

IOWA ADMINISTRATIVE BULLETIN

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PREFACE

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

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

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

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

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CITATION of Administrative Rules

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

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

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

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

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

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

Schedule for Rulemaking—2026

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

PLEASE NOTE:

Rules will not be accepted by the Publications Editing Office after 12:00 p.m. noon on a submission deadline unless prior approval has been received from the Administrative Rules Coordinator and the Administrative Code Editor. If the submission deadline falls on a legal holiday, submissions made on the following business day will be accepted.

†To allow time for review by the Administrative Rules Coordinator prior to the Notice submission deadline, Notices should generally be submitted in RMS four or more business days in advance of the deadline. The first possible Notice submission deadline noted above may not allow sufficient time for this. **Agencies should plan accordingly.**

****Bold and asterisks indicate change of regular submission deadline****

The following list will be updated as changes occur.

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

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

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

ADMINISTRATIVE RULES COORDINATOR[7]
ADMINISTRATIVE SERVICES DEPARTMENT[11]
AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]
 Soil Conservation and Water Quality Division[27]
ATTORNEY GENERAL[61]
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CHIEF INFORMATION OFFICER, OFFICE OF THE[129]
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RA 26-42

HUMAN SERVICES DEPARTMENT[441]**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 131
“Social Casework”

Iowa Code section(s) or chapter(s) authorizing rulemaking: Executive Order 10
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 234

Public Hearing

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

May 5, 2026
10 a.m.

Microsoft Teams
Meeting ID: 272 564 125 499 36
Passcode: fJ693L5F

Public Comment

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

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

Purpose and Summary

Chapter 131 underwent a Red Tape Review pursuant to Executive Order 10. As a result, the Department determined the chapter was largely duplicative of 441—Chapter 130, which is being addressed in a separate proposed rulemaking.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
No one will benefit from this proposed rulemaking, but neither will anyone be harmed.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
Not applicable. Chapter 131 is proposed to be rescinded because the chapter is redundant.
 - **Qualitative description of impact:**
Not applicable. Chapter 131 is proposed to be rescinded because the chapter is redundant. There is no impact on services or eligibility.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs, but none associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

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

Chapter rescission is appropriate.

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

Chapter rescission is appropriate.

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

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

The Department considered leaving this chapter in place.

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

The Department determined this chapter is duplicative of 441—Chapter 130, which is being addressed in a separate proposed rulemaking.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **441—Chapter 131**.

RA 26-54**HUMAN SERVICES DEPARTMENT[441]****Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 177
 “In-Home Health-Related Care”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 249.3(2)

State or federal law(s) implemented by the rulemaking: Iowa Code section 249.3(2)

Public Hearing

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

May 5, 2026

10 a.m.

Microsoft Teams

Meeting ID: 272 564 125 499 36

Passcode: fJ693L5F

Public Comment

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

Victoria L. Daniels

321 East 12th Street

Des Moines, Iowa 50319

Phone: 515.829.6021

Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The purpose of this proposed rulemaking is to describe the In-Home Health-Related Care program, which is designed to provide in-home nursing care to an individual whose physical, developmental, or mental health prevents independent self-care. The provider, who is usually a relative, is certified by a physician, and the program dollars are optimized by not paying a higher rate charged by an agency.

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result, the Department standardized terminology, removed provisions that were no longer valid, and reduced restrictive terms.

The Department also changed the certification period from once every 180 days to once every 365 days.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

There are no costs associated with this proposed rulemaking.

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

Individuals who receive in-home health-related care and their families will benefit from the guidance in this proposed rulemaking.

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

- **Quantitative description of impact:**

In SFY 2025, there was a monthly average of 184 individuals served under the program. Expenditures under the program averaged \$85,223 per month, with a total of \$1,022,676 expended.

- **Qualitative description of impact:**

The cost of reimbursing a family member to provide in-home care is significantly less than utilizing in-home agency providers, adult day centers, or facility-based care. This model also reinforces consumer choice and person-centered practices.

3. Costs to the State:

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

The Department incurs personnel and other administrative costs associated with implementing the proposed chapter.

- **Anticipated effect on State revenues:**

Because the Department is not making any substantive changes to the program in this proposed chapter, there will be no impact on State revenues.

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

Iowa Code section 249.3(2)“a”(1) permits the Department to define and establish the information contained in these proposed rules.

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

Not applicable.

6. Alternative methods considered by the agency:

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

Not applicable.

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

Iowa Code section 249.3(2)“a”(1) permits the Department to define and establish the information contained in these proposed rules.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 177 and adopt the following **new** chapter in lieu thereof:

CHAPTER 177
IN-HOME HEALTH-RELATED CARE

441—177.1(249) Definitions.

“Nursing care” includes skilled services and personal care services.

“Own home” means an individual’s house, apartment, or other living arrangement intended for single or family residential use.

“Personal care services” includes:

1. Services that assist a client with the activities of daily living, such as but not limited to helping the client with bathing, toileting, getting in and out of bed, ambulation, hair care, oral hygiene and administering medications that are physician-ordered but ordinarily self-administered.

2. Services that help or retrain the client in necessary skills for daily living.

3. Incidental household services that are essential to the client’s health care at home and are necessary to prevent or postpone institutionalization.

“Skilled nursing services” are services for which an individualized assessment of a patient’s clinical condition demonstrates that the specialized judgment, knowledge, and skills of a registered nurse or, when provided by regulation, a licensed practical (vocational) nurse (skilled care) are necessary.

“Skilled services” include skilled nursing services or other services that, based on a physician’s certification, are required to be performed under the supervision of a physician, nurse practitioner, clinical nurse specialist, or physician associate.

“Supervising practitioner” means a physician, nurse practitioner, clinical nurse specialist, or physician associate qualified to supervise skilled services.

441—177.2(249) Eligibility and application.

177.2(1) Eligibility. To be eligible for in-home health-related care (IHHRC):

a. The individual must be eligible for supplemental security income (SSI) in every respect, except for income.

b. A physician must certify in accordance with rule 441—177.5(249) that the individual requires either skilled services or personal care services and that those services can be provided in the individual’s own home. The certification shall be provided using a form prescribed by the department.

c. The individual shall live in the individual’s own home. Notwithstanding the foregoing, an individual will remain eligible for a period not to exceed 15 days in any calendar month when the client is temporarily absent from the client’s home.

d. The individual shall obtain a physical examination report annually and shall be under the supervision of a physician.

e. The required skilled services or personal care services must not be available under any other state or federal program.

f. The countable income of the individual and spouse living in the home shall be limited to \$480.55 per month if one needs care or \$961.10 if both need care, after the following disregards from gross income:

(1) The amount of the basic SSI standard for an individual or a couple, as applicable.

(2) When income is earned, \$65 plus one-half of any remaining income.

(3) The amount of the SSI standard for a dependent plus any established unmet medical needs for each dependent living in the home. Any income of the dependent shall be applied to the dependent’s needs before making this disregard.

(4) The amount of the established medical needs of the ineligible spouse that are not otherwise met.

(5) The amount of the established medical needs of the applicant or recipient that are not otherwise met and would not be met if the individual were eligible for the medical assistance program.

g. Income for children.

(1) All income received by the parents in the home shall be deemed to the child with the following disregards:

1. The amount of the basic SSI standard for an individual when there is one parent in the home or for a couple when there are two parents in the home.

2. The amount of the basic SSI standard for a dependent for each ineligible child in the home.

3. The amount of the unmet medical needs of the parents and ineligible dependents.

4. When all income is earned, an additional basic SSI standard for an individual in a one-parent home or for a couple in a two-parent home.

5. When the income is both earned and unearned, \$65 plus one-half of the remainder of the earned income.

(2) The countable income of the child shall be limited to \$480.55 per month after the following disregards from gross income:

1. The amount of the basic SSI standard for an individual.

2. The amount of the established medical needs of the child that are not otherwise met and would not be met if the child were eligible for the medical assistance program.

3. One-third of the child support payments received from an absent parent.

177.2(2) Application. Application for IHHRC shall be made on a form prescribed by the department and submitted to the department. An eligibility determination will be completed within 30 days from the date of the application unless one or more of the following conditions exist:

a. An application has been filed and is pending for federal SSI benefits.

b. The application is pending because the department has not received information that is beyond the control of the client or the department.

c. The application is pending due to the disability determination process performed through the department.

d. The application is pending because the provider agreement has not been completed and completion is beyond control of the client. When the provider agreement cannot be completed due to the client's failure to locate a provider, applications will not be held pending beyond 60 days from the date of application.

441—177.3(249) Qualifications of providers of health care services.

177.3(1) Age. The provider shall be at least 18 years of age.

177.3(2) Health assessment. The provider shall obtain certification on a form prescribed by the department that the provider is physically and emotionally capable of providing assistance to another person whose physical, developmental or mental health prevents independent self-care.

a. The certification shall be based on an examination performed by:

(1) A physician; or

(2) An advanced registered nurse practitioner or physician associate if the advanced registered nurse practitioner or physician associate is working under the direction of a physician.

b. If the provider works for an agency, the practitioner performing the examination may not be employed by the same agency.

c. The practitioner conducting the examination shall sign the certification.

d. The certification shall be submitted to the department:

(1) Before the provider agreement is signed, and

(2) Annually thereafter.

177.3(3) Qualifications. The provider shall be qualified by training and experience to carry out the health care plan as specified in subrule 177.6(1).

177.3(4) Relative. The provider may be related to the client, so long as the provider is not the client's:

- a. Legal spouse, including a common law spouse, who resides in the same household.
- b. Natural mother or father, adoptive mother or father, or stepmother or stepfather, who resides in the same household.

441—177.4(249) Physician’s certification.

177.4(1) Certification requirements. A physician must certify on a form provided by the department:

- a. That the skilled services or personal care services are required by the person’s physical, developmental or mental health;
- b. The specific skilled services or personal care services required, the method of providing those services, and the expected duration of those services; and
- c. That the required skilled services and personal care services can be delivered in the individual’s own home.

177.4(2) Certification review. After certification and any subsequent recertification, a physician must review the certification and withdraw, renew, or amend the existing certification:

- a. No later than the 365th day after the existing certification;
- b. More frequently than yearly after the existing certification if required by the physician, the department, or a supervising practitioner; or
- c. Upon notification of initiation of Medicaid waiver services.

441—177.5(249A) Department duties.**177.5(1) Service plan.**

a. In consultation with the client’s case manager and any supervising health practitioner, the department will create a complete service plan for the client. The plan must avoid duplication of services and include all of the following:

- (1) All of the services certified by a physician under rule 441—177.4(249).
- (2) Payer sources. IHHRC care shall be provided only when other programs cannot meet the client’s needs.
- (3) Level of service needs.
- (4) Service history. If the client is being transferred from a medical hospital or long-term care facility, the department will also obtain a transfer document describing the client’s current care plan.

b. In consultation with the client’s case manager and any supervising health practitioner, the department will review and update the service plan on or before the ninetieth day following the creation of or previous review of the service plan. The updated service plan must comply with paragraph 177.5(1) “a.”

177.5(2) Change in condition. If the department becomes aware of any changes in the individual’s condition, including discharge from a facility, that could require a change in the services provided, the department will ensure that a physician reviews the existing certification and that the existing certification is withdrawn, renewed, or amended.

177.5(3) Service documentation.

a. The department will review the service documentation submitted by the client or provider, including any requests for supplementation of services.

b. If there are concerns as a result of such a review, there will be a change in the service plan.

441—177.6(249) Supervising practitioner duties.

177.6(1) Instruction. The supervising practitioner shall provide instruction specific to each patient and the services each patient is receiving, including but not limited to instruction on documentation the worker should be creating and instruction on warning signs of which the department should be aware.

177.6(2) *Schedule for reviewing documentation.* The supervising practitioner shall set up a schedule for reviewing documentation that is specific to the services being provided to that particular patient and shall review the documentation according to the schedule.

177.6(3) *Medical records.*

a. The supervising practitioner shall keep appropriate medical records, a copy of the service plan, and the physician's certification in the supervising practitioner's case file. In addition, the medical records shall include, whenever appropriate, transfer forms, physician's orders, progress notes, drug administration records, treatment records, and incident reports.

b. The supervising practitioner shall make all medical records available to the department, the client, and the client's legal representative.

c. The supervising practitioner shall ensure that, upon termination of the in-home care plan, the medical records are transferred to the department.

d. The department will retain medical records transferred to it under paragraph 177.6(3) "c" for five years or, if an audit is commenced within the five years, until completion of that audit.

441—177.7(249) Written agreements.

177.7(1) *Independent contractor.* The provider shall be an independent contractor and shall not be an agent, employee or servant of the state of Iowa, the department or any of its employees or clients.

177.7(2) *Liability coverage.* All professional health care providers shall have adequate liability coverage consistent with the professional health care providers' responsibilities, since the department assumes no responsibility, or liability, for individuals providing care.

177.7(3) *Provider agreement.*

a. The client and the provider shall enter into an agreement using a form prescribed by the department prior to the provision of service. Any reduction to the state supplemental assistance program shall be applied to the maximum amount paid by the department as stated in the provider agreement by using the separate amendment to provider agreement form.

b. Written instructions for dealing with emergency situations will be completed by the department and included in the provider agreement, which shall be maintained in the client's home and at the department. The instructions will include:

(1) The name and telephone number of the client's physician, responsible family members or other significant persons;

(2) Information as to which hospital to utilize; and

(3) Information as to which ambulance service or other emergency transportation to utilize.

441—177.8(249) Payment.

177.8(1) *Payment approved.* Notwithstanding 42 U.S.C. §1382(c)(7) as amended to August 1, 2026, after the department approves the service plan, payment is effective as of the later of (1) the date of the application or (2) the date all eligibility requirements are met and qualified health care services are provided.

177.8(2) *Client participation.*

a. Except as provided in paragraph 177.8(2) "b," all income remaining after excluding the amounts identified in paragraphs 177.2(1) "f" and "g" will be considered income available for services (client participation) and the IHHRC program will pay only the cost of eligible services that exceeds client participation up to the maximum benefit payable.

b. When the first month of service is less than a full month, there is no client participation for that month. Payment will be made for the actual days of service provided according to the agreed-upon rate up to the maximum benefit payable.

177.8(3) *Maximum benefit payable.* The maximum benefit payable for IHHRC services inclusive of all services for all providers is the reasonable charges for such services up to and

including \$480.55. The provider shall accept the maximum benefit payable and shall not charge the client or others in excess of that benefit.

177.8(4) *Payment.* The client or the person legally designated to handle the client's finances shall be the sole payee for payments made under the program and shall be responsible for making payment to the provider except when the client payee becomes incapacitated or dies while receiving service.

a. The department will have the authority to issue one payment to a provider on behalf of a client payee who becomes incapacitated or dies while receiving service.

b. When continuation of an incapacitated client payee in the program is appropriate, the department will assist the client and the client's family to legally designate a person to handle the client's finances. Guardians, conservators, protective or representative payees, or persons holding financial power of attorney are considered to be legally designated.

c. If the client has a temporary absence from home, payment will not be authorized for over 15 days for any continuous absence whether or not the absence extends into a succeeding month or months.

177.8(5) *Reasonable charges.* Payment will be made only for reasonable charges for in-home health care services as determined by the department, which will determine reasonableness by:

a. The prevailing community standards for cost of care for similar services.

b. The availability of services at no cost to the IHHRC program.

441—177.9(249) Termination conditions. Termination of IHHRC will occur under the following conditions.

177.9(1) *Request.* When the client or the client's legal representative requests termination.

177.9(2) *Care unnecessary.* When the client becomes sufficiently able to remain in the client's own home with services that can be provided by other sources as determined by the department.

177.9(3) *Additional care necessary.* When the physical or mental condition of the client requires more care than can be provided in the client's own home as determined by the department in consultation with the certifying physician.

177.9(4) *Excessive costs.* When the cost of care exceeds the maximum established in subrule 177.9(3).

177.9(5) *Other services utilized.* When the department determines that other services can be utilized to better meet the client's needs.

177.9(6) *Terms of provider agreement not met.* When it has been determined by the department that the terms of the provider agreement have not been met by the client or the provider, the state supplementary assistance payment may be terminated.

177.9(7) *Failing to comply with program requirements.* When the recipient is not following the program requirements or cooperating with the program objectives, including but not limited to a failure to provide documentation to program representatives.

177.9(8) *Notice and appeal.* Written notice of termination will be provided pursuant to 441—Chapter 16. The decision may be appealed pursuant to 441—Chapter 2506.

These rules are intended to implement Iowa Code section 249.3(2) "a"(2).

RA 26-45

IOWA FINANCE AUTHORITY[265]**Regulatory Analysis**

Notice of Intended Action to be published: 265—Chapter 25
 “Natural Hazard Mitigation Financing Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)“r” and 16.17
 State or federal law(s) implemented by the rulemaking: Iowa Code sections 16.230 through 16.233
 and chapter 29D

Public Hearing

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

May 5, 2026
 9 to 9:15 a.m.

Via Microsoft Teams
 Information about Teams participation can be
 found at
[opportunityiowa.gov/about/iowa-finance-
 authority/ifa-red-tape-review](https://opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review)

Public Comment

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

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

Purpose and Summary

The Authority proposes to adopt Chapter 25 to implement Iowa Code sections 16.230 through 16.233 and chapter 29D as enacted by 2025 Iowa Acts, Senate File 619. Chapter 25 describes the policies and procedures applicable to the Authority’s responsibilities relating to the Natural Hazard Mitigation Financing Program. The program provides loans for projects that mitigate the impact of natural hazards and is a joint and cooperative undertaking of the Authority and the Department of Homeland Security and Emergency Management.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

Entities applying for or receiving a loan through the program will bear the costs of the proposed rulemaking.

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

Entities interested in applying for or receiving a loan through the program will benefit from the proposed rulemaking.

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

- **Quantitative description of impact:**

Entities applying for a loan may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers involved.

Recipients will pay interest on loans as determined by the Authority. Recipients will also pay the following fees:

1. A loan initiation fee equal to 0.5 percent of the loan commitment amount, not to exceed \$100,000; and
2. An annual loan servicing fee equal to 0.25 percent of the outstanding principal balance.

- **Qualitative description of impact:**

The program provides loans for projects that mitigate the impact of natural hazards.

3. Costs to the State:

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

Authority staff time is required to review and approve applications, draft and execute program contracts, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The proposed chapter has no anticipated impact on State revenues.

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

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

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

The Authority has not identified any less costly methods or less intrusive methods for administering the program.

6. Alternative methods considered by the agency:

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

The Authority did not consider any other methods.

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

The Authority did not consider any other methods.

Small Business Impact

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

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

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

The proposed rulemaking does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 265—Chapter 25:

CHAPTER 25
NATURAL HAZARD MITIGATION FINANCING PROGRAM

265—25.1(16) Purpose and authority responsibilities. The program is established pursuant to Iowa Code chapter 29D. The authority is primarily responsible for the financial management of the program pursuant to Iowa Code chapter 29D and chapter 16, subchapter X, part 11; the STORM Act; the rules promulgated under Iowa Code chapter 17A by the department or the authority; and any other applicable federal or state laws. The authority’s financial management responsibilities include but are not limited to the following:

1. Managing the financial assets of the program, including investments and audits;
2. Receiving, reviewing and approving loan applications;
3. Executing loan agreements, including establishing loan terms; and
4. Disbursing loan funds and monitoring loan repayments.

265—25.2(16) Definitions.

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1.

“*Cost*” means the same as defined in Iowa Code section 29D.2.

“*Department*” means the Iowa department of homeland security and emergency management.

“*Director*” means the director of the authority.

“*Eligible costs*” means all costs related to the completion of a project as approved by the department.

“*Eligible entity*” means the same as defined in Iowa Code section 29D.2.

“*FEMA*” means the Federal Emergency Management Agency.

“*Fiscal year*” means the state fiscal year starting July 1 and ending June 30.

“*Intended use plan*” or “*IUP*” means a plan developed by the department identifying the intended uses of funds available through the program.

“*Loan recipient*” means the same as defined in Iowa Code section 16.230.

“*Net revenues*” means the same as defined in Iowa Code section 384.80.

“*Private entity*” means the same as defined in Iowa Code section 29D.2.

“*Program*” means the same as defined in Iowa Code section 16.230.

“*Project*” means the same as defined in Iowa Code section 16.230.

“*State project proposal list*” means a priority-ranked list of mitigation projects the department may fund using STRLF funds.

“*Safeguarding tomorrow revolving loan fund*” or “*STRLF*” means the natural hazard mitigation revolving loan fund created in Iowa Code section 29D.4.

“*Safeguarding tomorrow through ongoing risk mitigation Act*” or “*STORM Act*” means the same as defined in Iowa Code section 29D.2.

