts, House File 475.~~

21.304(1) In-person applicants. In-person applicants for absentee ballots assigned a status of “pending” must show identification pursuant to Iowa Code section 48A.8 ~~as amended by 2009 Iowa Acts, House File 475,~~ before casting a ballot. If an in-person applicant provides identification as required by Iowa Code section 48A.8 when casting an absentee ballot in person, the commissioner shall assign the voter’s registration record a status of “active” and provide the voter with an absentee ballot. Voters who are unable to provide identification as required by Iowa Code section 48A.8 shall be offered a provisional ballot pursuant to Iowa Code section 49.81.

21.304(2) By-mail applicants. By-mail applicants for absentee ballots assigned a status of “pending” must either come to the commissioner’s office and show identification pursuant to Iowa Code section 48A.8 ~~as amended by 2009 Iowa Acts, House File 475,~~ or mail a photocopy of identification pursuant to Iowa Code section 48A.8 before the voter’s absentee ballot can be counted by the absentee and special voters precinct board. The commissioner shall mail the voter a notice informing the voter of the requirement to provide one of the identification documents listed in Iowa Code section 48A.8 before the voter’s absentee ballot can be considered for counting by the absentee and special voters precinct board.

SECRETARY OF STATE[721](cont'd)

If a by-mail applicant provides identification as required by Iowa Code section 48A.8, the commissioner shall assign the voter's registration record a status of "active."

21.304(3) *By-mail absentee voters assigned a status of "pending" who do not provide identification prior to election day.* The ballot of a by-mail absentee voter assigned a status of "pending" who has not shown identification in person at the commissioner's office or provided a photocopy of identification by mail pursuant to Iowa Code section 48A.8 ~~as amended by 2009 Iowa Acts, House File 475~~, shall be challenged by a member of the absentee and special voters precinct board on election day pursuant to Iowa Code section 53.31. The absentee and special voters precinct board shall immediately mail notice of the challenge to the voter. The notice shall include the deadline for the voter to provide identification pursuant to Iowa Code section 48A.8. If the voter provides identification pursuant to Iowa Code section 48A.8 prior to the time the absentee and special voters precinct board reconvenes to consider challenged absentee ballots pursuant to Iowa Code section 50.22, the voter's ballot shall be considered for counting by the absentee and special voters precinct board. If the voter does not provide identification pursuant to Iowa Code section 48A.8 prior to the time the absentee and special voters precinct board reconvenes to consider challenged absentee ballots pursuant to Iowa Code section 50.22, the voter's absentee ballot shall be rejected by the absentee and special voters precinct board. The voter shall be notified of the reason for rejection pursuant to Iowa Code section 53.25 ~~as amended by 2009 Iowa Acts, House File 475~~.

This rule is intended to implement Iowa Code ~~section~~ sections 48A.8, 53.25 and 53.31 ~~and sections 48A.8 and 53.25 as amended by 2009 Iowa Acts, House File 475~~.

ITEM 12. Amend rule 721—21.305(53), introductory paragraph, as follows:

721—21.305(53) Confirming commissioner's receipt of an absentee ballot on election day. If a voter's name is on the absentee list prepared pursuant to Iowa Code sections 49.72 and 53.19 ~~as amended by 2010 Iowa Acts, Senate File 2196~~, and the voter appears at the polling place to vote on election day, the precinct election officials may contact the commissioner's office to confirm whether the commissioner has received the voter's absentee ballot. If the precinct election officials are able to confirm either that the commissioner has not received the voter's absentee ballot or that the voter's absentee ballot has been received but cannot be counted due to a defective or incomplete affidavit, the precinct election officials shall permit the voter to cast a regular ballot at the polling place.

ITEM 13. Amend rule ~~721—21.305(53)~~, implementation sentence, as follows:

This rule is intended to implement Iowa Code sections 49.72, 49.81 and 53.19 ~~as amended by 2010 Iowa Acts, Senate File 2196~~.

ITEM 14. Amend paragraph **21.320(2)"g"** as follows:

g. Requests for absentee ballots through the end of the calendar year. ~~2009 Iowa Code Supplement~~ section 53.40 ~~as amended by 2010 Iowa Acts, Senate File 2194~~, permits UOCAVA voters to request the commissioner to send absentee ballots for all elections as permitted by state law. In response to an absentee ballot request in which the UOCAVA voter requests ballots for all elections, the commissioner shall send the applicant a ballot for each election held after the request is received through the end of the calendar year in which the request is received. If the applicant does not request ballots for all elections or does not specify which elections the request is for, the commissioner shall send the applicant a ballot only for federal elections through the end of the calendar year in which the request is received.

(1) and (2) No change.

SECRETARY OF STATE[721](cont'd)

ITEM 15. Amend rule 721—21.403(81GA, HF2282), parenthetical implementation statute, as follows:

721—21.403(81GA, HF2282 372) Special elections to fill vacancies in elective city offices for cities that may be required to conduct primary elections.

ITEM 16. Amend rule **721—21.403(372)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 372.13(2) ~~as amended by 2006 Iowa Acts, House File 2282, section 2.~~

ITEM 17. Amend rule 721—21.404(81GA, HF2282), parenthetical implementation statute, as follows:

721—21.404(81GA, HF2282 372) Special elections to fill vacancies in elective city offices for cities without primary election requirements.