265—25.3(16) Eligibility, application, and approval.

25.3(1) Only projects included in the state project proposal list and compliant with the IUP are eligible for the program.

25.3(2) Moneys in the fund shall not be used to provide a loan to a private entity for the acquisition of real property.

25.3(3) The authority will consider the following when determining whether to provide a loan to an eligible entity:

- a. Loan recipient's financial capability;
- b. Loan recipient's willingness to accept all loan terms, conditions, and covenants;
- c. The priority of the project on the state proposed project list;
- d. Funds available; and
- e. Whether the loan recipient has a record of violations of the law that over a period of time tends to show a consistent pattern or that establishes intentional, criminal, or reckless conduct in violation of such laws.

25.3(4) Applications for loans shall be submitted to the authority in the form and content established by the authority. The application will include:

- a. A description of the project, project budget, and estimated project timeline;
- b. The requested loan amount and loan term;
- c. The proposed security for the loan and documentation that approval processes have been initiated;
- d. The tax status of the loan;
- e. The other sources of funds for the project;
- f. A pro forma cash flow analysis in a form acceptable to the authority that demonstrates that the net revenues of the borrower are sufficient pursuant to paragraph 25.4(2) "c";
- g. Documentation that technical and environmental review has been completed; and
- h. Any other information reasonably requested by the authority.

25.3(5) Subsequent segments of a project that have been previously awarded financial assistance will receive priority over new projects. Loans made for separate segments of a project will be administered separately.

25.3(6) Requested loan amounts may be adjusted to reflect eligible costs.

25.3(7) Complete and eligible loan applications that are recommended for approval based on the criteria in these rules will be considered by the authority board. The board may approve, deny, or defer an application for a loan.

265—25.4(16) Loans.

25.4(1) *Loan agreements.* The authority will prepare a loan agreement after an application has been approved by the authority board.

25.4(2) *Loan terms.*

a. *Interest rates.* The authority shall determine loan interest rates in cooperation with the department to be established in the IUP.

b. *Fees.*

(1) The loan initiation fee shall be equal to 0.5 percent of the loan commitment amount, not to exceed \$100,000. The fee shall be payable on the closing date of the loan agreement.

(2) The annual loan servicing fee shall be equal to 0.25 percent of the outstanding principal balance. Payment of the loan servicing fee will be made semiannually along with scheduled interest payments.

c. *Revenue pledge.* The loan recipient shall establish sufficient revenue sources for the repayment of the loan, as determined by the authority. To ensure repayment of obligations according to the terms of the loan agreement, the loan recipient shall agree to impose, collect, and increase, if necessary, user charges, taxes, or other dedicated revenue sources identified for the loan repayment in order to maintain annual net revenues at a level equal to at least 110 percent of the amount necessary to pay debt service on all revenue obligations during the next fiscal year. At the discretion of the director or director's designee, the authority may allow other revenue sources and coverage of less than 110 percent. At the discretion of the director or director's designee, the authority may require revenue sources and coverage in excess of 110 percent of the amount necessary to pay all revenue obligations if the loan recipient has a history of default on its revenue obligations or insufficient credit

history, as determined by the authority. The loan agreement shall authorize the authority to require revenue adjustment to collect delinquent loan payments.

d. Security.

(1) A loan may be secured by a first lien upon the loan recipient's net revenues. Loans secured by net revenues may rank on a parity basis with other outstanding obligations, or, with the approval of the director or director's designee, those loans may be subordinate in right of payment to the loan recipient's other outstanding revenue obligations.

(2) A loan may be secured by a general obligation of the loan recipient, and the loan recipient may achieve this through the provision for a levy of taxes to repay the loan.

e. Construction payment schedules. The loan agreement shall include an estimated construction drawdown schedule provided by the loan recipient.

25.4(3) *Loan commitments.* Loan funds are considered a binding commitment at the time a loan agreement is executed.

25.4(4) *Costs.* The loan recipient shall use the program loan proceeds solely for the purpose of eligible costs of the approved project. The loan recipient must document all eligible costs to the satisfaction of the authority and the department before loan proceeds are disbursed.

25.4(5) *Loan amount and repayment period.* All loans shall be made contingent on the availability of funds. The maximum loan term will be 30 years. Repayment of the loan must begin no later than one year after the project is substantially complete.

25.4(6) *Prepayment.* A loan recipient may prepay a loan, in whole or in part, on any date with the prior written consent of the authority.

25.4(7) *Disbursement of funds.* Funds shall be disbursed in accordance with the loan agreement. The loan agreement may allow for periodic disbursement of funds.

265—25.5(16) Administration.

25.5(1) The loan recipient shall maintain records that document all costs associated with the project. The loan recipient shall provide access to these records to the authority, the department, the auditor of the state of Iowa, FEMA, the Office of the Inspector General at FEMA, or their agents or designees upon request. The loan recipient shall retain such records and documents for inspection and audit purposes for a period of three years from the date of the final loan payment.

25.5(2) The loan recipient shall provide the authority, the department, or their agents or designees access to the project site on request for the duration of the loan to verify that the funds are being used for the purpose intended, that the construction work meets applicable state and federal requirements, and that the project is being operated and maintained as designed.

25.5(3) The loan recipient's accounting procedures shall conform to generally accepted government accounting standards.

25.5(4) The authority may, for cause, find that a loan recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of loan funds not yet disbursed or return of loan funds already disbursed. Findings of noncompliance may include but are not limited to the use of loan funds for activities not described in the application; failure to begin construction within one year of execution of a loan agreement; or failure to comply with any applicable state or federal rules, regulations, or laws.

265—25.6(16) References. References to the STORM Act are as in effect on [effective date of this rulemaking].

These rules are intended to implement Iowa Code chapter 29D and sections 16.230 through 16.233.

RA 26-46**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 4
“Employers”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 97B

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:****• Classes of persons that will bear the costs of the proposed rulemaking:**

IPERS members and beneficiaries and IPERS-covered public employees will be affected by the proposed rulemaking. This proposed rulemaking does not incur cost to the public.

- **Classes of persons that will benefit from the proposed rulemaking:**
This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.
- 2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
This proposed rulemaking will benefit over 2,000 IPERS-covered employers by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.
 - **Qualitative description of impact:**
This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.
- 3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**
IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.
 - **Anticipated effect on State revenues:**
This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.
- 4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**
IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.
- 5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**
IPERS has not identified any less costly methods or less intrusive methods.
- 6. **Alternative methods considered by the agency:**
 - **Description of any alternative methods that were seriously considered by the agency:**
Not applicable.
 - **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**
Not applicable.

Small Business Impact

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4
EMPLOYERS

495—4.1(97B) Covered employers.

4.1(1) Definitions. All public employers in the state of Iowa, its cities, counties, townships, agencies, political subdivisions, instrumentalities and public schools are required to participate in IPERS. For this chapter, the following definitions apply:

a. "Political subdivision" means a geographic area or territorial division of the state that has responsibility for certain governmental functions. Political subdivisions are characterized by public election of officers and taxing powers. The following examples are representative: cities, municipalities, counties, townships, schools and school districts, drainage and levee districts, and utilities.

b. "Instrumentality of the state or a political subdivision" means an independent entity that is organized to carry on some specific function of government. Public instrumentalities are created by some form of governmental body, including federal and state statutes and regulations, and are characterized by being under the control of a governmental body. Such control may include final budgetary authorization, general policy development, appointment of a board by a governmental body, and allocation of funds.

c. "Public agency" means state agencies and agencies of political subdivisions. Representative examples include an executive board, commission, bureau, division, office, or department of the state or a political subdivision.

An entity not already reporting to IPERS that meets the conditions for becoming an IPERS-covered employer shall immediately contact IPERS to provide notice, including the entity's name and address and other information required by IPERS. If, after review of this information, IPERS enrolls the entity as a covered employer, IPERS will notify the entity and provide an IPERS account number for the entity to use when submitting information. IPERS is not required to provide benefits otherwise available under Iowa Code chapter 97B for periods of service prior to the effective date for which IPERS actually approves the entity for coverage, unless the employer agrees to pay the full actuarial cost of providing such benefits.

An employer may request a revised beginning date for its status as a covered employer. The employer must submit proof acceptable to IPERS that its status as a covered employer began earlier than the date previously provided. In such case, the employer shall provide IPERS coverage retroactively to all employees providing services to that employer on or after the revised beginning date and shall pay all actuarial costs.

4.1(2) Name change. An employer shall immediately notify IPERS of any change to its name, address, title of the employer, its reporting official or any other identifying information. The notice must provide:

- a.* Former name;
- b.* Former address;
- c.* IPERS account number;
- d.* Employer's new name, address, and telephone number;
- e.* Reason for the change if other than a change of reporting official; and
- f.* Effective date of the change.

4.1(3) Termination. Any employer that terminates or is dissolved for any reason shall provide IPERS with the following:

- a.* Complete name and address of the dissolved entity;

- b. Assigned IPERS account number;
- c. Last date on which wages were paid;
- d. Date on which the entity dissolved;
- e. Reason for the dissolution;
- f. Whether or not the entity expects to pay wages in the future;
- g. Whether the entity is being absorbed by another covered employer;
- h. Name and address of absorbing employer if applicable; and
- i. Name and address of employer that will retain the records of the dissolved entity.

4.1(4) Reports of dissolved or absorbed employers. An employer that has been dissolved or entirely absorbed by another employer shall file a monthly report with IPERS through the effective date on which it was dissolved or absorbed. Any wages paid after this date are reported under the account number assigned to the new or successor employer, if any.

4.1(5) IPERS account number. Each employer is assigned an IPERS account number. Employers have to use this number on all correspondence and reporting forms directed to IPERS.

4.1(6) Patient advocates. For patient advocates employed under Iowa Code section 229.19, the county or counties for which services are performed are treated as the covered employer(s) of such individuals, and each such employer is responsible for forwarding reports and withholding and forwarding the applicable IPERS contributions on wages each employer pays.

495—4.2(97B) Records maintained by the employer.

4.2(1) General. Each employer shall maintain records satisfying subrule 4.2(2). Employers shall keep records in the form and manner prescribed by IPERS. Records are open to IPERS' inspection and copying at any reasonable time.

4.2(2) Required information. Records must show:

- a. Employee's name, address, gender, and social security account number, and other demographic information that may be required;
- b. Each date the employee was paid wages or other wage equivalent (e.g., room, board);
- c. Total amount of wages paid on each date including noncash wage equivalents;
- d. Total amount of wages including wage equivalents on which IPERS contributions are payable;
- e. Amount withheld from wages or wage equivalents for the employee's share of IPERS contributions; and
- f. Effective January 1, 1995, records show, with respect to each employee, member contributions picked up by the employer.

4.2(3) Reports.

a. Effective July 1, 2021, employers shall report the termination date and date of final paycheck for all terminating employees to IPERS with the final wage report provided by Iowa Code section 97B.14A for such employee. This report must contain the employee's last-known mailing address and such other information as IPERS might require.

b. The Iowa department of administrative services and the Iowa department of corrections shall notify IPERS prior to adding additional job classifications to the protection occupation class. The notification shall include the effective date, names and social security numbers of the employees involved.

4.2(4) Fees. IPERS may assess the employer a fee for administrative costs as described in subrule 4.3(6).

495—4.3(97B) Wage reporting and payment of contributions by employers.

4.3(1) Payment of contributions.

a. Upon enrollment as an IPERS-covered employer, IPERS sends the employer the appropriate forms and instructions to submit contributions described in Iowa Code sections 97B.11 and 97B.14. IPERS provides monthly statements to each employer.

b. IPERS accepts the payment of contributions through electronic funds transfer. Employers shall make payments utilizing the electronic funds transfer system according to the procedure described by IPERS.

c. IPERS accepts the payment of contributions using checks and remittance advice forms. Employers filing monthly employer remittance advice forms on paper for two or more employers shall attach the checks to each remittance form. Employers shall make checks payable to the Iowa Public Employees' Retirement System and mailed with the employer remittance advice form to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Effective August 1, 2008, such payments and reports are subject to a fee as described in subrule 4.3(6).

d. Contributions described in Iowa Code sections 97B.11 and 97B.14 are due on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the contribution is due on the next regularly scheduled business day.

e. Employers paying contributions by electronic funds transfer may submit wage reports and contributions at the same time.

4.3(2) *Wage reports.* Wage reports under Iowa Code chapter 97B.14A are due on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the wage report is due on the next regularly scheduled business day. Each wage report must include the required information for all employees who earned reportable wages or wage equivalents under IPERS.

IPERS accepts wage reports electronically via IPERS' employer self-service Internet application or as a paper report. IPERS charges a fee as described in subrule 4.3(6) for paper reports.

4.3(3) *Request for time extension.* IPERS may grant a request for a time extension of no longer than 15 days beyond the due date to file a wage report or pay a contribution for good cause if a request is made before the due date. If an employer has been granted an extension and fails to submit the wage report or pay the contribution on or before the end of the extension period, IPERS charges the applicable interest and fees from the original due date as if no extension had been granted. If the fifteenth day falls on a weekend or state-observed holiday, the contribution or wage report is due on the next regularly scheduled business day. To establish good cause under this subrule, the employer must show that the delinquency was not due to negligence, carelessness or inattention. The employer must affirmatively show that it did not file the wage report or timely pay a contribution because of some occurrence beyond the control of the employer.

4.3(4) *No reportable wages.* Employers shall file the wage reporting document according to subrule 4.3(2), even if an employer has no reportable wages during the applicable reporting period. Under this subrule, IPERS considers the employer's account delinquent for the reporting period and assesses a fee until the report is filed. However, if the employer has notified IPERS on or before the due date that there are no wages to report, IPERS will adjust the due date and will not charge a fee.

4.3(5) *Fees for noncompliance.* IPERS may impose reasonable fees on employers that do not file wage reports through the IPERS' employer self-service Internet application as described in subrule 4.3(2), that fail to timely file accurate wage reports, or that fail to pay contributions when due pursuant to subrule 4.3(2).

For submissions filed on or after August 1, 2008, IPERS charges employers a processing fee of \$20 plus 25 cents per employee for late submissions and IPERS' manual processing of wage reports. Employers that are late or that do not use IPERS' employer self-service Internet application may be charged both fees. In addition, if a fee for noncompliance is not paid by the fifteenth day of the month after the fee is assessed, the fee will accrue interest daily at the interest rate provided in Iowa Code sections 97B.9 and 97B.70. IPERS will not charge a fee on late contributions received as a result of a wage adjustment, but IPERS will charge interest on the amount due until paid in full.

If the due date for a fee falls on a weekend or state-observed holiday, the due date is the next regularly scheduled business day.

4.3(6) *Erroneously reported wages for employees not covered under IPERS.* For purposes of Iowa Code sections 97B.9(5) and 97B.10, employers that erroneously report wages for ineligible employees may file an IPERS wage reporting adjustment form. IPERS will return a warrant or issue a credit for both the employer and employee contributions made in error. The employer is responsible for returning the employees' share and for filing corrected federal and state wage reporting forms. IPERS reports adjustments in such cases on the employer's monthly statement. The employer shall not adjust these wages by underreporting wages on a future periodic wage reporting document. Wages shall not be reported as a negative amount. An employer that completes the employer portion of an employee's request for a refund on an IPERS refund application form is not permitted to file a periodic wage reporting adjustment form for that employee for the same time period. IPERS will not assess a fee to employers that correct information as provided under this subrule.

4.3(7) *Contributions paid on wages in excess of the annual covered wage maximum.* For wages paid on or after July 1, 2008, if IPERS determines that an employee's wages will exceed the annual maximum established under Section 401(a)(17)(A) and the cost-of-living adjustments to that maximum permitted under Section 401(a)(17)(B) of the Internal Revenue Code during a given month, IPERS will notify the applicable employer and will return the related excess contributions. IPERS will detail on the monthly report those employees for whom wages were reported in excess of the covered wage ceiling. The employer is responsible for returning the employee's share of excess contributions and making the applicable tax corrections.

4.3(8) *Termination within less than six months of the date of employment.* If an employee hired for permanent employment terminates within six months of the date of employment, the employer may file an IPERS form for reporting adjustments to receive a warrant or a credit, as elected by the employer, for both the employer's and employee's portions of the contributions. It is the employer's responsibility to return the employee's share. "Termination within less than six months of the date of employment" for the purposes of Iowa Code section 97B.53(10) means employment is terminated prior to the day before the employee's six-month anniversary date. For example, an employee hired on February 10 whose last day is August 8 would be treated as having resigned within less than six months. An employee hired on February 10 whose last day is August 9 (the day before the six-month anniversary date, August 10) would be treated as having worked six months and would be eligible for a refund.

4.3(9) *Reinstatement following an employment dispute.* Employees who are reinstated following an employment dispute may restore membership service credit as described in rule 495—9.5(97B).

495—4.4(97B) Accrual of interest and application of employer payments. Interest or charges as provided under Iowa Code section 97B.9 accrue on all employer payments not received by IPERS by the due date. IPERS may waive interest or charges, as described in Iowa Code section 97B.9(1), if the employer requests an extension of time under subrule 4.3(3) prior to the due date. IPERS will not charge a fee on late contributions received as a result of a wage adjustment but will charge interest on the amount due until paid in full. Payments received from employers having unpaid account balances are first applied to the oldest outstanding balance.

495—4.5(97B) Contribution rates. The following contribution rate schedule, payable on the covered wage of the member, is determined by the position or classification and the occupation class code of the member.

4.5(1) Contribution rates for regular class members.

a. The following contribution rates are established by the Iowa legislature for all regular class members for the indicated periods:

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Combined rate	9.95%	10.45%	10.95%	11.45%	13.45%

	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011
Employer	6.05%	6.35%	6.65%	6.95%	8.07%
Employee	3.90%	4.10%	4.30%	4.50%	5.38%

b. Effective July 1, 2012, and every year thereafter, IPERS staff declares the contribution rates for regular members no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates is followed by rulemaking that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	15.73%	15.73%	15.73%	15.73%	15.73%
Employer	9.44%	9.44%	9.44%	9.44%	9.44%
Employee	6.29%	6.29%	6.29%	6.29%	6.29%

4.5(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	17.52%	17.02%	17.02%	24.18%	24.42%
Employer	8.76%	8.51%	8.51%	11.965%	12.085%
Employee	8.76%	8.51%	8.51%	12.215%	12.335%

4.5(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2022	Effective July 1, 2023	Effective July 1, 2024	Effective July 1, 2025	Effective July 1, 2026
Combined rate	15.52%	15.52%	15.52%	15.52%	15.52%
Employer	9.31%	9.31%	9.31%	9.185%	9.185%
Employee	6.21%	6.21%	6.21%	6.335%	6.335%

4.5(4) Members employed in a “protection occupation” has the same meaning as set forth in Iowa Code section 97B.49B. In addition, in this section, “protection occupation” means:

- a. Effective January 1, 1995, part-time police officers shall be included.
- b. IPERS codes all airport firefighter service prior to July 1, 2004, as sheriff/deputy sheriff/airport firefighter service, and IPERS codes all airport firefighter service after June 30, 2004, as protection occupation service. This coding, however, does not supersede provisions of this title that require members to make contributions at higher rates in order to receive certain benefits, such as in the hybrid formula pursuant to rule 495—12.4(97B).

4.5(5) Service reclassification.

a. Prior to July 1, 2006, except as otherwise indicated in the implementing legislation or these rules, for a member whose prior regular service position is reclassified by the legislature as a special service position, IPERS staff codes all prior service by the member in such regular service position as special service if certified by the employer as constituting special service under current law. No additional contributions are required by regular service reclassified as special service under this paragraph.

b. Effective July 1, 2006, for a member whose prior regular service position is reclassified by the legislature as a special service position, IPERS staff codes all prior service by the member in such regular service position as regular service unless the legislature specifically provides in its legislation

for payment of the related actuarial costs of such reclassified service as required under Iowa Code section 97B.65.

4.5(6) Effective July 1, 2006, in the determination of a sheriff's or deputy sheriff's eligibility for benefits and the amount of such benefits under Iowa Code section 97B.49C, all protection occupation service credits for that member count toward the total years of eligible service as a sheriff or deputy sheriff. However, this subrule is not to be construed to alter the statutory requirement that a sheriff or deputy sheriff must be employed as a sheriff or deputy sheriff at termination of covered employment in order to qualify for benefits under Iowa Code section 97B.49C.

4.5(7) Pretax.

a. Effective January 1, 1995, employers must pay member contributions on a pretax basis for federal income tax purposes only. Such contributions are considered employer contributions for federal income tax purposes and employee contributions for all other purposes. Employers must reduce the member's salary reportable for federal income tax purposes by the amount of the member's contribution.

b. Salaries reportable for purposes other than federal income tax will not be reduced, including for IPERS, FICA, and, through December 31, 1998, state income tax purposes.

c. Effective January 1, 1999, employers must pay member contributions on a pretax basis for both federal and state income tax purposes.

495—4.6(97B) Employee information to be provided by covered employers. Covered employers must enroll new employees prior to reporting wages for the new employees using IPERS' employer self-service Internet application. Enrollment information includes but is not limited to the following: member's name, social security number, date of birth, date of hire, occupation code, gender, mailing address, and employer identification number. When an employee terminates employment with a covered employer, the employer shall provide the termination date and the date of the employee's final paycheck.

These rules are intended to implement Iowa Code sections 97B.4, 97B.9, 97B.14, 97B.14A, 97B.38, 97B.49A through 97B.49I, 97B.65 and 97B.70 and 2009 Iowa Acts, chapter 170, section 51, as amended by 2010 Iowa Acts, House File 2518, sections 36 and 41.

RA 26-47**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 5
“Employees”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not have a cost to the public.

- **Classes of persons that will benefit from the proposed rulemaking:**
This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.
- 2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
This proposed chapter will benefit over 400,000 IPERS-covered employees and their beneficiaries by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.
 - **Qualitative description of impact:**
This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.
- 3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**
IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.
 - **Anticipated effect on State revenues:**
This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.
- 4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**
IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.
- 5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**
IPERS has not identified any less costly methods or less intrusive methods.
- 6. **Alternative methods considered by the agency:**
 - **Description of any alternative methods that were seriously considered by the agency:**
Not applicable.
 - **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**
Not applicable.

Small Business Impact

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
EMPLOYEES

495—5.1(97B) Identification of employees covered by IPERS. Except as otherwise provided in rule 495—5.2(97B) and Iowa Code section 97B.42A, each employee, as defined by Iowa Code section 97B.1A(8), is an IPERS member upon the first date of employment.

495—5.2(97B) Coverage treatment for specific employee classifications.

5.2(1) No person who is explicitly excluded by applicable law or who opts out of coverage may be included within the system, including:

- a. The employee is excluded from membership by Iowa Code section 97B.1A(8) “b.”
- b. Reserve peace officers employed under Iowa Code chapter 80D are not covered in accordance with Iowa Code section 80D.14.
- c. A police chief or fire chief who has submitted a written request to the board of trustees created by Iowa Code section 411.36 to be exempt from coverage under Iowa Code chapter 411 is not covered under IPERS in accordance with Iowa Code sections 384.6(1) and 411.3. Iowa Code section 384.6(1) sets forth the city’s obligations on behalf of such person.
- d. Peace officer candidates of the department of public safety are not covered.

5.2(2) Temporary employment. Effective July 1, 2008, temporary employees are not covered provided that they have not established an ongoing relationship with an IPERS-covered employer as set forth in Iowa Code section 97B.1A(8) “b”(3). An ongoing relationship with an IPERS-covered employer is established when:

- a. The employee is paid covered wages of \$1,000 or more per quarter in two consecutive quarters; or
- b. The employee is employed by a covered employer for 1,040 or more hours in a calendar year.

Coverage begins when the permanency of the relationship is established and continues until the employee’s relationship with the covered employer is severed. If there is no formal severance, coverage for a person hired for temporary employment who has established an ongoing relationship with a covered employer continues until that person completes four consecutive calendar quarters in which no services are performed for that employer after the last covered calendar quarter. Effective July 1, 1994, volunteer fire fighters and special police officers are considered temporary employees and shall be covered if they meet the requirements of this subrule.

No service credit will be granted to a temporary employee who has become a covered employee under this rule for any quarter in which no covered wages are reported unless the employee is on a leave of absence that qualifies for service credit under Iowa Code section 97B.1A(20). Contributions are paid, and service credit is accrued, when wages are paid in the quarter after the ongoing relationship has been established.

5.2(3) Student employment. Full-time or part-time students employed part-time by the educational institution where they are enrolled are not IPERS-covered. Full-time and part-time student status is as defined by the individual educational institutions. Full-time and part-time employment status is as defined by the individual employers. If the employer is not the institution where the college student is enrolled, the college student is not exempt from IPERS coverage and employers would determine IPERS coverage by applying the usual permanent or temporary rules. High school and lower grade students continue to be exempt from IPERS coverage.

5.2(4) Members of any other retirement system in Iowa maintained in whole or in part by public funds are not covered. However, effective July 1, 1996, an employee who has two jobs, one

covered by IPERS and one covered by another retirement system in Iowa, remains an IPERS-covered employee, unless the employee receives credit in such other retirement system for both jobs.

5.2(5) Members who are contributing to the federal civil service retirement system or federal employees retirement system are not covered. However, effective July 1, 1996, an employee who has two jobs, one covered by IPERS and one covered by a federal retirement system, is considered as an IPERS-covered employee, unless the employee receives credit in such federal retirement system for both jobs.

5.2(6) Employees of credit unions without capital stock organized and operated for mutual purposes without profit are not covered.

5.2(7) Residents or inmates of county homes are not covered.

5.2(8) Adjunct instructors employed by a community college or university are not covered as set forth in Iowa Code section 97B.1A(8) "b." Adjunct instructors are persons employed by a community college or university without a continuing contract and whose teaching load does not exceed one-half time for two full semesters or three full quarters for the calendar year. The determination of whether a teaching load exceeds one-half time is based on the number of credit hours or noncredit contact hours that the community college or university considers to be a full-time teaching load for a regular full semester or quarter. An adjunct instructor whose teaching load exceeds the foregoing limitations is covered.

In determining whether an adjunct instructor is a covered employee, no credit is granted for teaching periods of shorter duration than a regular semester or regular quarter (such as summer semesters), regardless of the number of credit or contact hours assigned to that period.

5.2(9) Effective July 1, 1992, enrollees of a senior community service employment program authorized by Title V of the Older Americans Act and funded by the United States Department of Labor are not covered unless:

- a. Both the enrollee and the covered employer elect coverage; or
- b. The enrollee is currently contributing to IPERS.

For purposes of this subrule only, a covered employer is defined as the host agency where the enrollee is placed for training.

5.2(10) The employee is excluded from membership under Iowa Code section 97B.42B.

5.2(11) Persons who meet the requirements of independent contractor status as determined by IPERS using the criteria established by the federal Internal Revenue Service are not covered.

5.2(12) Persons employed through any program described in Iowa Code section 84A.7 and provided by the Iowa conservation corps are not covered.

5.2(13) Persons receiving rehabilitation services in a community rehabilitation program, rehabilitation center, sheltered workshop, and similar organizations whose primary purpose is to provide vocational rehabilitation services to target populations are not covered.

5.2(14) Persons who are members of a community service program authorized under and funded by grants made pursuant to the federal National and Community Service Act of 1990 are not covered.

5.2(15) Persons who are employed by professional employment organizations, temporary staffing agencies, and similar noncovered employers and are leased to covered employers are not covered.

5.2(16) Effective July 1, 1999, persons performing referee services for a covered employer are not covered, unless the performance of such services is included in the persons' regular job duties for the employer for which such services are performed.

5.2(17) A citizen coach is an employee (permanent or temporary) who works for a school district in only a coaching capacity. An employer may provide a citizen coach with IPERS coverage immediately. If the employer chooses not to, then the following determination of IPERS coverage is needed:

- a. If the citizen coach is expected to fill the position each season and cannot be unseated by another district employee, then the district and citizen coach have established a permanent relationship and IPERS coverage should begin once that citizen coach returns to coach a second season.

b. If there is no expectation of continued employment beyond the first season for the citizen coach, or if the citizen coach can be unseated by another district employee, then a temporary relationship exists and the citizen coach is covered if the citizen coach meets the requirements of subrule 5.2(2).

495—5.3(97B) Participation in IPERS and another retirement system. Effective July 1, 1996, an employee may actively participate in IPERS and another retirement system as set forth in Iowa Code section 97B.42.

These rules are intended to implement Iowa Code sections 97B.1A, 97B.4, 97B.42, 97B.42A, 97B.49B, 97B.49C, and 97B.49G.

RA 26-48**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 6
“Covered Wages”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS-covered employees or members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6
COVERED WAGES

495—6.1(97B) IRS requirements. Wages as defined under Iowa Code section 97B.1A(26) are subject to any annual compensation limits under Sections 401(a)(17)(A) and (B) of the Internal Revenue Code.

495—6.2(97B) IPERS coverage for various forms of compensation. The following is a list of various types of compensation and the corresponding IPERS coverage treatment:

6.2(1) *Vacation pay or annual leave pay.* Vacation pay or annual leave pay means the amount paid to an employee during a period of vacation.

6.2(2) *Sick pay.* Sick pay means the amount paid to an employee during a period of sick leave.

6.2(3) *Workers' compensation payments and other third-party payments.* Payments for sick leave that are a continuation of salary payments if paid from the employer's general assets, regardless of whether the employer labels the payments as sick leave, short-term disability, or long-term disability, are covered wages.

6.2(4) *Compensatory time.* Each employer must use either the calendar year or a fiscal year other than the calendar year when setting its compensatory time, as defined under Iowa Code section 97B.1A(26) "a"(1)(e), policy. Employers must submit wages reported to IPERS in accordance with the employer's policy.

6.2(5) *Banked holiday pay.* If an employer codes banked holiday time as holiday or additional accrued vacation time, the banked holiday pay will be vacation pay under subrule 6.3(1). If an employer codes banked holiday time as compensatory time, the banked holiday pay will be combined with compensatory pay and subject to the limits set forth in subrule 6.3(4).

6.2(6) *Special lump sum payments.* Wages do not include catastrophic leave paid in a lump sum, bonuses, tips, honoraria, or student loan repayment compensation. Exclusion of payments as described in this subrule applies whether the payment is in a lump sum or in installments.

6.2(7) *Covered wage treatment for supplemental payments.*

a. In this chapter, "covered wages" has the meaning as set forth in Iowa Code section 97B.1A(26) "b"(1). "Wages" does not include bonuses as set forth in Iowa Code section 97B.1A(26) "a"(2)(n). In addition, in this section, "bonuses" means:

- (1) Recruitment payments.
- (2) Retention payments.
- (3) Payments to members who achieve improvements in their employer's financial status or performance ratings.
- (4) Employee performance incentive payments.
- (5) Extraordinary job performance payments.
- (6) Payments for the possession, attainment, or maintenance of special skills or professional certifications (does not apply to advancements in a member's placement in wage or salary schedule, or placement in a higher tier wage or salary schedule).
- (7) Payments to members made in lieu of merit increases because the members' wage or salary scales are capped.
- (8) Payments similar in substance to those enumerated above without regard to the payments' titles, tag lines, labels or classifications by employers.

b. Bonuses do not include:

(1) Payments authorized by statute and used to increase the general level of teacher pay, except as otherwise provided in this subrule (for example, when such moneys are used to pay retention bonuses).

(2) Payments for which additional, or new and different, job duties are required in order to receive the payment.

(3) Payments for employment longevity.

c. Payments that are otherwise to be treated as covered wages under paragraph 6.2(7) “*b*” are not covered if IPERS determines that the payments are made for subparagraphs 6.2(7) “*a*”(1) through “*a*”(8) or for other subrules, including but not limited to recruitment or retention bonuses, retirement incentive and severance payments, reimbursements of business expenses, and payment of allowances.

d. IPERS has final authority to determine if supplemental payments not described in paragraphs 6.2(7) “*a*,” “*b*” and “*c*” should be treated as excluded bonus payments or covered wages. In making its determination, IPERS may consider but is not limited to such factors as the supplemental payments’ similarity to payments described in paragraphs 6.2(7) “*a*,” “*b*” and “*c*,” whether such payments are discretionary with the employer and whether, on the one hand, the payments are regular and periodic over the working careers of a broad group of individuals or, on the other hand, are short-term, irregular, or ad hoc payments whose primary effect is to spike certain members’ final average salaries.

6.2(8) *Other special payment arrangements.* Wages do not include amounts paid pursuant to special arrangements between an employer and employee whereby the employer pays increased wages and the employee reimburses the employer or a third-party obligor for all or part of the wage increase. This limitation includes but is not limited to the practice of increasing an employee’s wages by the employer’s share of health care costs and having the employee reimburse the employer or a third-party provider for such health care costs. Wages do not include amounts paid pursuant to a special arrangement between an employer and employee whereby wages in excess of the covered wage ceiling for a particular year are deferred to one or more subsequent years. Wages do not include employer contributions to a plan, program, or arrangement that are not included in the employee’s federal taxable income. However, certain employer contributions under Internal Revenue Code (IRC) Section 125 plans may be treated as covered wages under rule 495—6.4(97B) subject to the terms of that rule.

IPERS may investigate any employers and employees that may have knowingly and willfully entered into the types of arrangements described in this subrule under Iowa Code section 97B.40 for engaging in a fraudulent practice. If IPERS determines that its calculation of a member’s monthly benefit includes amounts paid under an arrangement described in this subrule, IPERS will recalculate the member’s monthly benefit, after making the appropriate wage adjustments. IPERS may recover the amount of overpayments caused by the inclusion of the payments described in this subrule from the monthly amounts plus interest payable to the member or amounts payable to the member’s successor(s) in interest, in addition to remedies provided under Iowa Code section 97B.40.

6.2(9) *Wage equivalents.* Items such as food, lodging and transportation are includable as employee income, if they are paid as compensation for employment, as wage equivalents as that term is used in Iowa Code section 97B.1A(26) “*a*”(1)(a). Wage equivalents that are not included in the member’s federal taxable income shall be deemed to be for the convenience of the employer. A wage equivalent is not reportable if the employer certifies that there was a substantial business reason for providing the wage equivalent, even if the wage equivalent is included in the employee’s federal taxable income.

6.2(10) *Members of the general assembly.* Wages for members of the general assembly, as set forth in Iowa Code section 97B.1A(26) “*a*”(1)(d), do not include expense payments except that, effective July 1, 1990, wages include daily allowances to members of the general assembly for nontravel expenses of office during a session of the general assembly. Such nontravel expenses of office during a session of the general assembly cannot exceed the maximum established by law for

members from Polk County. A member of the general assembly who has elected to participate in IPERS will receive four quarters of service credit for each calendar year during the member's term of office, even if no wages are reported in one or more quarters during a calendar year.

6.2(11) *Wages paid as a back pay settlement.* Employers calculate IPERS contributions on the gross amount of a back pay settlement before the settlement is reduced for taxes, interim wages, unemployment compensation, and similar mitigation of damages adjustments. Employers calculate IPERS contributions by reducing the gross amount of a back pay settlement by any amounts not considered covered wages under Iowa code section 97B.1A(26) "a"(2).

Notwithstanding subrule 6.3(12), IPERS treats a back pay settlement that does not require the reinstatement of a terminated employee and payment of the amount of wages that would have been paid during the period of severance (before adjustments) as a "special lump sum payment" under subrule 6.2(6), which is not covered.

6.2(12) *Limitations on benefits and contributions.*

a. Section 415(b) limitations on benefits. A member may not receive an annual benefit that exceeds the dollar amount specified in IRC Section 415(b)(1)(A), subject to the applicable adjustments in IRC Sections 415(b) and 415(d). For purposes of applying the limits under IRC Section 415(b) (Limit), the following will apply:

(1) With respect to a member who does not receive a portion of the member's annual benefit in a lump sum:

1. The member's Limit will be applied to the member's annual benefit in the first limitation year without regard to any automatic cost-of-living increases;

2. To the extent the member's annual benefit equals or exceeds the Limit, the member will no longer be eligible for cost-of-living increases under the IPERS trust fund until such time as the benefit plus the accumulated increases are less than the applicable Limit; and

3. Thereafter, in any subsequent limitation year, the member's annual benefit including any automatic cost-of-living increase will be tested under the then applicable benefit Limit, including any adjustment to the IRC Section 415(b)(1)(A) dollar limit under IRC Section 415(d) (cost-of-living adjustments) and the regulations thereunder; and

(2) With respect to a member who receives a portion of the member's annual benefit in a lump sum:

1. The member's applicable Limit will be applied taking into consideration automatic cost of living increases as required by IRC Section 415(b) and applicable Treasury Regulations; and

2. A member's annual benefit payable under the system in any limitation year will not be greater than the Limit applicable at the annuity starting date, as increased in subsequent years pursuant to IRC Section 415(d) and the regulations thereunder. If the form of benefit without regard to the automatic benefit increase feature is not a straight life or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent straight life annuity benefit determined using the assumptions required by Treasury Regulations, including the mortality table specified in Revenue Ruling 2001-62 or Revenue Ruling 2007-67, as applicable.

b. Section 415(c) limitations on contributions and other member additions. Member contributions and other additions paid to the system may not exceed the annual limits on contributions and other additions allowed by IRC Section 415(c). For purposes of applying these limits, the definition of "compensation," where applicable, will be compensation as defined in Treasury Regulation Section 1.415(c)-2(d)(3), or successor regulation. The foregoing definition of compensation will exclude member contributions picked up under IRC Section 414(h)(2) and, for plan years beginning after December 31, 1997, compensation will include the amount of any elective deferrals, as defined in IRC Section 402(g)(3), and any amount contributed or deferred by the employer at the election of the member and that is not includible in the gross income of the member by reason of IRC Section 125 or 457 and, for plan years beginning on and after January 1, 2001, pursuant to IRC Section 132(f)(4).

c. Limitation year. The limitation year is the calendar year.

6.2(13) *Employer payments treated as remuneration counted against the reemployment earnings limit.* All taxable or nontaxable compensation, regardless of the title, tag line, label, or classification attributed to that compensation paid by IPERS-covered employers to retired reemployed IPERS members, is considered remuneration when determining reemployment earnings limits and reductions as set forth under Iowa Code section 97B.48A and rule 495—12.8(97B). This rule applies whether the compensation is paid pursuant to individual contracts or otherwise, and regardless of whether it is considered covered or noncovered compensation under Iowa Code section 97B.1A(26) and the administrative rules thereunder, except for:

- a.* Contributions to health insurance plans and programs, and
- b.* Reimbursements of actual work-related expenses required by the retired reemployed members' jobs.

6.2(14) *Employer contributions as remuneration counted against the reemployment earnings limit.* Employer contributions made on behalf of retired reemployed members to tax qualified and nonqualified retirement and deferred compensation plans and to other fringe benefit arrangements, excluding health insurance plans and programs, constitute remuneration from employment that is applied to the reemployment earnings limits and reductions set forth under rule 495—12.8(97B). Such contributions, even if counted as remuneration hereunder, are not counted as covered wages, unless the facts in the particular case indicate that, under the circumstances, the arrangement should be treated as covered wages under rules 495—6.1(97B) through 495—6.4(97B). Nonelective employer contributions to the following constitute remuneration when determining reemployment earnings limits: tax qualified retirement and deferred compensation plans; all nonqualified retirement plans and deferred compensation arrangements; IRAs; rabbi, secular, and other trust arrangements; split dollar and other life insurance arrangements; and long-term care insurance. Bonuses and allowances are also counted as reemployment earnings.

495—6.3(97B) Month for which wages are to be reported. Wages are reportable for the month in which they are actually paid to the employee, except when employees are awarded lump sum payments of back wages, whether as a result of litigation or otherwise, receive lump sum payments of extra duty pay, and similar situations involving regular and periodic lump sum payments that IPERS in its sole discretion determines should be treated as covered wages. The employer shall file wage adjustments with IPERS allocating the wages to the periods of service for which such payments are awarded. Employers shall forward the required employer and employee contributions and interest to IPERS.

6.3(1) Actual and constructive receipt. An employer cannot report wages as having been paid to employees as of a monthly reporting date if the employee has not actually or constructively received the payments in question. For example, wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on June 30 would be reported as June wages, but wages that are mailed, transmitted via electronic funds transfer for direct deposit, or handed to an employee on July 3 would be reported as July wages.

6.3(2) One quarter of service is credited for each quarter in which a member is paid IPERS-covered wages.

a. "Covered wages" are defined by Iowa Code section 97B.1A(26) "b"(1).

b. If a member is employed by more than one employer during the calendar year, the total amount of wages paid by all covered employers is included in determining the annual covered wage limit established under IRC Sections 401(a)(17)(A) and (B). If the amount of wages paid to a member by several employers during any given month exceeds the covered wage limit as determined for that calendar year, the amount of the excess is not subject to contributions required by Iowa Code section 97B.11. IPERS will not accept excess wages and applicable contributions from employers and will return excess contributions as provided in 495—subrule 4.3(7).

495—6.4(97B) Covered wage treatment for employer contributions to IRC Section 125 plans. If certain conditions are met, employer contributions to fringe benefit programs that qualify under IRC Section 125 may be treated as covered wages. The following subrules set forth IPERS' regulations for determining covered wage treatment and for making wage adjustments when employer-paid contributions have been covered or excluded in violation of the standards set forth below.