ITEM 18. Amend rule **721—21.404(372)**, implementation sentence, as follows:

This rule is intended to implement Iowa Code section 372.13(2) ~~as amended by 2006 Iowa Acts, House File 2282, section 2.~~

ITEM 19. Amend paragraph **21.800(1)“c”** as follows:

c. The election shall be held on the first possible special election date for counties set forth in Iowa Code section 39.2, subsection 4, paragraph ~~“e,”~~ “a,” but no sooner than 84 days after the date upon which notice is given to the commissioner.

ITEM 20. Amend subrule 21.800(2) as follows:

21.800(2) As an alternative to the method of initiating a local option tax election described in subrule 21.800(1), governing bodies of cities and the county may initiate a local option tax election by filing motions with the county auditor pursuant to Iowa Code section 423B.1, subsection 4, paragraph ~~“b,”~~ requesting submission of a local option tax imposition, rate change, use change, or repeal to the qualified electors. Within 30 days of receiving a sufficient number of motions, the county commissioner shall notify affected jurisdictions of the local option tax election date. The election shall be held on the first possible special election date for counties set forth in Iowa Code section 39.2, subsection 4, paragraph ~~“e,”~~ “a,” but no sooner than 84 days after the date upon which the commissioner received the motion triggering the election.

ITEM 21. Amend paragraph **21.800(3)“d”** as follows:

d. The notice of election provided for in Iowa Code section 49.53 ~~as amended by 2009 Iowa Acts, House File 475,~~ shall also be published at the time and in the manner specified in that section.

ITEM 22. Amend paragraph **21.801(1)“a,”** fourth unnumbered paragraph, as follows:

(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 ~~as amended by 2009 Iowa Acts, House File 475.~~)

ITEM 23. Amend paragraph **21.801(1)“b,”** fourth unnumbered paragraph, as follows:

(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 ~~as amended by 2009 Iowa Acts, House File 475.~~)

ITEM 24. Amend paragraph **21.801(1)“c,”** fourth unnumbered paragraph, as follows:

(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the

SECRETARY OF STATE[721](cont'd)

ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 25. Amend paragraph **21.801(1)“d,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 26. Amend paragraph **21.801(1)“e,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 27. Amend paragraph **21.801(1)“f,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 28. Amend paragraph **21.801(1)“g,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 29. Amend paragraph **21.801(1)“h,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 30. Amend paragraph **21.801(1)“i,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 31. Amend paragraph **21.801(1)“j,”** fourth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using special paper ballots which are read by computerized tabulating equipment may summarize the question on the ballot and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 32. Amend subrule **21.801(2),** fifth unnumbered paragraph, as follows:
(Insert in substantially the following form the entire text of the proposed public measure immediately below the summary on all paper ballots as provided in Iowa Code section 49.45. Counties using optical scan ballots which are read by automatic tabulating equipment may summarize the question on the ballot

SECRETARY OF STATE[721](cont'd)

and post the complete text as provided in Iowa Code section 52.25 as amended by 2009 Iowa Acts, House File 475.)

ITEM 33. Amend subrule 21.802(2) as follows:

21.802(2) Notice of local vehicle tax election. Not less than 60 days before the date that a local vehicle tax election will be held, the county commissioner of elections shall publish notice of the ballot proposition. The notice does not need to include a sample ballot, but shall include all of the information that will appear on the ballot. The notice of election provided for in Iowa Code section 49.53 as amended by 2009 Iowa Acts, House File 475, shall also be published at the time and in the manner specified in that section.

ITEM 34. Amend rule 721—21.803(82GA, HF2663), parenthetical implementation statute, as follows:

721—21.803(82GA, HF2663 423F) Revenue purpose statement ballots.

ITEM 35. Amend subrule **21.803(1)**, last unnumbered paragraph, as follows:

(Insert here the revenue purpose statement that was adopted by the school board and that states the intended uses of the funds by the school district. The use or uses must be among the approved uses of the tax that are authorized by 2008 Iowa Acts, House File 2663, section 29 Iowa Code chapter 423F.)

ITEM 36. Amend subrule **21.803(2)**, sixth unnumbered paragraph, as follows:

(Insert here the revenue purpose statement that was adopted by the school board and that states the intended uses of the funds by the school district. The use or uses must be among the approved uses of the tax that are authorized by 2008 Iowa Acts, House File 2663, section 29 Iowa Code chapter 423F.)

ITEM 37. Amend rule **721—21.803(423F)**, implementation sentence, as follows:

This rule is intended to implement 2008 Iowa Acts, House File 2663, section 29 Iowa Code section 423F.3.

[Filed 12/31/14, effective 2/25/15]

[Published 1/21/15]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 1/21/15.

AGENCY	RULE	DELAY
Economic Development Authority[261]	48.7(2) [IAB 12/24/14, ARC 1801C]	Effective date of January 28, 2015, delayed until the adjournment of the 2015 General Assembly by the Administrative Rules Review Committee at its meeting held January 6, 2015. [Pursuant to §17A.8(9)]