6.4(1) Section 125 plans. For purposes of this rule, a Section 125 plan means an employer-sponsored fringe benefit plan that is subject to IRC Section 125. Some of the common names for this type of plan are cafeteria plan, flexible benefits plan, flex plan, and flexible spending arrangement.

a. Effective January 1, 2017, employers must annually certify to IPERS, on a form approved by the system, that their Section 125 plans meet all IRC requirements.

b. If an employer does not certify its Section 125 plan's compliance with the IRC, all employer contributions to fringe benefit plans are excluded from IPERS coverage.

6.4(2) Elective employer contributions. For purposes of this rule, "elective employer contributions" means employer contributions made to a Section 125 plan that can be received in cash or used to purchase benefits under the Section 125 plan. Generally, elective employer contributions that are not subject to special eligibility requirements qualify as covered wages.

6.4(3) Mandatory minimum coverage requirements. The term "elective employer contributions" does not include employer contributions that must be used to purchase benefits under a Section 125 plan. For example, if an employer provides \$2,500 to its employees to purchase benefits in a Section 125 plan, but requires that all employees must use \$1,000 of that amount to purchase single health coverage, the cost of the single coverage is deducted. In this example, \$1,000 would be subtracted from the \$2,500 provided, resulting in \$1,500 of covered wages.

6.4(4) Uniformity determined coverage group by coverage group. Under Iowa Code section 97B.1A(26) "a"(1)(b), elective employer contributions are treated as covered wages only if made uniformly available and not limited to highly compensated employees. The application of the uniformity concept may be illustrated as follows: Employer Z has two major groupings of employees covered under its cafeteria plan: teaching staff and support staff. Every member of the teaching staff is provided \$3,000 to purchase benefits under the Section 125 plan. Every member of the teaching staff must take single coverage costing \$1,500. Every member of the support staff is provided \$2,500 and must also take the single coverage costing \$1,500. Each member of the teaching staff would have \$1,500 treated as covered wages, and each member of the support staff would have \$1,000 treated as covered wages. This would be considered uniform treatment.

Uniformity is not destroyed by the fact that the amount available to members of a coverage group varies because the actual cost of mandatory minimum coverage varies depending on actuarial factors that apply to each individual. For example, assume Employer Z above also requires each employee to have long-term disability coverage. In Employer Z's case, the actual cost of disability coverage will vary from individual to individual. In that case, Employer Z would also deduct the actual cost of the required disability coverage, individual by individual, when determining IPERS-covered wages.

Uniformity is not destroyed if an employer has two groups of employees who, as a result of collective bargaining, have differing entitlements to employer contributions. For example, Employer Y has a contract that provides \$3,500 to each employee to purchase benefits under the Section 125 plan. Every employee may take all the cash by waiving participation in the plan, or may use all or part of the employer contributions to the Section 125 plan. In the collective bargaining process, a new contract is adopted that states that the employer will still provide \$3,500 to each employee to purchase benefits under the Section 125 plan. However, under the new contract, persons who waived participation before April 15 may still waive participation in the plan and take all the cash, but persons who did not waive participation and those hired after April 15 must have single coverage costing \$1,700. Employer Y would be treated as having two groups of employees with different elective employer contribution amounts. The grandfathered group (employees who waived participation before April 15) would have covered wages of \$3,500, and the group consisting of those who did not waive participation before April 15 and new employees would have covered wages of \$1,800.

6.4(5) *Highly compensated employee test.* Under Iowa Code chapter 97B, employer contributions must not discriminate in favor of highly compensated employees (HCEs). For purposes of this subrule, an HCE is an employee who has reported wages and tips subject to Medicare tax in excess of the IRC Section 414(q) limit then in effect. IPERS applies the HCE limitation as follows. If elective employer contributions are made available to HCEs, the total elective employer contributions made available to the HCE group cannot exceed 25 percent of the total elective employer contributions made available under the Section 125 plan to all employees, including the HCEs. If the elective employer contributions available to the HCE group exceed the 25 percent limit (or if it is determined that the Section 125 plan discriminates in favor of HCEs under other IRS rules), elective employer contributions for HCEs cannot exceed the highest amount available to a nonexecutive coverage group of employees covered under such plan. The general application of these principles is illustrated below, using the 2002 IRC Section 414(q) dollar limit of \$90,000.

Employer W has a Section 125 plan that provides elective employer contributions totaling \$7,000 to executive staff, \$4,500 to teaching staff, and \$3,500 to support staff. There are no other limits or exclusions that apply. These amounts are treated as covered wages for each member of each group, provided that the total amount of contributions made available to HCEs does not exceed 25 percent of the total elective employer contributions for all employees covered under the plan. If elective employer contributions for the executive staff totaled \$70,000, and total elective employer contributions for the remainder of the staff totaled \$500,000, the HCE percentage of total elective employer contributions would be 12 percent (\$70,000 divided by \$570,000), and all elective employer contributions would be treated as covered wages for all groups. However, if elective employer contributions for the executive staff totaled \$70,000, and elective employer contributions for the remainder of the staff totaled \$200,000, the HCE percentage would be 26 percent (\$70,000 divided by \$270,000), and HCEs' elective employer contributions would be limited to \$4,500 per HCE for covered wage purposes.

6.4(6) *Elective employer contributions limited to dual coverage employees.* In some cases, a Section 125 plan provides for what appear to be mandatory employer contributions for health plan coverage, but the terms of the Section 125 plan permit dual coverage employees to waive coverage and receive the employer contributions in cash, if the employee can prove coverage under another health care plan. IPERS will continue to treat the full amount of employer contributions in such cases as not being IPERS-covered wages, even though individual employees with the described dual coverage may actually receive the employer contribution in cash.

495—6.5(97B) Corrections of overpayments and underpayments of contributions and benefits caused by misreporting of covered wages. IPERS uses the following guidelines in requiring corrections of overpayments and underpayments of contributions caused by misreported wages or IPERS-covered service. Corrections are made for all current employees omitted in error, active, retired, and inactive members, subject to the following limitations:

6.5(1) If employer and employee contributions were underreported, IPERS files wage adjustments and bills employers for all shortages of employer and employee contributions plus interest. Employers are entitled to collect reimbursement for the employee share of contributions as provided in Iowa Code section 97B.9. If retirement benefits have been underpaid as a result of the error, IPERS makes the appropriate adjustments and pays all back benefits upon receipt of the contribution shortage.

6.5(2) If employer and employee contributions were overreported, IPERS files wage adjustments and credits the appropriate contribution amounts to employers for distribution to the respective employee and employer contributors. If the reporting error caused an overpayment of retirement benefits, IPERS may offset excess contributions received against overpayments and will request a repayment of the remainder of the overpayment, if any, from the recipient. Wage adjustments, overpayments and underpayments, and unintentional reporting errors are determined as of the onset of the error. Notwithstanding the foregoing adjustment and collection standards, IPERS reserves the right

to negotiate adjustments with individual employers in special situations, and no negotiated settlement with an employer constitutes a waiver of this rule or a binding precedent for other employers.

These rules are intended to implement Iowa Code sections 97B.1A(26), 97B.9, 97B.11, 97B.14 and 97B.14A.

RA 26-49**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 7
“Service Credit and Vesting Status”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 7 and adopt the following **new** chapter in lieu thereof:

CHAPTER 7
SERVICE CREDIT AND VESTING STATUS

495—7.1(97B) Service credit.

7.1(1) General.

a. From July 4, 1953, through June 30, 1965, a member received one quarter of membership service, as defined under Iowa Code section 97B.1A(15), credit for each quarter in which the member's covered wages totaled at least \$200. From July 1, 1965, through June 30, 1992, a member received one quarter of service credit for each quarter in which the member's covered wages totaled at least \$300. For quarters beginning July 1, 1992, and later, a member receives one quarter of service credit for each calendar quarter in which at least \$1 of covered wages is reported.

b. Notwithstanding paragraph 7.1(1) "a," a member who is on an unpaid leave of absence and who during the period covered by the unpaid leave performs services for the covered employer granting the unpaid leave does not receive service credit for such services until the employer has reported \$1,000 in each of two consecutive quarters included in the unpaid leave period, and such service credit is granted only with respect to quarters beginning after said two consecutive quarters.

c. A nonvested member who terminates covered employment prior to attaining the age of 55, but who has covered wages in the year in which the member attains the age of 55 is treated as a vested member.

d. Notwithstanding paragraph 7.1(1) "c," effective July 1, 2012, a nonvested member who is not vested by age as of June 30, 2012, can only become vested by age if the member terminates employment at age 65 or older while in covered employment.

7.1(2) Service credit for persons employed by institutions operating on a nine-month basis. An employee working in a position for a school district or other educational institution that operates on a nine-month basis receives credit for the third quarter when covered wages are reported in the second and fourth quarters. A member who was on an approved leave of absence in the second quarter, but who has service credit for that quarter, whether by operation of law or through a service purchase, and who returns to work in the fourth quarter immediately following also receives credit for the missing third quarter. In order for the member to receive this service credit, the quarters before and after the third quarter must be reported for the same occupation class code.

7.1(3) Approved leave periods.

a. Notwithstanding any provision of Iowa Code chapter 97B or these rules to the contrary, contributions, benefits and service credit with respect to qualified military service defined under Iowa Code section 97B.1A(20) "a" will be provided in accordance with Internal Revenue Code Section 414(u).

For reemployments initiated on or after December 12, 1994, a member is treated as receiving compensation for each quarter during the member's period of military service equal to the compensation that the member would have received but for the period of military service, as certified by the member's employer on forms supplied by IPERS. IPERS takes the member's deemed compensation during the period of military service into consideration in determining a member's make-up contributions, if any, and the member's high three-year average covered wage.

For reemployments initiated on or after December 12, 1994, following a military leave described in this subrule, make-up contributions are permitted with respect to employee contributions that would have been made during the period of military service if the member had actually been in

covered employment during the period earning the deemed compensation provided for under this subrule. Make-up contributions are permitted during the five-year period that begins on the date of reemployment or, if less, a period equal to three times the period of military service.

The member shall request the foregoing make-up contributions (except contributions for periods prior to January 1, 1995, which are made as posttax contributions) on forms to be filed with the employer, which shall forward a copy to IPERS. Make-up contributions are made as pretax contributions under Internal Revenue Code Section 414(h)(2). Employers must comply with a member's request to begin make-up contributions during a period not exceeding that described in the preceding paragraph and shall forward said amounts to IPERS in the same manner as provided for pick-up contributions under Iowa Code section 97B.11A. An election to make up employee contributions under this subrule is irrevocable.

b. Effective for leaves of absence beginning on or after July 1, 1998, an eligible member must make contributions to IPERS in order to receive service credit for the period of the leave.

c. Reentry into public employment by an employee on a leave of absence under FMLA or USERRA can be achieved by the employee by accepting employment with any public employer, provided that any interruption between the end of the period of leave of absence and reentry into public employment meets the requirements of the FMLA, USERRA and this subrule.

d. Credit for a leave of absence is not granted and cannot be purchased for any time period that begins after or extends beyond an employee's termination of employment as certified by the employer. This includes a certification of termination of employment made by an employer on a refund application. Employers are required to certify all leaves of absence for which credit is being requested using an affidavit furnished by IPERS and accompanied by a copy of the official record(s) that authorized the leave of absence. The provisions of this subrule denying credit for leaves of absence in cases in which the member takes a refund do not apply to employees who were on leaves of absence that began before November 27, 1996, and took a refund before such date. The provisions of the subrule requiring employers to certify all leaves of absence using an affidavit furnished by IPERS applies to all requests for leave of absence credit filed after November 27, 1996, regardless of when the leave of absence was granted.

e. Effective July 1, 2008, free service credit will be given in the calculation of death benefits for members who served military duty and met the definition provided under Iowa Code section 97B.1A(20) "a."

495—7.2(97B) Vesting status.

7.2(1) General.

a. IPERS may determine the vested status of a member, as defined in Iowa Code section 97B.1A(25), when the member's contribution payments cease. At that time, IPERS compares the membership date and termination date. If service sufficient to indicate vested status is present, after any periods of interruption in service have been taken into consideration, IPERS considers the member a vested member. All vested members receive all the rights and benefits of a vested member in IPERS until or unless the member files for a refund of accumulated contributions.

b. Effective July 1, 2005, a terminated nonvested member who has not attained the age of 55 does not become vested upon attainment of the age of 55 while an inactive member. However, a member who terminates before attaining the age of 55 who has covered wages in the calendar year when the member terminates and the member attains the age of 55 in that year becomes vested, even if the member has less than 16 quarters of service credit on file at termination.

c. Effective July 1, 2012, vesting by age and vesting by service is determined as provided in Iowa Code section 97B.1A(25) "a" through "d." A member who is vested by age or by service as of June 30, 2012, remains vested following the implementation of new vesting requirements on July 1, 2012.

7.2(2) *Inactive members who become vested due to a statutory reduction in years.* Effective July 1, 1988, an inactive member meeting the requirements in Iowa Code section 97B.1A(25) “d”(5) is considered vested.

7.2(3) *Vesting upon complete or partial termination.* In the case of a complete or partial termination of this fund, any affected member has a vested interest in the accrued benefit as of the date of such termination, to the extent such benefit is then funded.

7.2(4) *Benefit nonforfeitable upon attaining normal retirement age.* For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under Iowa Code sections 97B.49A through 97B.49D, is nonforfeitable upon attainment of normal retirement age, which: (1) prior to July 1, 2012, is age 55 or the completion of 16 quarters of IPERS covered employment, whichever is later; and (2) for members who are not vested under one of the methods under (1) on July 1, 2012, is age 65 or completion of 28 quarters of IPERS covered employment, whichever is later. The retirement benefit is subject to the provisions of Iowa Code section 97B.52A. This subrule does not reduce or limit rights heretofore existing, nor indicate that vested benefits would be forfeitable before attaining the stated age.

7.2(5) *Vesting at age 55 prior to July 1, 2012.* Under Iowa Code section 97B.1A(25) “a”(3) for periods prior to July 1, 2012, the phrase “has attained the age of fifty-five or greater while in covered employment” means “has attained the age of fifty-five or greater while an active member, as defined in Iowa Code section 97B.1A(3)”.

7.2(6) *Vesting after June 30, 2012.* For periods after June 30, 2012, the member becomes vested if the member meets the requirements set forth in Iowa Code section 97B.1A(25) “a”(4).

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.1A(25), and 97B.43.

RA 26-50**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 9
“Refunds”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 (2023) and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join online meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restrictive terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not incur costs to the public.

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

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed rulemaking will benefit over 400,000 IPERS-covered employees and their beneficiaries by removing restrictive terms and reducing duplicative terms found in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 9 and adopt the following **new** chapter in lieu thereof:

CHAPTER 9
REFUNDS

495—9.1(97B) Refunds for members with only one type of service credit. A member meets eligibility requirements for a refund of the employee and portion of the employer accumulated contributions as provided in Iowa Code section 97B.53. Refund amounts are determined as follows:

9.1(1) Employee accumulated contributions. Upon receiving an eligible member's application for refund, IPERS shall pay to the terminated member the amount of the employee accumulated contributions currently reported to, and processed by, IPERS as of the date of the refund. Upon reconciliation of the final employee contributions for that member, IPERS will pay a supplemental refund of the employee accumulated contributions if funds remain in the member account.

9.1(2) Employer accumulated contributions.

a. IPERS calculates the refundable portion by multiplying the employer accumulated contributions by the service factor.

(1) The service factor is a fraction, of which the numerator is the member's quarters of service and the denominator is the applicable quarters. The applicable quarters are 120 for regular members and 88 for all special service members.

(2) The service factor numerator includes all quarters of service credit. A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

b. In addition to paragraph 9.1(2) "a," IPERS calculates the refundable portion of the employer accumulated contributions as follows:

(1) Upon reconciliation of the final employer contributions for that member, IPERS recalculates the member's portion of the employer accumulated contributions. IPERS adds the additional service quarter(s) to the service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of employer accumulated contributions included in the supplemental refund.

(2) IPERS determines the member's portion of employer accumulated contributions under rule 495—9.2(97B) if the member had a combination of regular service and special service or a combination of different types of special service.

9.1(3) In making calculations under this rule and rule 495—9.2(97B), IPERS rounds to not less than six decimal places to the right of the decimal point.

495—9.2(97B) Refunds for members eligible for a hybrid refund. IPERS calculates the member's portion of employer accumulated contributions for a hybrid refund as follows:

9.2(1) A "hybrid refund" is a refund that is calculated for a member who has a combination of regular service and special service quarters.

9.2(2) If a member is eligible for a hybrid refund, IPERS calculates the member's portion of employer accumulated contributions by multiplying the total employer accumulated contributions by (a) the member's regular service factor, if any, and (b) the special service factor, if any (except as otherwise provided in this subrule). IPERS adds the amounts obtained together to determine the

amount of the employer accumulated contributions payable. A member will not receive an amount in excess of 100 percent of the employer accumulated contributions for that member.

9.2(3) Upon reconciliation of the final contributions from a member's employer, IPERS recalculates the member's portion of the employer accumulated contributions under this rule. IPERS adds the additional quarter(s) of service to the applicable service factor numerator. IPERS multiplies the adjusted service factor by the sum of the original employer accumulated contributions plus the supplemental employer accumulated contributions. IPERS subtracts the employer accumulated contributions included in the original refund from that recalculated figure to determine the amount of the employer accumulated contributions included in the supplemental refund.

9.2(4) If wages reported for a quarter include a combination of regular and special service wages, IPERS classifies the service credit for each quarter based on the largest dollar amount reported for that quarter. A member will not receive more than one quarter of service credit for any calendar quarter, even though IPERS records more than one type of service credit for that quarter.

9.2(5) If a member is last employed in a sheriff or deputy sheriff position, all quarters of eligible service count as quarters of sheriff or deputy sheriff service credit.

9.2(6) A special limitation applies to hybrid refunds where the member and employer contributed at regular rates for quarters that are eligible for coverage under Iowa Code section 97B.49B or 97B.49C. If a member has regular service credit and special service credit and any part of the special service credit consists of quarters for which only regular contributions were made, these quarters are counted as regular service quarters. This limitation does not apply if the member only has service credit eligible for coverage under Iowa Code section 97B.49B or only has service credit eligible for coverage under Iowa Code section 97B.49C.

495—9.3(97B) General administrative provisions. In addition, IPERS administers a member's refund request as follows:

9.3(1) To obtain a refund, a member must file a refund application form. Refund application forms are only available from IPERS. If the member is married, a refund election must include the member's spouse's signature. However, the system may accept a married member's refund election under this chapter without the member's spouse's signature if the member submits a notarized statement affirming that, after reasonable diligent efforts, the member was unable to locate their spouse to obtain the spouse's signature. The member's refund election becomes effective upon filing the necessary forms, including the notarized statement, with the system. The system is not liable to the member, to the member's spouse, nor to any other person affected by the member's refund election based upon a refund election accomplished without the member's spouse's signature.

9.3(2) Unless the employer has not paid the member covered wages for at least one year or has provided the termination date and last paycheck date on the monthly wage reports filed with IPERS, the employer must certify the last date the employer considers the member an employee and the last paycheck date from which IPERS contributions are deducted on the refund application. Terminated employees must keep IPERS advised in writing of any change in address so that IPERS can deliver refunds and tax documents. Unless the member requests an electronic funds transfer, IPERS mails the refund warrant to the member at the address listed on the application for refund.

9.3(3) This rule does not require payment of any kind if the amount due is less than \$1.

9.3(4) Effective July 1, 2004, an employee must sever all covered employment for 30 days after the date the employee was last considered an employee of a covered employer.

9.3(5) Effective November 2006, an individual who previously stopped participating in IPERS to participate in an alternative plan cannot receive a refund of their IPERS account while still employed by a covered employer, even if the member is no longer in IPERS covered employment.

495—9.4(97B) Termination of employment—refund option. A reinstatement following an employment dispute as described in Iowa Code section 97B.53(7) does not constitute a violation

of Iowa Code section 97B.53(4), even if the reinstatement occurs less than 30 days after the date of termination.

495—9.5(97B) Refund followed by commencement of disability benefits under Iowa Code section 97B.50(2). If a vested member terminates covered employment, takes a refund, and is subsequently approved for disability under the federal Social Security Act or the federal Railroad Retirement Act, the member may reinstate membership service credit for the period covered by the refund by paying the actuarial cost as determined in 495—subrule 8.1(1) within 90 days after the date federal social security disability or railroad retirement disability payments begin. Repayments must be made:

1. For members whose federal social security or railroad retirement disability payments begin before July 1, 2000, within 90 days after July 1, 2000; or
2. For members whose social security or railroad retirement disability payments begin on or after July 1, 2000, within 90 days after the date federal social security or railroad retirement payments begin.

These rules are intended to implement Iowa Code sections 97B.50 and 97B.53.

RA 26-51**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 10
“Interest on Accumulated Contributions”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 (2023) and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join online meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restrictive terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not incur costs to the public.

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

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10
INTEREST ON ACCUMULATED CONTRIBUTIONS

495—10.1(97B) Interest on accumulated contributions of active and inactive members. For purposes of this rule, interest, as set forth in Iowa Code section 97B.70, is applied through the calendar quarter preceding the quarter in which any distribution is made. IPERS determines the interest rate under, and the per annum interest rate is credited as provided by, Iowa Code section 97B.70(2).

495—10.2(97B) Erroneous contributions. Interest, as defined by Iowa Code section 97B.70(2), is not credited to a member's account if the wages were reported in error.

495—10.3(97B) Interest on undistributed accumulated contributions after member's death. Interest continues to accrue on the deceased member's undistributed accumulated contributions based on the member's vested status at date of death and the interest crediting method described in rule 495—10.1(97B). IPERS will not credit interest to any postretirement death benefit payable with respect to that member's account under Iowa Code chapter 97B. If IPERS determines that a dispute among alleged heirs exists that delays the death benefit payment on which interest would be payable, IPERS will place the death benefit amount in a non-interest-bearing account.

These rules are intended to implement Iowa Code sections 97B.52, 97B.53 and 97B.70.

RA 26-52**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 11
“Application for, Modification of, and Termination of Benefits”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restrictive terms, combined or eliminated duplicative language, and made editorial updates to ensure this proposed chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not incur cost to the public.

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

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed rulemaking will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found in the Iowa Administrative Code and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11

APPLICATION FOR, MODIFICATION OF, AND TERMINATION OF BENEFITS

495—11.1(97B) Application for benefits.

11.1(1) *Form used.* It is the member's responsibility to notify IPERS of the intention to retire by, as provided in Iowa Code section 97B.25, submitting an application for benefits on a form furnished by IPERS at least 60 days before the expected retirement date. IPERS will return an incomplete or incorrectly completed application to the member. Complete applications include:

- a. Proof of date of birth for the member, if not previously verified by IPERS.
- b. Option selected, and
 - (1) If Option 1 is selected, the death benefit amount.
 - (2) If Option 4 or 6 is selected, the contingent annuitant's name, social security number, proof of date of birth, and relationship to member. The member must designate the survivor benefit percentage, which is limited to one of the following:
 - 1. One hundred percent of the member's benefit amount.
 - 2. Seventy-five percent of the member's benefit amount.
 - 3. Fifty percent of the member's benefit amount.
 - 4. Twenty-five percent of the member's benefit amount.
 - (3) If Option 1, 2, or 5 is selected, a list of beneficiaries.
- c. If the member has been terminated less than one year, or is applying for disability benefits, the employer must complete the employer certification page unless the employer has provided the termination date and last paycheck date on the monthly wage reports.
- d. Member and spouse's signature.
- e. If the member has no spouse, designate "NONE".
- f. If the member is applying for regular disability benefits, a copy of the award letter from the Social Security Administration or railroad retirement.
- g. An indication whether the member is a U.S. citizen, resident alien, or non-U.S. citizen. Pursuant to Iowa Code section 97B.25, a retirement application is valid and binding on the date the first payment is paid and members cannot cancel their applications, change their option choice, or change an IPERS option containing contingent annuitant benefits after that date.

11.1(2) *Proof required in connection with application.* Acceptable proof of date of birth submitted with an application for benefits includes: a birth certificate, a U.S. passport, an infant baptismal certificate, an identification card or driver's license issued by the state of Iowa, a state identification card that is issued in compliance with the REAL ID Act of 2005, or a driver's license that is issued in compliance with the REAL ID Act of 2005. If these records do not exist, the applicant must submit two other documents or records which will verify the day, month and year of birth. IPERS may accept a photographic identification record even if now expired unless time has made it impossible to determine if the photographic identification record belongs to the applicant. IPERS deems the following records or documents acceptable as proof of date of birth:

- a. United States census record;
- b. Military record or identification card;
- c. Naturalization record;
- d. A marriage license showing age of applicant in years, months and days on date of issuance;
- e. A life insurance policy;

- f. Records in a school's administrative office;
- g. An official document from the U.S. Citizenship and Immigration Services, such as a "green card," containing such information;
- h. Driver's license or Iowa nondriver identification card;
- i. Adoption papers; or
- j. Any other document or record ten or more years old, or certification from the custodian of such records that verifies the day, month, and year of birth.

If the member, the member's representative, or the member's beneficiary is unable or unwilling to provide proof of birth, or in the case of death, proof of death, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, Iowa division of records and statistics, IPERS' own internal records, or reports derived from other public records, and other departmental or governmental records to which IPERS may have access.

IPERS must begin making payments to a member or beneficiary who has reached the required beginning date specified by Internal Revenue Code Section 401(a)(9). In order to begin making such payments and to protect IPERS' status as a plan qualified under Internal Revenue Code Section 401(a), IPERS may rely on its internal records with regard to date of birth, if the member or beneficiary is unable or unwilling to provide the proofs required by this subrule within 30 days after written notification of IPERS' intent to begin mandatory payments.

11.1(3) *Benefits estimates.* Upon request, IPERS will prepare projected benefits estimates under Iowa Code section 97B.51. A benefit estimate does not bind IPERS to projected benefits payments under the various options specified in Iowa Code chapter 97B. IPERS is not liable or responsible for a member's reliance on the benefit estimate in making any retirement-related decision or taking any action with respect to the member's account. An estimate does not include deductions for a qualified domestic relations order (QDRO) or any other legal assignments or orders on a member's account unless specifically requested by the member. A member's actual benefit can only be known and officially calculated when an eligible member applies for benefits.

11.1(4) *Revocation of application.* If IPERS determines an application for benefits under Iowa Code section 97B.25 is invalid for any reason, IPERS revokes, in whole or in pertinent part, the application for benefits and the recipient shall repay all payments made under the revoked application or all payments made pursuant to the revoked part of the application pursuant to the provisions of 495—11.7(97B).

495—11.2(97B) Required beginning date.

11.2(1) *Required beginning date.*

a. IPERS commences payment of a member's retirement benefit under Iowa Code sections 97B.49A through 97B.49I (under Option 2) no later than the required beginning date pursuant to Iowa Code section 97B.48(4). The "required beginning date" means the later of:

(1) April 1 of the year following the year that the member attains the applicable age, determined as follows:

1. For members who turned age 72 before 2023, the applicable age is age 72 (or age 70 ½ if they were born before July 1, 1949), and

2. For members who will turn age 72 after 2022 and age 73 before 2033, the applicable age is age 73; or

(2) April 1 of the year following the year that the member actually terminates all employment with employers covered under Iowa Code chapter 97B.

b. If IPERS distributes a member's benefits without the member's consent to begin benefits on or before the required beginning date, the member may elect to receive benefits under an option other than the default option described above, or as a refund, if the member contacts IPERS in writing within 60 days of the first mandatory distribution. IPERS will inform the member which adjustments or repayments are required to make the change.

c. IPERS will reinstate rights to benefits under Iowa Code section 97B.49 if the member later contacts IPERS and files an application for retirement benefits.

d. To determine benefits, IPERS does not recalculate the life expectancy of a member, a member's spouse, or a member's beneficiary after benefits commence.

e. If an IPERS member has a QDRO on file when a mandatory distribution is required, and the QDRO requires the member to choose a specific retirement option, IPERS will pay benefits under the option required by the order.

11.2(2) *Mandatory distribution of small inactive accounts.* IPERS will distribute small inactive accounts to members and beneficiaries as authorized in Iowa Code section 97B.48(5).

495—11.3(97B) First month of entitlement (FME).

11.3(1) *General.* A member's first month of entitlement, as defined by Iowa Code section 97B.1A(11) is not earlier than the first day of the first month after the member's date of termination from employment or, if later, the month provided for under subrule 11.3(2). IPERS will not pay for any month prior to the month IPERS receives the completed benefits application.

Notwithstanding Iowa Code section 97B.1A(11), if a member files a retirement application but fails to select a valid first month of entitlement, IPERS will select by default the earliest month possible. A member may appeal this default selection by sending written appeal notice postmarked on or before 30 days after IPERS mailed a default notice of the default selection to the member. Notice of the default selection is deemed sufficient if sent to the member at the member's address.

11.3(2) *Additional FME provisions.* Employees of a school corporation, as provided for in Iowa Code sections 260C.16 (community colleges), 273.2 (area education agencies), and 274.1 (K-12 public schools), who are permitted by the terms of their employment contracts to receive their annual salaries in monthly installments over periods ranging from 9 to 12 months, may retire at the end of a school year and receive trailing wages through the end of the contract year if they have completely fulfilled their contract obligations at the time of retirement. In this paragraph, "trailing wages" means previously earned wage payments made to such employees of a school corporation after the first month of entitlement. This exception does not apply to hourly employees, including those who make arrangements with their employers to hold back hourly wages for payment at a later date, to employees who are placed on sick or disability leave or leave of absence, or to employees who receive lump sum leave, vacation leave, early retirement incentive pay or any other lump sum payments in installments.

For all employees of all IPERS-covered employers who terminate employment in January 2003, or later, if the final paycheck is paid within the same quarter or within one quarter after termination and wages are reported under the normal pay schedule, the first month of entitlement is the month following termination. However, if the last paycheck is paid more than one quarter after the termination, the first month of entitlement is the first month after the employee is paid the last paycheck. Such trailing wages will not result in more than one quarter of service credit being added to retiring members' earning records.

11.3(3) *Survival into designated FME.* To determine monthly retirement benefit eligibility under Iowa Code section 97B.1A(11), if the member dies prior to the first month of entitlement, IPERS cancels the member's monthly benefits application and distributes the member's account pursuant to Iowa Code section 97B.52. Cancellation under this subrule will not invalidate a beneficiary designation. If the application is dated later than any other designations, IPERS will accept the designation in a canceled application as binding.

11.3(4) *Members retiring under the rule of 88.* The first month of entitlement of a member qualifying under the rule of 88 is the first of the month when the member's age, as of the last birthday, and years of service equal 88. A member's birthday allowing a member to qualify for the rule of 88 occurring in the same month as the first month of entitlement does not affect the retirement date.

495—11.4(97B) Termination of monthly retirement allowance. A member's retirement benefit terminates after IPERS pays the member for the entire month during which the member dies. Death benefits begin with the month following the month in which the member dies.

Upon the death of the retired member, IPERS will reconcile the decedent's account to determine if IPERS overpaid the retired member and if further payment(s) is due to the retired member's named beneficiary, contingent annuitant, heirs at law or estate. If IPERS overpaid the retired member, IPERS will determine if it should seek collection of the overpayment from the named beneficiary, contingent annuitant, estate, heirs at law, or other interested parties.

495—11.5(97B) Bona fide retirement and bona fide refund.

11.5(1) *Bona fide retirement—general.* To receive retirement benefits under Iowa Code chapter 97B, a member under the age of 70 must have a bona fide retirement as provided in Iowa Code section 97B.52A. Notwithstanding this rule, the continuation of group insurance coverage at employee rates for the remainder of the school year for a school employee who retires following completion of services by that individual does not violate IPERS' bona fide retirement requirements.

A member is not considered to have a bona fide retirement if the member is a school or university employee and returns to work with the employer after the normal summer vacation. In other positions, temporary or seasonal interruption of service, which does not terminate the period of employment, does not constitute a bona fide retirement. A member is not considered to have a bona fide retirement if the member has, prior to or during the member's first month of entitlement, entered into verbal or written arrangements with the member's former employer(s) to return to employment after the four-month bona fide retirement period expires.

A school employee is not considered terminated if, while performing the normal duties, the employee performs additional duties for the same employer that take the employee beyond the expected termination date for the normal duties. IPERS considers the employee terminated only when all the employee's compensated duties cease for that employer.

The bona fide retirement period is waived for an elected official covered under Iowa Code section 97B.1A(8)"a"(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8)"a"(2), when the elected official or legislator notifies IPERS of the intent to terminate IPERS coverage for the elective office and, at the same time, terminates all other IPERS-covered employment prior to the issuance of the retirement benefit. Such an elected official or legislator may remain in the elective office and receive an IPERS retirement without violating IPERS' bona fide retirement rules. If such elected official or legislator terminates coverage for the elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment, and has not received a retirement as of the date of hire, the retirement will not be made. If such elected official or legislator is reemployed in covered employment, the election to revoke IPERS coverage for the elective position will remain in effect, and the elected official or legislator will not be eligible for new IPERS coverage for such elected position. The prior election to revoke IPERS coverage for the elected position remains in effect if such elected official or legislator is reelected to the same position without an intervening term out of office.

The bona fide retirement period is waived if the member was elected to public office as a part-time elected official or a member of the general assembly and the member's term begins during the normal four-month bona fide retirement period. This includes elected officials who are covered under this chapter as defined in Iowa Code section 97B.1A. This waiver does not apply if the member was an elected official who was reelected to the same position for another term.

A member does not have a bona fide retirement until all employment with covered employers, including employment that is not covered under this chapter, is terminated for at least one month, and the member does not return to covered employment for an additional three months. In order to receive retirement benefits, the member must file a completed application for benefits before returning to any employment with a covered employer.

A member does not have a bona fide retirement if the member makes a verbal or written arrangement to perform duties for the member's former employer(s) as an independent contractor before or during the member's first month of entitlement, and the member may not perform any duties for the member's former employer(s) as an independent contractor prior to receiving one month of retirement benefits.

11.5(2) *Bona fide refund.* To be eligible for a lump sum refund under Iowa Code section 97B.53, a member terminated from covered employment needs to incur a bona fide separation from service and remain out of employment, as described in Iowa Code section 97B.42, for at least 30 days with all covered employers. This paragraph does not apply to services rendered as an elected official covered under Iowa Code section 97B.1A(8)“a”(1), and for a member of the general assembly covered under Iowa Code section 97B.1A(8)“a”(2). IPERS will not make a refund if such elected official terminates coverage for the elective office and also terminates all other IPERS-covered employment but is then reemployed in covered employment and has not received a refund as of the date of hire. If such elected official is reemployed in covered employment, the election to revoke IPERS coverage for the elective position shall remain in effect, and the public official is not eligible for new IPERS coverage for such elected position.

The prior election to revoke IPERS coverage for the elected position remains in effect if such elected official is reelected to the same position without an intervening term out of office. The waiver granted in this subrule is applicable to such elected officials who violated the prior bona fide refund rules on and after November 1, 2002, when such individuals failed to repay the previously invalid refund.

If a member takes a refund in violation of the bona fide refund requirements of Iowa Code section 97B.53(4), the member may return the refund during the bona fide retirement period and restore the member's account. If the repayment is not made, the member will receive no credit for the period covered by the refund. At retirement, the member may purchase, at actuarial cost, the service credit covered by the refund.

11.5(3) *Part-time appointed members of boards or commissions receiving minimal noncovered wages.* Solely for purposes of determining whether a member has severed all employment with all covered employers and has remained out of employment as required under Iowa Code section 97B.52A, persons who have been appointed as part-time members of boards or commissions prior to or during their first month of entitlement and who receive only per diem and reimbursements for reasonable business expenses for such positions will be deemed not to be in employment prohibited under Iowa Code section 97B.52A.

For purposes of this subrule, per diem will not exceed the amount authorized under Iowa Code section 7E.6(1)“a” for members of boards, committees, commissions, and councils within the executive branch of state government. This limit applies regardless of whether the position in question is within the executive branch of state government.

Members of boards and commissions not exempted under this subrule include: (a) those who are entitled to the payment of per diem regardless of attendance at board or commission meetings, and (b) those who would have received per diem in excess of the amount authorized under Iowa Code section 7E.6(1)“a” were it not for an agreement by the member to waive such compensation.

Persons appointed as part-time board or commission members who receive only per diem as set forth above and reimbursements of reasonable business expenses may continue in or accept appointments to such positions without violating the bona fide retirement rules under Iowa Code section 97B.52A.

11.5(4) *Members of the national guard who are called into state active duty.* Effective May 25, 2008, members of the national guard who are called into state active duty as defined in Iowa Code section 29A.1 in noncovered positions during the required period of complete severance will not be in violation of the bona fide retirement requirements of Iowa Code section 97B.52A.

495—11.6(97B) Payment processing and administration.

11.6(1) *Monthly paper warrants processing fee.* Effective July 1, 2005, IPERS will charge a \$10 per-warrant processing fee to members who choose to receive paper warrants in lieu of electronic deposits of their monthly retirement allowance. The fee may be waived if the person establishes, to IPERS' satisfaction, that it would be unduly burdensome because of the member's limited income or is otherwise financially burdensome or physically impracticable for the person to do what is necessary to receive payment of the person's IPERS monthly retirement allowance by electronic deposit. The processing fee will be deducted from the member's retirement allowance on a posttax basis.

11.6(2) *Repeated requests for replacement warrants.* Effective July 1, 2002, for a member or beneficiary who, due to the member's or beneficiary's own actions or inactions, has benefits warrants replaced twice in a six-month period, except when the need for a replacement warrant is caused by IPERS' failure to mail to the address specified by the recipient, payment will be suspended until such time as the recipient establishes a direct deposit account in a bank, credit union or similar financial institution and provides IPERS with the information necessary to make electronic transfer of said monthly payments. Persons subject to said cases may be required to provide a face-to-face interview and additional documentation to prove that such a suspension would result in an undue hardship.

11.6(3) *Forgery claims.* To allege a forgery of a warrant issued in payment of an IPERS refund or benefit, the claimant will complete and sign an affidavit before a notary public that the endorsement is a forgery. A supplementary statement must be attached to the affidavit setting forth the details and circumstances of the alleged forgery.

11.6(4) *Rollover fees.* If the recipient of a lump-sum distribution that qualifies to be rolled over requests that a rollover be made to more than one IRA or other qualified plan, IPERS may assess a \$5 administrative fee for each additional rollover beyond the first one. The fee will be deducted from the gross amount of each distribution, less federal and state income tax.

11.6(5) *Offsets against amounts payable.* IPERS may, with or without consent and upon reasonable proof thereof, offset amounts currently payable to a member or the member's designated beneficiaries, heirs, assigns or other successors in interest by the amount of IPERS benefits paid in error to or on behalf of such member or the member's designated beneficiaries, heirs, assigns or other successors in interest.

11.6(6) *Lump sum paper warrants processing fee.* IPERS may charge \$10 for paper warrants issued in payment of all nonrecurring lump sum distributions. If a nonrecurring lump sum distribution is followed by a supplemental lump sum distribution due to the reporting of additional covered wages, the \$10 processing fee may also be charged. This \$10 processing fee will not apply to a direct rollover described under Iowa Code section 97B.53B (however, processing fees may be charged for multiple rollover requests), lump sum mandatory account distributions required under Iowa Code section 97B.48(5), mandatory lump sum distributions required under Internal Revenue Code Section 401(9), or warrants reissued in forged endorsement or other fraudulent payment situations.

495—11.7(97B) Overpayment of IPERS benefits.**11.7(1)** *Overpayments—general.*

a. An "overpayment" means a payment of money by IPERS that results in a recipient receiving a higher payment than the recipient is entitled to under the provisions of Iowa Code chapter 97B.

b. A "recipient" is a person or beneficiary, heir, assign, or other successor in interest who receives an overpayment from an IPERS benefit and is liable to repay the amount(s) upon receipt of a written explanation and request for the amounts to be repaid.

c. If IPERS determines that the cost of recovering the amount of an overpayment is estimated to exceed the overpayment, the repayment may be deemed to be unrecoverable.

d. If the overpayment is equal to or less than \$50 and cannot be recovered from other IPERS payments, IPERS may limit its recovery efforts to written requests for repayment and other nonjudicial remedies.

11.7(2) *Overpayment made to a retired member.* IPERS will send retired members written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and a limited opportunity to repay the overpayment in full without interest. If a retired member repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. A retired member may repay an overpayment out of pocket or direct IPERS to recover the overpayment from future retirement benefit payments, or a combination of both. If the retired member cannot repay an overpayment in full, either out of pocket or from the next monthly installment of retirement benefits, or both, interest will be charged. IPERS will enter into a monthly installment agreement or offset agreement, with any unpaid balance as a first priority claim in the recipient's estate, with any retired member who cannot repay the full amount of the overpayment within 30 days after the date of the notice.

11.7(3) *Overpayment made to a person other than a retired member.* A recipient other than a retired member, except a recipient listed in subrule 11.5(2), will receive written notice of overpayment, including the reason for the overpayment, the amount of the overpayment, and the opportunity to repay the overpayment in full without interest. If such a recipient repays an overpayment in full within 30 days after the date of the notice, there will be no interest charge. If such a recipient cannot repay an overpayment in full within 30 days after the date of the notice, IPERS will charge interest. If repayment in full cannot be made within 30 days, such a recipient will make repayment arrangements subject to IPERS' approval within 30 days of the written notice and request for repayment.

If the overpayment recipient cannot be located to receive notice of the overpayment at the recipient's last-known address, IPERS will, after trying to locate the person, consider the recipient to have waived entitlement to the quarters covered by the refund.

11.7(4) *Interest charges.*

a. Overpayment not fraudulent. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was not the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 5 percent, or the rate IPERS determines, on the outstanding balance, beginning 30 days after the date of notice of the overpayment(s) is provided by IPERS.

b. Overpayments in violation of Iowa Code section 97B.40 or 715A.8. If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.5(2), was the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 7 percent on the outstanding balance, beginning on the date of the overpayment(s).

c. Overpayments that result in a judgment. In addition to other remedies, IPERS may file a civil action to recover overpayments, and the interest rate may be set by the court.

11.7(5) *Recovery of overpayment from a deceased recipient.* If a recipient dies prior to the full repayment of an erroneous overpayment of benefits, IPERS is entitled to apply to the estate of the deceased to recover the remaining balance.

11.7(6) *Offsets against amounts payable.* IPERS may, in addition to other remedies and after notice to the recipient, request an offset against amounts owing to the recipient by the state according to the offset procedures pursuant to Iowa Code section 421.65.

11.7(7) *Rights of appeal.* A recipient who is notified of an overpayment and required to make repayments under this rule may appeal IPERS' determination in writing to the CEO or CEO's designee. The written request must explain the basis of the appeal and must be received by IPERS' office within 30 days of overpayment notice pursuant to 495—Chapter 26.

11.7(8) *Release of overpayment.* IPERS may release a recipient from liability to repay an overpayment, in whole or in part, if IPERS determines that the receipt of overpayment is not the fault of the recipient, and that it would be contrary to equity and good conscience to collect the overpayment. No release of an individual recipient's obligation to repay an overpayment will stand as precedent for release of another recipient's obligation to repay an overpayment.

These rules are intended to implement Iowa Code sections 97B.4, 97B.9A, 97B.15, 97B.25, 97B.38, 97B.40, 97B.45, 97B.47, 97B.48, 97B.48A, 97B.49A through 97B.49I, 97B.50, 97B.51 through 97B.53, and 97B.53B.

RA 26-53**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]****Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 12
“Calculation of Monthly Retirement Benefits”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

Public Hearing

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

May 5, 2026
1 to 2 p.m.

IPERS Boardroom
7401 Register Drive
Des Moines, Iowa
Via videoconference call:
[Join Online Meeting](#)
Meeting ID: 243 870 453 017 71
Passcode: kM68fC6e

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restrictive terms, combined or eliminated duplicative language, and made editorial updates to ensure this proposed chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

This proposed rulemaking does not incur cost to the public.

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

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed rulemaking will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found in the Iowa Administrative Code and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members, beneficiaries, and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

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

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

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

IPERS has not identified any less costly methods or less intrusive methods.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking does not create a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 495—Chapter 12 and adopt the following **new** chapter in lieu thereof:

CHAPTER 12
CALCULATION OF MONTHLY RETIREMENT BENEFITS

495—12.1(97B) General.

12.1(1) *Formula benefit versus money purchase benefit.* If a member is vested by years of service credit in IPERS, IPERS pays a monthly payment allowance as set forth in Iowa Code sections 97B.49A through 97B.49I, the applicable paragraphs of this chapter, and the option the member elects pursuant to Iowa Code section 97B.51(1). If a member is vested by age and not service, IPERS computes the benefit receivable on a money purchase basis, with reference to annuity tables IPERS uses in accordance with the member's age and option choice.

12.1(2) *Reduction for early retirement for regular class members.*

a. Effective July 1, 1988, through December 31, 2000, IPERS reduces a member's benefit formula by .25 percent for each month the member's retirement precedes the normal retirement date, as defined in Iowa Code section 97B.45 excluding Iowa Code section 97B.45(4). Early retirement situations include:

(1) If a member has not attained 65 years of age in the member's first month of entitlement and has less than 20 years of service; or

(2) If a member has not attained 62 years of age in the month of the member's retirement and has 20 years of service.

b. Effective July 1, 1997, if the member is at least 55 years of age, a member is eligible to receive monthly retirement benefits without age reduction beginning the first of the month in which the member's age on the last birthday and the member's years of service equal or exceed 88.

c. Effective July 1, 1991, a member qualifying for early retirement due to disability under Iowa Code section 97B.50 is not subject to a reduction in benefits due to age.

d. If a member retires with at least 20 years of service but has not attained 62 years of age, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains 62 years of age. If a member retires with less than 20 years of service, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the month in which the member attains 65 years of age.

e. Effective January 1, 2001, IPERS calculates the age reduction by deducting .25 percent per month for each month that the first month of entitlement precedes the earliest possible normal retirement date for that member based on the age and years of service at the member's actual retirement.

f. For the member's retirement allowance based on service through June 30, 2012, IPERS calculates the early retirement reduction as provided in paragraphs 12.1(2)"a" through "e." For the retirement allowance based on years of service beginning July 1, 2012, and later, the member's early retirement reduction is 0.5 percent for each month that the early retirement precedes the date the member attains 65 years of age.

12.1(3) *Benefit formulas for members retiring on or after July 1, 2012.*

a. IPERS determines the monthly retirement allowance for all active and inactive vested members on the basis of the formula in effect on the date of the member's retirement. If the member takes early retirement, IPERS adjusts the benefit as provided in subrule 12.1(2).

b. In addition to the multiplier identified in Iowa Code section 97B.49A, IPERS increases the percentage multiplier for regular class members retiring with greater than 30 years of service by .25 percent for each quarter of a year in excess of 30, not to exceed an increase of 5 percent.

c. In addition to the multiplier identified in Iowa Code sections 97B.49B and 97B.49C, IPERS increases the percentage multiplier for protection occupation members, sheriffs, and deputy sheriffs retiring with greater than 22 years of service by .375 percent for each quarter of a year in excess of 22, not to exceed an increase of 12 percent.

d. Regular service does not count as "eligible service" in determining a special service member's applicable percentage.

12.1(4) *Average covered wages for special service members and for wages of regular class members prior to July 2012.*

a. Effective July 1, 2007, a member's high three-year average covered wage, as defined under Iowa Code section 97B.1A(24) "a," shall be the greater of (1) the member's high three-year average covered wage based on covered wages reported through June 30, 2007; or (2) the member's high three-year average covered wage after application of the antispiking control as described in paragraph 12.1(5) "b."

b. Antispiking limit on the growth of a member's high three-year average.

(1) Selection of the control year shall give highest priority to calendar years of wages in which there are four quarters of service credit for wages on file not used in the high three-year average wage calculation. For example, if the member receives \$20,000 of wages for a calendar year with four quarters of service credit for wages, and the member also has received \$30,000 of wages for a calendar year with three quarters of service credit for wages, the control year selection process shall give preference to the calendar year with \$20,000 of reported wages.

(2) If there is a calendar year of covered wages outside the high three-year average wage calculation that has four quarters, but the covered wages for that year are less than the covered wages for the fourth highest calendar year of covered wages, and that fourth highest calendar year of covered wages does not have four quarters of service credit for wages, the control year will be the lowest of the high three calendar years of wages with service credits for wages in all four quarters being used in the high three-year average wage calculation.

(3) "Service credit for wages" means service credit recorded for:

1. Quarters in which the member receives covered wages from covered employment.
2. Quarters in which the member is credited with covered wages due to a military leave.
3. Quarters in which the member would have had covered wages but for the application of the IRS covered wage limitations.

4. Quarters in which an employee of a nine-month institution receives service credit for a qualifying leave of absence under 495—subrule 7.1(2).

5. Quarters in which a legislator, legislative employee, or elected official receives service credit for employment.

(4) If none of the calendar years of wages that fall outside of the high three-year average wage calculation have service credit for wages reported in all four quarters, the control year will be the lowest of the high three calendar years of wages with service credit for wages in all four quarters being used in the high three-year average wage calculation.

(5) If none of the wage years used in the high three-year average wage calculation have service credits for wages reported in all four quarters, the control year will revert to the highest calendar year of wages not included in the high three-year average wage calculation, regardless of whether there are fewer than four quarters with service credits for wages on file.

(6) For high three-year average wage calculations that utilize the computed year, the control year may be the calendar year from which the "average quarters" used in the computed year are drawn. However, the control year cannot be the computed year since the computed year will never be a calendar year with service credit for wages in all four quarters.

c. Effective July 1, 2012, a nonvested regular class member's average covered wage is the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a."

d. Effective July 1, 2012, for regular class members vested as of June 30, 2012, the member's average covered wage is the greater of the member's three-year average covered wage calculated as provided under paragraphs 12.1(4) "a" and "b," or the member's five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A) "a."

495—12.2(97B) Initial benefit determination.

12.2(1) IPERS calculates the initial monthly benefit for the retired member utilizing the wages reported as of the member's retirement and subject to the requirements of Iowa Code sections 97B.49A through 97B.49I and subrule 12.1(4). When the employer reports the final quarter(s) of wages, IPERS recalculates benefits to redetermine the member's benefit amount. If the recalculation changes the benefit, IPERS adjusts benefits retroactive to the first month of entitlement. The wages for the "computed year" will not exceed the highest covered wage ceiling in effect during the member's employment period.

12.2(2) In cases where the member's final quarter's wages have been reported to IPERS prior to retirement, the original benefit will be calculated utilizing all available wages.

12.2(3) The Option 1 death benefit amount cannot exceed the member's investment and cannot lower the member's benefit below the minimum distribution required by federal law.

495—12.3(97B) Hybrid formula for members with more than one type of service credit.

12.3(1) Eligibility. Effective July 1, 1996, members having both regular and special service (as defined in Iowa Code section 97B.1A(22)) shall receive the greater of the benefit amount calculated under this subrule or the benefit amount calculated under the applicable nonhybrid benefit formula.

a. Members who are vested by service as defined in Iowa Code section 97B.1A(25) "d" may utilize the hybrid formula.

b. The following classes of members are not eligible for the hybrid formula:

- (1) Members who have only regular service credit.
- (2) Members who have 22 years of special service credit.
- (3) Members who have 30 years of regular service.
- (4) Members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

12.3(2) Assumptions. In calculating benefits under this rule, IPERS assumes the following:

a. The member's average covered wage is determined in the same manner as it is determined for the nonhybrid formula.

b. Increases in the benefit formula under this rule are determined as provided under Iowa Code section 97B.49D. The percentage multiplier is only increased for total years of service over 30.

c. Years of service is utilized as follows:

(1) Quarters that have two or more occupation class codes are credited as the class that has the highest reported wage for said quarter. A member does not receive more than one quarter of credit for any calendar quarter, even though more than one type of service credit is recorded for that quarter.

(2) Quarters are not treated as special service quarters unless the applicable employer and employee contributions have been made.

495—12.4(97B) Money purchase benefits.

12.4(1) For each vested member for whom the present value of future benefits under Option 2 is less than the member reserve as of the effective retirement date, IPERS determines a monthly annuity by applying the member reserve to the annuity tables in use by the system according to the member's age (or member's and contingent annuitant's ages, if applicable).

12.4(2) For calculations under Iowa Code section 97B.49A(4) "c," IPERS calculates Options 2, 3, 4, 5 and 6 by dividing the member's total reserve by the applicable Option 2, 3, 4, 5 or 6 annuity

factor taken from the system's tables to determine the monthly amount. For calculations under subrule 12.4(1), IPERS calculates Options 2, 3, 4, 5 and 6 by dividing the member reserve by the applicable Option 2, 3, 4, 5 or 6 annuity factor taken from the system's tables to determine the monthly amount.

12.4(3) For Option 1, the cost per \$1,000 of death benefit is determined according to the system's tables. IPERS determines the Option 1 monthly benefit amount by subtracting the cost determined by the systems tables from the Option 3 monthly amount. IPERS reduces the Option 1 death benefit amount as necessary so that the Option 1 monthly benefit amount is not less than one-half of the Option 2 monthly benefit amount.

12.4(4) For members retiring after June 30, 2012, IPERS provides the money purchase benefit calculated pursuant to this rule to members who are not vested by service as defined in Iowa Code section 97B.1A(25) "d."

495—12.5(97B) Recalculation for a member 70 years of age. Before IPERS recalculates the member's retirement allowance, to take into account service after the member's original first month of entitlement (FME), the member, who is in covered employment, attains 70 years of age and begins receiving a retirement allowance, must terminate all covered employment. The termination of employment must be a true severance meeting the requirements of Iowa Code section 97B.53. IPERS uses the following formula to recalculate a members retirement allowance under this rule:

If the member is receiving a retirement allowance with an FME prior to July 1, 2000, and terminates covered employment on or after January 1, 2000, the member's retirement formula for recalculation purposes is the formula in effect at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation.

In all other cases, the recalculation for a member 70 years of age who retires while actively employed is the retirement formula in effect at the time of the member's FME.

Payments under this rule begin no earlier than the month following the month of termination, upon IPERS' receipt of a member's application for recalculation. It is the member's responsibility to apply for the recalculation by completing and submitting the form specified by IPERS.

A member receiving a recalculation under this rule after June 30, 2012, will have the member's average covered wage calculated as follows: IPERS calculates the average high three covered wage as of June 30, 2012. IPERS will next calculate the average high five covered wage at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation. IPERS will determine the benefit amount based on the calculation that produces the greatest benefit to the member.

495—12.6(97B) Level payment choice for special service members. Effective July 1, 2002, IPERS implements the level payment choice by preparing factors to convert nonhybrid IPERS Options 1, 2, 3, 4, and 5 to the level payment choice. The new benefit feature applies solely to special service members, and any reference to members in this rule only applies to special service members.

12.6(1) *Member's social security retirement amount.* IPERS bases a member's level payment choice calculation on the member's social security retirement amount at 62 years of age as verified by Social Security Administration statements the member provides. IPERS will not make adjustments if subsequent social security statements indicate an increase in the age 62 social security retirement amount. Social security benefits verification will not precede the member's first month of entitlement by more than 12 months.

12.6(2) *Death benefit assumptions.* In preparing level payment choice factors, IPERS assumes:

a. For IPERS Options 1 and 2, death benefits under those options are not reduced as a result of a member's attaining 62 years of age and having the member's monthly allowance reduced under this rule.

b. For IPERS Options 4 and 5, IPERS assumes the contingent annuitant's or beneficiary's monthly payments and death benefits, if any, prior to the date the member attains, or would have attained, 62 years of age is based on the amount that was payable to the member for periods before

the member attains, or would have attained, 62 years of age. Beginning with the month after the month that the member attains, or would have attained, 62 years of age, a contingent annuitant's or beneficiary's monthly payments and death benefits, except death benefits under IPERS Options 1 and 2, are based on the reduced amount that would have been payable to the member in the month after the month that the member attained 62 years of age.

12.6(3) Prohibitions. Except as provided in this rule, special service members does not include those who:

- a. Retire under Iowa Code section 97B.49D, 97B.50(2), or 97B.50A.
- b. Retire under Option 6.
- c. Request a level payment amount that reflects less than a full offset for the social security retirement amount at 62 years of age.
- d. Reemployed in covered employment and subsequently retiring, for the period of reemployment. IPERS calculates retirement benefits for a member who elected the level payment choice solely for the period of reemployment, except for vesting credit.

12.6(4) Limit on reductions. The level payment choice factors do not reduce the monthly amount payable to a member at 62 years of age to less than 50 percent of the monthly amount that would have been payable under IPERS Option 2. Accordingly, payments before 62 years of age to such members are reduced in the same manner, with the corresponding adjustments made to death benefits.

12.6(5) Commencement of level payment option reduction. IPERS reduces the monthly benefit of a member who selects the level payment option beginning with the month after the member reaches 62 years of age.

495—12.7(97B) Reemployment of retired members.

12.7(1) Beginning on or after July 1, 1996, the member's retirement allowance subject to reduction pursuant to Iowa Code section 97B.48A is reduced as follows:

a. IPERS reduces a member's monthly retirement allowance in the following calendar year by the excess benefit paid in the preceding year after the excess benefit payment amount has been determined.

b. Employers are required to complete IPERS wage reporting forms for reemployed individuals that reflect the prior year's wage payments on a month-to-month basis. IPERS uses these reports to determine the amount that IPERS must recover to offset overpayments in the prior calendar year due to reemployment wages.

c. The member's overpayment is collected as follows:

(1) IPERS reduces the member's gross monthly benefit by 50 percent until the overpayment is repaid. If the 50 percent reduction does not recover the overpayment by the end of the current calendar year, IPERS calculates the monthly reduction amount so that the overpayment is recovered within the current calendar year. IPERS and the member may agree in writing to other monthly reduction amounts; or

(2) A member may elect to make repayments of the overpayment amounts out of pocket instead of reducing the member's monthly benefit. An out-of-pocket repayment may be made in one check or in installments. However, IPERS and the member must agree in writing to an election to make repayment in installments.

(3) A member may elect in writing to suspend the member's monthly retirement allowance in the month in which the member's remuneration exceeds the amount of remuneration permitted under this subrule instead of receiving a reduced retirement allowance under subparagraph 12.7(1) "c"(1). To become effective, the member must deliver the written election to IPERS in person, by regular mail, email, facsimile or by private carrier. IPERS does not accept oral elections. The member's election to suspend benefit payments under this subrule remains in effect for all subsequent calendar years until revoked by the member in writing. If the member's written election is not timely, and an overpayment occurs, IPERS will recover the overpayment, to the extent possible, from monthly amounts beginning in January of the next calendar year or under one of the alternate arrangements

permitted under this rule. Effective July 1, 2007, remuneration shall include those amounts as described in 495—subrule 6.3(12).

12.7(2) Effective July 1, 1998, a member who is reemployed in covered employment after retirement may, after again terminating employment for at least 30 days, elect to receive a refund of the employee and employer contributions made during the reemployment period instead of a second annuity. If a member requests a refund in lieu of a second annuity, the related service credit is forfeited.

Effective July 1, 2007, employer contributions described in 495—subrule 6.3(12) constitute “remuneration” for purposes of applying the reemployment earnings limit and determining reductions in the member’s monthly benefits but are not considered covered wages for IPERS benefits calculations.

It is the member’s responsibility to apply for the recomputation or lump sum by completing and submitting the form IPERS specifies.

12.7(3) In recomputing a retired member’s monthly benefit, IPERS assumes:

a. The member cannot change the option or beneficiary with respect to the reemployment period.

b. If the member would only qualify for a money purchase benefit under rule 495—12.4(97B) based solely on the reemployment period, then IPERS uses the money purchase formula to compute the additional benefit amount due to the reemployment.

c. If the member would qualify for a non-money purchase retirement allowance based solely on the reemployment period, IPERS uses the benefit formula in effect as of the FME for the reemployment period. If the FME is July 1998 or later, and the member has more than 30 years of service, including both original and reemployment service, the percentage multiplier for the reemployment period is the applicable percentage (up to 65 percent) for the total years of service.

d. If a period of reemployment would increase the member’s monthly benefit, the member may elect between the increase and a refund of the employee and employer contributions without regard to reemployment FME.

e. If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member’s monthly benefits, the member’s Option 1 death benefit is increased if the investment is at least \$1,000. The amount of the increase is at least the same percentage of the maximum death benefit permitted with respect to the reemployment as the percentage of the maximum death benefit elected at the member’s original retirement. In determining the increase in Option 1 death benefits, IPERS rounds up to the nearest \$1,000. For example, if a member’s reemployment investment period is \$1,900 and the member elected at the member’s original retirement to receive 50 percent of the Option 1 maximum death benefit, the death benefit attributable to the reemployment is \$1,000 (50 percent times \$1,900, rounded up to the nearest \$1,000). Notwithstanding this paragraph, if the member’s reemployment investment period is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 is calculated under IPERS Option 3.

f. A retired reemployed member who requests a return of the employee and employer contributions made during a period of reemployment cannot repay the distribution and have the service credit for the period of reemployment restored.

g. If a retired reemployed member selected IPERS Option 5 at retirement, and after the period of reemployment requests an increase in the member’s monthly allowance, at death IPERS pays all remaining guaranteed payments with respect to both periods of employment in a commuted lump sum.

h. If a retired reemployed member selected IPERS Option 2 at retirement, and after the period of reemployment requests an increase in the member’s monthly allowance, at death IPERS prorates the member’s monthly payments following the increase between the member’s two annuities to determine the amount of the member’s remaining accumulated contributions that IPERS may pay as a death benefit.

i. A retired reemployed member who has attained 70 years of age may take an actuarial equivalent (AE) payment. However, such a member must terminate covered employment for at least 30 days before taking an additional AE payment.

12.7(4) Mandatory active wages distribution. If a retired reemployed member whose annual benefit would be increased by less than \$600 does not request a second annuity or a reemployment accruals lump sum payment by the end of the fourth quarter after the last quarter in which the member had covered wages, IPERS will pay the member the applicable lump sum amount. The member has 60 days after the postmark date of the mandatory payment to return the payment and request a benefit increase.

495—12.8(97B) Actuarial equivalent (AE) payments.

12.8(1) If a member aged 55 or older requests a benefits estimate that results in a monthly benefit amount under Option 2 of less than \$50, the member receives, under Iowa Code section 97B.48(1), a lump sum AE payment instead of a monthly benefit. Once IPERS pays the AE payment to the member, the member is not entitled to any further benefits based on the contributions included in the AE payment and the employment period represented. If the member returns to covered employment, any future benefits the member accrues are based solely on the new employment period. If a benefits estimate based on the new employment period again results in any one of the options having a monthly benefit amount of less than \$50, the member may again elect to receive an AE payment.

12.8(2) If a member, upon attaining 70 years of age or later, requests a retirement allowance without terminating employment and the member's monthly benefit amount under Option 2 is less than \$50, the member receives an AE payment based on the member's employment up to but not including the quarter in which the application is filed. When the member subsequently terminates covered employment, any benefits due to the member are based only on the period of employment not used in computing the AE paid when the member first applied for a retirement allowance. If a benefits estimate based on the later employment period of employment again results in a monthly benefit amount under Option 2 of less than \$50, the member receives another AE payment. However, a member who elects to receive an AE payment upon or after attaining age 70 without terminating employment may not elect to receive additional AE payments unless the member terminates all covered employment for at least one full calendar month.

12.8(3) An AE payment under this rule is equal to the sum of the member's and employer's accumulated contributions.

495—12.9(97B) Conforming rules for lump sum payments. Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.53B enacted in order to comply with prior rollover provisions of the Internal Revenue Code, utilize forms and procedures affording payees of lump sum distributions with broader rollover rights as permitted under the applicable rollover provisions of the Internal Revenue Code as amended subsequent to the enactment of Iowa Code section 97B.53B.

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(24), 97B.15, 97B.25, 97B.45, 97B.47 through 97B.48A, 97B.49A through 97B.49I, 97B.51, and 97B.53B.

RA 26-43

TRANSPORTATION DEPARTMENT[761]**Regulatory Analysis**

Notice of Intended Action to be published: rule 761—529.1(307,327B)
 “For-Hire Interstate Motor Carrier Authority”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 307.12(1)“j”

State or federal law(s) implemented by the rulemaking: Iowa Code section 307.27 and chapter 327B

Public Hearing

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

May 5, 2026
 2 to 2:30 p.m.

[Microsoft Teams](#)
 Or dial: 515.817.6093
 Conference ID: 302 654 871#

Public Comment

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

Sara Siedsma
 6310 SE Convenience Boulevard
 Ankeny, Iowa 50021
 Email: sara.siedsma@iowadot.us

Purpose and Summary

The purpose of this proposed amendment is to adopt the most recent version of the Code of Federal Regulations cited in this chapter. Iowa Code section 307.27 requires the Department to administer the registration of interstate authority of motor carriers pursuant to United States Department of Transportation regulations.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:**

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

There are no costs or fees associated with this proposed amendment to the most recent version of the Code of Federal Regulations governing registration of interstate authority of motor carriers.

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

Persons who are subject to motor carrier registration under this chapter will benefit by having the rule updated to reference the most recent version of the Code of Federal Regulations.

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

- **Quantitative description of impact:**

There are no quantitative impacts associated with updating a reference to the most recent version of the applicable Code of Federal Regulations.

- **Qualitative description of impact:**

There are no qualitative impacts associated with updating a reference to the most recent version of the applicable Code of Federal Regulations.

3. **Costs to the State:**

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

There are no implementation or enforcement costs to update a reference to the most recent version of the applicable Code of Federal Regulations.

- **Anticipated effect on State revenues:**

There are no anticipated effects on State revenues.

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

There is no benefit of inaction. The proposed amendment to this chapter is required to ensure the chapter is referencing the most recent version of the applicable Code of Federal Regulations.

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

There are no less costly or less intrusive methods to achieve the purpose of this proposed amendment.

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

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

The Department did not consider alternatives for this proposed amendment.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

There is no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend rule 761—529.1(307,327B) as follows:

761—529.1(307,327B) Motor carrier regulations. The department adopts the Code of Federal Regulations, 49 CFR Parts 365 through 368 and 370 through 379, dated October 1, 2024 ~~2025~~, for regulating interstate for-hire carriers. Copies of this publication are available from the state law library or at www.fmcsa.dot.gov.

RA 26-44**TRANSPORTATION DEPARTMENT[761]****Regulatory Analysis**

Notice of Intended Action to be published: 761—Chapter 607
“Commercial Driver Licensing”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 321.188

State or federal law(s) implemented by the rulemaking: Iowa Code sections 321.187, 321.188 and 321.207 through 321.208A

Public Hearing

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

May 5, 2026
2:30 to 3 p.m.

[Microsoft Teams](#)
Or dial: 515.817.6093
Conference ID: 937 633 589#

Public Comment

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

Sara Siedsma
6310 SE Convenience Boulevard
Ankeny, Iowa 50021
Email: sara.siedsma@iowadot.us

Purpose and Summary

The purpose of these proposed amendments is to update Chapter 607 to reflect the most recent version of the Code of Federal Regulations and to align Iowa’s rules with federal regulations governing the transportation of certain quantities of diesel fuel by holders of a restricted commercial driver’s license (CDL). Iowa Code section 321.188 requires the Department to adopt rules for administering CDLs in accordance with the procedures outlined in 49 CFR Part 383. Additionally, 49 CFR Section 383.3(f)(3)(v) permits restricted CDL holders to transport up to 1,000 gallons of diesel fuel without needing a hazardous materials endorsement. Although Iowa Code section 321.176B(2) already allows a restricted CDL holder to operate a commercial vehicle to the fullest extent authorized by 49 CFR Section 383.3(f), the administrative rule implementing Iowa Code section 321.176B(2) does not mention the diesel fuel hauling allowance, thus making enforcement of this provision unclear.

*Analysis of Impact***1. Persons affected by the proposed rulemaking:****• Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs or fees associated with this proposed update to the most recent version of the Code of Federal Regulations governing commercial driver licensing or the change to reference the diesel fuel hauling allowance for restricted CDL holders.

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

Persons who are subject to commercial driver licensing regulations or who haul 1,000 gallons or less of diesel fuel on a restricted CDL will benefit by having the chapter updated to reference the most recent version of the Code of Federal Regulations and the current diesel fuel hauling allowance in the Code of Federal Regulations.

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

- **Quantitative description of impact:**

There are no quantitative impacts associated with updating a reference to the most recent version of the applicable Code of Federal Regulations and the federal diesel fuel hauling allowance for restricted CDL holders.

- **Qualitative description of impact:**

There are no qualitative impacts.

3. **Costs to the State:**

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

There are no implementation or enforcement costs.

- **Anticipated effect on State revenues:**

Anticipated effects on State revenues cannot be determined because the Department cannot estimate how many restricted CDL holders may have chosen not to haul 1,000 gallons or less of diesel fuel while enforcement of the provision was unclear. The Department issued 816 restricted CDL licenses in SFY 2025.

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

There is no benefit of inaction. The proposed amendments to this chapter are required to ensure the chapter is referencing the most recent version of the applicable Code of Federal Regulations and the federal diesel fuel hauling allowance for restricted CDL holders.

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

There are no less costly or less intrusive methods to achieve the purpose of these proposed amendments.

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

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

The Department did not consider alternatives for these proposed amendments.

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

Not applicable.

Small Business Impact

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

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

There is no anticipated small business impact other than a potential positive impact of providing clarity to enforcement of the federal diesel fuel hauling allowance for restricted CDL holders.

Text of Proposed Rulemaking

ITEM 1. Amend rule **761—607.3(321)**, definitions of “Commercial driver’s license downgrade,” “National drug and alcohol clearinghouse” and “Self-certification,” as follows:

“*Commercial driver’s license downgrade*” or “*CDL downgrade*” means the same as defined in 49 CFR Section 383.5 (October 1, ~~2024~~ 2025).

“*National drug and alcohol clearinghouse*” means the database maintained by the Federal Motor Carrier Safety Administration as defined in 49 CFR Section 382.107 (October 1, ~~2024~~ 2025).

“*Self-certification*” means a written certification of which category of type of driving an applicant for a commercial driver’s license engages in or intends to engage in, from the following categories:

1. Non-excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce, is both subject to and meets the qualification requirements under 49 CFR Part 391 effective October 1, ~~2024~~ 2025, and is required to obtain a medical examiner’s certificate by 49 CFR Section 391.45 effective October 1, ~~2024~~ 2025.

2. Excepted interstate. The person certifies that the person operates or expects to operate in interstate commerce but engages exclusively in transportation or operations excepted under 49 CFR Section 390.3(f), 391.2, 391.68 or 398.3 effective October 1, ~~2024~~ 2025, from all or parts of the qualification requirements of 49 CFR Part 391 effective October 1, ~~2024~~ 2025, and is therefore not required to obtain a medical examiner’s certificate by 49 CFR Section 391.45 effective October 1, ~~2024~~ 2025.

3. Non-excepted intrastate. The person certifies that the person operates only in intrastate commerce and is subject to state driver qualification requirements.

4. Excepted intrastate. The person certifies that the person operates only in intrastate commerce, but engages exclusively in transportation or operations excepted from all or parts of the state driver qualification requirements as set forth in Iowa Code section 321.449.

ITEM 2. Amend subrule 607.5(1) as follows:

607.5(1) *Code of Federal Regulations*. The department’s administration of commercial driver’s licenses shall be in compliance with the state procedures set forth in 49 CFR Section 383.73, and this chapter shall be construed to that effect. The department adopts the following portions of the Code of Federal Regulations, which are referenced throughout this chapter of rules:

a. and b. No change.

c. 49 CFR Part 380, Subpart F (October 1, ~~2024~~ 2025).

d. The following portions of 49 CFR Part 383 (October 1, ~~2024~~ 2025):

(1) to (5) No change.

e. 49 CFR Part 384, Subpart B (October 1, ~~2024~~ 2025).

ITEM 3. Amend paragraph **607.7(2)“c”** as follows:

c. A Class C commercial driver’s license allows a person to operate a commercial motor vehicle as specified in Iowa Code sections 321.1(11) and 321.189(1)“a”(3) if the vehicle is designed to transport 16 or more passengers, including the driver, or is used in the transportation of hazardous materials as defined in 49 CFR Section 383.5 effective October 1, ~~2024~~ 2025. With the required endorsements and subject to the applicable restrictions, a Class C commercial driver’s license is valid to operate any vehicle except a vehicle requiring a Class A or Class B commercial driver’s license. Before the department administers the skills test for a Class C commercial driver’s license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements as provided in Iowa Code section 321.188 for the applicable endorsement sought (P/Passenger or

S/School Bus endorsements). Before the department administers the knowledge test for a Class C commercial driver's license to an applicant for the first time, the applicant must comply with the entry-level driver training requirements provided in Iowa Code section 321.188 for the applicable endorsement sought (H/Hazardous materials endorsement).

ITEM 4. Amend subrule 607.7(3) as follows:

607.7(3) *Age*. The minimum age to obtain a commercial driver's license is set out in 49 CFR Part 391, Subpart B, effective October 1, ~~2024~~ 2025, except that, for a person operating solely intrastate, the driver age qualifications are set out in Iowa Code section 321.449(3).

ITEM 5. Amend subrule 607.8(1) as follows:

607.8(1) *Hazardous material*. A hazardous material endorsement (H) is required to transport hazardous materials. The hazardous material endorsement is only valid when the applicant or holder of the endorsement complies with the Transportation Security Administration's security threat assessment standards specified in 49 CFR Sections 383.71(b)(8) and 383.141 effective October 1, ~~2024~~ 2025. Before the department administers the knowledge test for a hazardous material endorsement to an applicant for the first time, the applicant shall comply with the entry-level driver training requirements as provided in Iowa Code section 321.188. To obtain or retain the hazardous material endorsement, the applicant or holder must pass a knowledge test as required under 49 CFR Section 383.121 and pay the endorsement fee. Retesting and fee payment are also required when an applicant transfers a commercial driver's license from another state unless, as provided in 49 CFR Section 383.73, the transfer applicant provides evidence of passing the knowledge test as required under 49 CFR Section 383.121 within the preceding 24 months. Pursuant to 49 CFR Section 173.5 effective October 1, ~~2024~~ 2025, a farmer or a person working for a farmer is not subject to the hazardous material endorsement while operating either a pickup or a special truck within 150 air miles of the farmer's farm to transport supplies to or from the farm.

ITEM 6. Amend subrule 607.12(5) as follows:

607.12(5) *Military waiver*. The department may waive the requirement that an applicant pass a required knowledge test for an applicant who is a current or former military service member as defined in 49 CFR Section 383.5 effective October 1, ~~2024~~ 2025. An applicant for a waiver of the knowledge test under this subrule shall certify and provide evidence, as required by the department, that the following apply:

a. to g. No change.

ITEM 7. Amend subrule **607.14(1)**, definition of "Motor carrier," as follows:

"*Motor carrier*" means the same as defined in 49 CFR Section 390.5 effective October 1, ~~2024~~ 2025.

ITEM 8. Amend paragraph **607.14(2)"b"** as follows:

b. An entity seeking certification as a third-party tester shall contact the motor vehicle division and schedule a review of the proposed testing program, including the proposed testing courses and facilities, and provide information sufficient to identify all proposed third-party test examiners, and any other information necessary to demonstrate compliance with 49 CFR Parts 383 and 384 as amended to October 1, ~~2024~~ 2025, applicable to knowledge and skills testing.

ITEM 9. Amend paragraph **607.17(1)"b"** as follows:

b. If the licensee currently holds and wants to retain a hazardous material endorsement, pass the test required in 49 CFR Section 383.121 and comply with the Transportation Security Administration security threat assessment standards specified in 49 CFR Section 383.71(b)(8) and 49 CFR Section 383.141 effective October 1, ~~2024~~ 2025, for such endorsement. A lawful permanent resident of the United States must also provide the licensee's U.S. Citizenship and Immigration Services alien registration number.

ITEM 10. Amend paragraph **607.22(2)"b"** as follows:

b. A restricted commercial driver's license is not valid for transporting hazardous materials requiring placarding, except as follows:

(1) Liquid fertilizers such as anhydrous ammonia may be transported in vehicles or implements of husbandry with total capacities of 3,000 gallons or less.

(2) Solid fertilizers, such as ammonium nitrate, may be transported, provided they are not mixed with any organic substance.

(3) Diesel fuel in quantities of 1,000 gallons or less.

~~(3)~~ (4) A hazardous material endorsement is not needed to transport the products listed in the preceding subparagraphs.

ITEM 11. Amend subrule 607.25(1) as follows:

607.25(1) *Actual weight prohibited.* In determining whether the vehicle is a representative vehicle for the skills test and the group of commercial driver's license for which the applicant is applying, the vehicle's gross weight rating or gross combination weight rating must be used, not the vehicle's actual gross weight or gross combination weight. For purposes of this rule, "gross weight rating" and "gross combination weight rating" mean the same as defined in 49 CFR Section 383.5 effective October 1, ~~2024~~ 2025.

ARC 0195D

CHILD ADVOCACY BOARD[489]**Notice of Intended Action****Proposing rulemaking related to functions and provisions of the child advocacy board and providing an opportunity for public comment**

The Department of Health and Human Services hereby proposes to rescind Chapter 1, “Purpose and Function,” and to adopt a new Chapter 1, “Functions and Provisions of the Child Advocacy Board,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.3, 237.15 and 237.16.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10 and Iowa Code sections 17A.3, 237.15 and 237.16.

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to processes and procedures to ensure they reflect current policies and procedures. The Child Advocacy Board (State Board) is charged with the responsibility of establishing procedures and protocols for the review of cases of children in foster care; establishing a training program for members of the State Board; establishing procedures and protocols for administering the Court Appointed Special Advocate Program; and annually reporting findings and making recommendations to the Governor, the General Assembly, the Department, child-placing agencies, and the State Court Administrator for dissemination to the Supreme Court and the chief judge of each judicial district.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
 Department of Health and Human Services
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.829.6021
 Email: compliancerules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
May 5, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 531 309 907 97 Passcode: Tf3CP7ud

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 489—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
 FUNCTIONS AND PROVISIONS OF THE CHILD ADVOCACY BOARD

489—1.1(237) Definitions. The following definitions apply to the rules of the child advocacy board:

“*Approved*” means that the applicant has met the requirements to become a court appointed special advocate.

“*CASA volunteer*” or “*CASA*” or “*advocate*” means a person who is duly trained and approved by the department of health and human services for participation in the court appointed special advocate program and appointed by the court to represent the interest of a child in any judicial proceeding to which the child is a party or is called as a witness or relating to any dispositional order involving the child resulting from the proceeding. Unless otherwise directed by a court, the duties of a court appointed special advocate with respect to a child are pursuant to Iowa Code section 237.24.

“*Case permanency plan*” means the same as defined in Iowa Code section 232.2(6).

“*Coach*” or “*CASA coach*” means a duly approved court appointed special advocate volunteer who has received additional training to assist the coordinator by overseeing facets of the court appointed special advocate’s case work.

“*Court appointed special advocate*” means the same as defined in Iowa Code section 232.2(12).

“*Family*” means the same as defined in Iowa Code section 237.15(4).

“*Fictive kin*” means the same as defined in Iowa Code section 232.2(24).

“*Person or court responsible for the child*” means the department, including but not limited to the department, agency, or individual who is the guardian of a child by court order issued by the juvenile or district court and has the responsibility of the care of the child, or the court having jurisdiction over the child.

“*State board*” means the child advocacy board created pursuant to Iowa Code section 237.16.

This rule is intended to implement Iowa Code sections 17A.3, 237.15, and 237.16.

489—1.2(237) Membership and term.

1.2(1) The state board is created within the department. Membership and terms of appointment are detailed in Iowa Code section 237.16(1).

1.2(2) The state board shall meet as necessary, as set forth in Iowa Code section 237.16(2).

a. A quorum shall consist of a majority of the members. When a quorum is present, a position is carried by an affirmative vote of a majority of the members present.

b. Minutes of state board meetings are available on the department’s website.

c. Notice of each meeting shall be given pursuant to Iowa Code chapter 21.

d. When the chairperson of the state board determines that a special or electronic meeting is required, the meeting shall be held in accordance with Iowa Code section 21.4 or 21.8.

e. Persons wishing to appear before the state board shall submit the request to the state board office not less than ten days prior to the meeting. Presentations may be made at the discretion of the chairperson and only upon matters appearing on the agenda. Persons wishing to submit written material should do so at least ten days in advance of the scheduled meeting to ensure that state board members have adequate time to receive and evaluate the material.

This rule is intended to implement Iowa Code sections 17A.3, 237.16, and 237.18.

489—1.3(237) Leadership.

1.3(1) The director ensures adequate leadership, oversight of programs, and ongoing administration of the state board’s activities and of the court appointed special advocate program. The director employs, discharges, trains, and supervises foster care review and court appointed special advocate program employees.

1.3(2) The department will:

a. Administer funds necessary for operations of foster care reviews and the court appointed special advocate program.

b. Develop and implement policies and procedures needed to implement requirements of federal law and regulations and state law and administrative rules.

c. Develop and recommend administrative rules for promulgation by the state board as needed to govern the operation of the state board, foster care reviews, and the court appointed special advocate program.

d. Ensure training is provided for state board members, court appointed special advocates and coaches, and any other volunteers supporting the state board’s programs.

e. Ensure that relationships are developed and maintained with judges, juvenile court referees, local departments, juvenile court services, and advocacy groups.

f. Coordinate efforts to ensure community awareness of the state board and the court appointed special advocate program.

g. Work closely with allied agencies and associations to ensure that efforts relating to the state board and the court appointed special advocate program are coordinated and consistent.

This rule is intended to implement Iowa Code sections 17A.3 and 237.18(5).

489—1.4(237) Foster care registry.

1.4(1) Placement. The state board shall establish a registry of the placements of all children receiving foster care as set forth in Iowa Code section 237.17.

This subrule is intended to implement Iowa Code sections 17A.3 and 237.17.

1.4(2) Confidentiality of records. The state board, court appointed special advocates and coaches, and child advocacy employees shall adhere to the confidentiality requirements established in Iowa Code section 237.21.

This subrule is intended to implement Iowa Code sections 17A.3 and 237.21.

489—1.5(237) Foster care review. The state board is required by Iowa Code section 237.18 to establish procedures and protocols for completing reviews of the cases of children in foster care, including a recordkeeping system and training requirements for individuals completing reviews.

1.5(1) Establishing procedures and protocols.

a. The state board is responsible for approval of policy and procedures consistent with the Iowa Code.

b. The department establishes and submits to the state board for approval policy and procedures that provide detailed guidance to individuals reviewing the cases of children in foster care on application of these rules and the statutes that govern foster care reviews.

c. Individuals reviewing the cases of children in foster care under the oversight of the state board are required to comply with the protocols and procedures approved by the state board.

d. Implementation of policy and procedures is the responsibility of the department.

This subrule is intended to implement Iowa Code sections 17A.3 and 237.19.

1.5(2) Findings and recommendations. The department will submit the findings and recommendations of foster care reviews to the state board. The report to the state board will include information regarding the permanency plan and the progress in attaining the permanency goals.

This subrule is intended to implement Iowa Code section 237.19.

489—1.6(237) Children eligible for review. To be eligible for review, the child shall have received services from the department during the period under review.

This rule is intended to implement Iowa Code sections 17A.3 and 237.18.

489—1.7(237) Court appointed special advocate program. The state board is required by Iowa Code section 237.18 to establish procedures and protocols for administering the court appointed special advocate program.

This rule is intended to implement Iowa Code section 237.18.

489—1.8(237) Program requirements.

1.8(1) Establishing additional procedures and protocols.

a. The state board is responsible for approval of procedures and protocols consistent with the Iowa Code.

b. The department establishes and submits to the state board for approval a program policy and procedures manual that provides detailed guidance to department staff and volunteers on application of these rules and the statutes that govern the operation of the court appointed special advocate program.

c. Department staff and volunteers are required to comply with the protocols and procedures approved by the state board and the provisions of the policy and procedures manual established by the department and approved by the state board.

d. Implementation of program policy is the responsibility of the department.

e. The department is responsible for recruiting, screening, selecting, training, and supervising court appointed special advocates.

f. The CASA selection is made in a manner that provides the best match available between the knowledge, skills, abilities, and availability of the advocate and the needs of the child. The assignments shall be made in a manner that avoids conflicts of interest, risk to the child's or advocate's safety, or jeopardy to the program's integrity.

g. Upon selection of the CASA who will serve on an individual case, the court and all interested parties are notified of the selection.

h. The selected CASA continues to serve on the case until the assignment is terminated by the court.

1.8(2) Reserved.

This rule is intended to implement Iowa Code section 237.18.

489—1.9(237) Adherence to national guidelines. The National Court Appointed Special Advocate/Guardian ad Litem Association for Children has established a national quality assurance system for CASA programs. The primary goal of the system is to strengthen CASA organizations and support their efforts to provide high-quality child advocacy and achieve the maximum level of excellence. CASA of Iowa shall continue to maintain compliance with the standards and, within the limits of available funding, shall deploy resources to maintain compliance in the future.

1.9(1) *CASA advocate qualifications.* Potential coaches and advocates shall meet the qualifications defined by the National CASA Association for Children Standards as amended to August 1, 2026.

1.9(2) *Application requirements for CASA volunteers.* All CASA volunteer applicants shall complete the requirements defined in the National CASA Association for Children Standards as amended to August 1, 2026.

This rule is intended to implement Iowa Code sections 17A.3 and 237.18.

489—1.10(237) Training. All court appointed special advocates, volunteers, and staff shall complete pre-service and continuing education requirements as defined in the National CASA Association for Children Standards as amended to August 1, 2026.

This rule is intended to implement Iowa Code sections 17A.3 and 237.18.

489—1.11(237) Children eligible for assignment of a court appointed special advocate. CASA of Iowa serves any child for whom the court appoints a court appointed special advocate as long as the resources to do so are available.

This rule is intended to implement Iowa Code sections 17A.3 and 237.18.

ARC 0196D

CHILD ADVOCACY BOARD[489]

Notice of Intended Action

Proposing rulemaking related to rules and operation and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 2, “Rules and Operation for the State Board,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.3, 237.15 and 237.16.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10 and Iowa Code sections 17A.3, 237.15 and 237.16.

Purpose and Summary

Chapter 2 sets forth rules for membership and term length for members of the Child Advocacy Board (State Board) and establishes a registry of placements and confidentiality requirements. As a part of

the Red Tape Review required by Executive Order 10, this chapter is proposed to be rescinded, and its content will be integrated into 489—Chapter 1.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
May 5, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 531 309 907 97 Passcode: Tf3CP7ud

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve ~~489~~—Chapter 2.

ARC 0197D

CHILD ADVOCACY BOARD[489]

Notice of Intended Action

Proposing rulemaking related to local foster care review boards and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 3, “Local Foster Care Review Boards,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.3, 237.15 and 237.16.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10 and Iowa Code sections 17A.3, 237.15 and 237.16.

Purpose and Summary

Chapter 3 sets forth the establishment of local foster care boards throughout the State, as deemed necessary by the statewide Child Advocacy Board (State Board). As a part of the Red Tape Review required by Executive Order 10, this chapter is proposed to be rescinded, and its content will be integrated into ~~489~~—Chapter 1.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to ~~441~~—Chapter 6.

Public Comment

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

Victoria L. Daniels
 Department of Health and Human Services
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.829.6021
 Email: compliance.rules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
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Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **489—Chapter 3**.

ARC 0198D

CHILD ADVOCACY BOARD[489]

Notice of Intended Action

Proposing rulemaking related to court appointed special advocate program and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 4, "Court Appointed Special Advocate Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.3, 237.15, 237.16 and 237.18.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10 and Iowa Code sections 17A.3, 237.15, 237.16 and 237.18.

Purpose and Summary

Chapter 4 establishes procedures and protocols for administering the Court Appointed Special Advocate program required by Iowa Code section 237.18. As a part of the Red Tape Review required by Executive Order 10, this chapter is proposed to be rescinded, and its content will be integrated into 489—Chapter 1.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
 Department of Health and Human Services
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.829.6021
 Email: compliancerules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
May 5, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 531 309 907 97 Passcode: Tf3CP7ud

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve ~~489~~—**Chapter 4**.

ARC 0199D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

**Proposing rulemaking related to developmental disabilities basic state grant
and providing an opportunity for public comment**

The Department of Health and Human Services hereby proposes to rescind Chapter 38, "Developmental Disabilities Basic State Grant," Iowa Administrative Code, and to adopt a new Chapter 38 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 217.6.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 217.6 and 42 U.S.C. Chapter 144.

Purpose and Summary

Under the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. Chapter 144, the Department has been designated as the administering agency to receive federal assistance to the State developmental disabilities councils from the federal Administration for Community Living. These funds are used by the Iowa Developmental Disabilities Council (Iowa DD Council).

The purpose of this proposed chapter is to define and structure project funding by the Iowa DD Council. Projects are designed to influence change in the system of services and supports in Iowa to increase the independence, productivity, and community integration of individuals with developmental disabilities.

Funding priorities for projects are established by the Iowa DD Council in its State plan.

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the review, the Department removed redundant definitions and one rule that was duplicative of contract language.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
 Department of Health and Human Services
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.829.6021
 Email: compliance.rules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
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Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 38 and adopt the following **new** chapter in lieu thereof:

CHAPTER 38
 DEVELOPMENTAL DISABILITIES BASIC STATE GRANT

441—38.1(217,42USC144) Administering agency. Pursuant to the DD Act, the department has been designated as the administering agency to receive the federal assistance to the state developmental

disabilities councils from the federal Administration for Community Living. These funds are used by the Iowa DD council.

441—38.2(217,42USC144) Definitions.

“*DD Act*” means the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. Chapter 144 as amended to August 1, 2026. All references to the DD Act herein are as amended to August 1, 2026.

“*Developmental disability*” means a severe, chronic disability of a person that is attributed to a mental or physical impairment or a combination of mental and physical impairments; is manifested before the person attains the age of 22; is likely to continue indefinitely; substantially limits the person’s ability to carry out major life activities in at least three of the areas of self-care, receptive and expressive language, learning, mobility, self-direction, and capacity for independent living and economic self-sufficiency; and reflects an ongoing need for individualized, coordinated services. The term, when applied to infants and children from birth to the age of nine, means a substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.

“*Iowa DD council*” means the Iowa developmental disabilities council.

“*Projects*” means activities described in the Iowa DD council’s five-year plan that are designed to address the purpose and priorities established by the DD Act to undertake advocacy, capacity-building, and systemic-change activities that contribute to a coordinated, person- and family-centered, and individual- and family-directed comprehensive system of community services, individualized supports, and other forms of assistance that promote self-determination for individuals with developmental disabilities and their families.

“*State plan*” means the document required under the DD Act that describes goals, objectives and funding priorities.

441—38.3(217,42USC144) Program eligibility. For any year in which Congress appropriates funds, the Iowa DD council shall, consistent with the state plan and the priorities established under the DD Act, determine projects to fund under the developmental disabilities basic state grant program. Funding priorities will be established by the Iowa DD council in the state plan and will be consistent with the priorities established in the DD Act. (Applications for capital expenditures or capital renovations are not eligible for funding.) The Iowa DD council may award funding through any of the department-approved processes for competitive, sole source, or unsolicited proposals in accordance with the provisions of 11—Chapter 117 for the procurement of goods and services of general use.

441—38.4(217,42USC144) Conflict of interest policy. All Iowa DD council members and those serving in an advisory capacity to the Iowa DD council shall not engage in activities that present a conflict of interest.

38.4(1) Iowa DD council members and those serving in an advisory role to the Iowa DD council are prohibited from applying for any project when they were involved in recommending the project or designing or developing the request for proposal.

38.4(2) All Iowa DD council members and those serving in an advisory capacity to the Iowa DD council who serve or whose family members serve as officers, directors, partners, consultants, or employees of the applicant being evaluated shall be excluded from preliminary review of proposals, discussing with Iowa DD council members who will be voting, and advising or voting on the evaluation of that applicant and all other applicants submitting proposals in that category.

These rules are intended to implement Iowa Code section 217.6 and 42 U.S.C. Chapter 144.

ARC 0194D**HUMAN SERVICES DEPARTMENT[441]****Notice of Intended Action****Proposing rulemaking related to family-life homes
and providing an opportunity for public comment**

The Department of Health and Human Services hereby proposes to rescind Chapter 111, “Family-Life Homes,” Iowa Administrative Code, and to adopt a new Chapter 111 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 249.3(2)“a”(1) and 234.6(1).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 20 CFR 416.2015 and 20 CFR 416.2020.

Purpose and Summary

This proposed chapter was reviewed under Executive Order 10. As a result, the Department deleted redundant information, added clarifying language, deleted restrictive terms, and spelled out form names. The goal of the Family-Life Home program is to provide a private, protective social living arrangement for one to two individuals who are unable to adequately maintain themselves in an independent living arrangement but who are capable of physical self-care.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319

Phone: 515.829.6021

Email: compliance@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
May 5, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 531 309 907 97 Passcode: Tf3CP7ud

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 111 and adopt the following **new** chapter in lieu thereof:

CHAPTER 111 FAMILY-LIFE HOMES

441—111.1(249) Definitions.

“Eligible adult” means a person 18 years of age or older who meets the eligibility requirements for services or is a recipient of protective services and who is considering or needs a living arrangement in a family-life home.

“Encouragement to share in the interests and activities of the household” means that the family welcomes and encourages the person to participate with the family in the family's general family conversations and in the family's social, recreational, educational, and religious activities; the family invites and encourages use of the general facilities of the family's home; and the family expects the person to care for the person's assigned living quarters and to participate within reason in the chores of the household.

“Essentially capable of physical self-care” means the person is ambulatory or can move from place to place; can manage the activities of daily living, including personal hygiene and grooming, toileting, dressing and undressing, feeding, and medicating; and can attend to the care of personal property adequately with minimal support or occasional assistance.

“Family” means a person or persons, either related or unrelated to the client, who constitute the members of the household and are related to one another by kinship of blood, marriage, or adoption.

“Family-life home” means a private household offering a protective social living arrangement for one or two eligible adults who are not able or willing to adequately maintain themselves in an independent living arrangement but who are essentially capable of physical self-care. In this living arrangement, the family provides the client room, board, laundry, encouragement to share in the interests

and activities of the household, and opportunities for participation in the social, cultural, educational, religious, and other activities of the community.

“Not able or willing to adequately maintain themselves in an independent living arrangement” means that the person requires some assistance, encouragement, or social stimulation for adequate self-care or to maintain physical or mental health or personal safety.

“Private household” means a dwelling unit occupied exclusively by a family and furnished by and belonging to the family by reason of ownership, rental agreement, or by a contract for purchase of life estate.

441—111.2(249) Application for certification.

111.2(1) The department will issue a certificate of approval for the operation of a family-life home upon the recommendation of a local office of the department.

111.2(2) Any person has the right to make application for a family-life home certificate.

111.2(3) Persons wishing to care for adults shall make application to the local office of the department.

111.2(4) When an applicant has reached a decision to operate a family-life home, the applicant shall complete an Application for Certification form.

111.2(5) Each applicant shall supply two references who may be contacted by the local office of the department.

441—111.3(249) Provisions pertaining to the certificate.

111.3(1) No family-life home shall be certified to provide a living arrangement for more than two eligible adults.

111.3(2) At least one responsible adult member of the family shall be at the family dwelling or be reasonably available to the client during most of the daytime and nighttime hours, based on the service worker’s assessment of the individual’s need for supervision.

111.3(3) The certificate shall be effective for one year from the date issued subject to continued compliance with rules governing the program.

111.3(4) The certificate shall not be transferred to another person nor be valid for an address other than that shown on the certificate issued.

111.3(5) A current certificate shall be in the possession of the certified family-life home and be available for inspection.

111.3(6) There will be no fee nor charge for the certificate issued.

111.3(7) A certified family-life home shall not be concurrently licensed as a residential care facility, intermediate care facility, child care center or a foster family home. An exception may be made for a home to be concurrently licensed as a foster family home and certified as a family-life home in order to provide continued care for a person who was placed in the home as a foster child.

441—111.4(249) Physical standards.

111.4(1) The family-life home shall be safe, clean, well-ventilated, and properly lighted and heated. The family’s dwelling shall comply with all local health ordinances.

111.4(2) The family’s dwelling shall not be a dwelling unit furnished by or belonging to a client.

111.4(3) Sleeping rooms shall be suitably and comfortably furnished.

111.4(4) Each resident shall have a single bedroom unless there is agreement among the family and the residents that a room may be shared.

111.4(5) The family shall provide nutritional food in sufficient quantity to meet the needs of the client.

441—111.5(249) Personal characteristics of family-life home family.

111.5(1) The adult head of the private household shall be a mature, responsible individual who is physically able to maintain a private household and who shall exercise good judgment in caring for adults.

111.5(2) The family shall have an appreciation of and respect for the client's relationship with the client's own relatives, neighbors and friends.

111.5(3) The family shall respect the client's religious background and affiliation.

111.5(4) The family shall have sufficient income and resources to provide adequately for the family's own needs.

441—111.6(249) Health of family.

111.6(1) Prior to certification, the family shall furnish the local office of the department with a medical report on each member of the household. The report shall be on a Provider Health Assessment form.

111.6(2) The medical report shall provide significant findings of a physician, such as the presence or absence of any communicable disease.

111.6(3) Medical reexaminations may be required at the discretion of a physician or the local office of the department.

441—111.7(249) Planned activities and personal effects.

111.7(1) The daily routine shall be to promote and provide an opportunity for normal activity with time for rest and recreation compatible with the needs of the client.

111.7(2) Every client shall be encouraged to develop social relationships through participation in neighborhood and other community and group activities.

111.7(3) The family shall not require a client to do general housecleaning, cooking, or child care for the family. A client may voluntarily share in these responsibilities.

111.7(4) Space shall be provided where a client may keep personal belongings.

441—111.8(249) Client eligibility.

111.8(1) The client shall be 18 years of age or older as proven by birth or school records, personal records, or by records of the department or another agency.

111.8(2) The client shall be willing to live in a certified family-life home by the client's own declaration or the declaration of a person legally responsible for such client.

111.8(3) The client shall be willing to accept the terms and requirements of the family-life home program.

111.8(4) The client shall be capable of personal physical self-care.

441—111.9(249) Medical examinations, records, and care of a client.

111.9(1) A physician shall certify that the client is free from any communicable disease and does not require a higher level of care than that provided by a family-life home. The certification shall be given prior to placement and following an annual medical review thereafter. The certification shall be given on a Physician's Report Health Care Plan form.

111.9(2) The family shall have available, at all times, the name, address and telephone number of the client's physician.

111.9(3) The family shall keep the department informed of any health problems. The family shall immediately notify the department in case of an accident, illness, or emergency that may affect the placement.

441—111.10(249) Placement agreement. The head of the family-life home and the resident shall enter into a placement agreement by signing a Family Life Home Placement Agreement form.

441—111.11(249) Legal liabilities. The department will advise the family to seek counsel regarding the family's needs for insurance to cover personal injury, property damage, and other legal contingencies.

441—111.12(249) Emergency care and release of client.

111.12(1) In case of an emergency, vacation, or overnight trip, requiring the family’s temporary absence from the home, the local office of the department shall be notified and arrangements shall be made with a designated, responsible person for the care of a client during the period of absence.

111.12(2) The department shall be notified when the client leaves or the client or family expresses a desire for the client to leave the family-life home.

441—111.13(249) Information about client to be confidential. Information concerning a client, the client’s family, and the client’s background shall be regarded and handled as confidential by all persons involved in the client’s care.

These rules are intended to implement Iowa Code sections 234.6(1)“e” and 249.3(2)“a”(1).

ARC 0200D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to record check evaluations for certain employers and educational training programs and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 119, “Record Check Evaluations for Certain Employers and Educational Training Programs,” Iowa Administrative Code, and to adopt a new Chapter 119 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 135B.34(2)“d.”

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 135C.33.

Purpose and Summary

These proposed rules establish procedures for the performance of record check evaluations by the Department for personnel employed by health care facilities and other programs and for students in educational training programs for nurses and certified nurse aides. Record check evaluations are performed, at the request of a prospective employer or training program, on persons who have been found to have been convicted of a crime under a law of any state or have a record of founded child or dependent adult abuse to determine whether the crimes or founded abuses warrant prohibition of employment or enrollment in a training program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on March 4, 2026. A public hearing was held on the following date(s):

- March 24, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

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

Victoria L. Daniels
 Department of Health and Human Services
 Lucas State Office Building
 321 East 12th Street
 Des Moines, Iowa 50319
 Phone: 515.829.6021
 Email: compliancerules@hhs.iowa.gov

Public Hearing

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

May 5, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 272 564 125 499 36 Passcode: fJ693L5F
May 5, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 531 309 907 97 Passcode: Tf3CP7ud

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 119 and adopt the following **new** chapter in lieu thereof:

CHAPTER 119
 RECORD CHECK EVALUATIONS FOR
 CERTAIN EMPLOYERS AND EDUCATIONAL TRAINING PROGRAMS

441—119.1(135B,135C) Definitions.

“Deferred judgment” means the same as defined in Iowa Code section 907.1 and is considered an admission of committing an act. Under this chapter, the admission of committing an act must be considered a conviction for purposes of public protection.

“*Requesting entity*” means an entity covered by these rules that is requesting an evaluation to determine if the person being evaluated can be employed by the entity or participate in a training or education program and includes the following:

1. Health care facilities as defined in Iowa Code section 135C.1.
2. Programs in which the provider is regulated by the state or receives any state or federal funding and the employee being evaluated provides direct services to consumers, including but not limited to programs that employ homemakers or home health aides, programs that provide adult day services, hospices, federal home- and community-based services waiver providers, elder group homes, and assisted living programs.
3. Substance abuse programs for juveniles as described in Iowa Code section 125.14A.
4. Hospitals as defined in Iowa Code section 135B.1.
5. Psychiatric medical institutions for children as defined in Iowa Code section 135H.1.
6. The department as described in Iowa Code sections 217.44 and 217.45.
7. Department institutions as described in Iowa Code section 218.13.
8. Child foster care facilities as described in Iowa Code section 237.1.
9. Medicaid home- and community-based services waiver providers as described in Iowa Code section 249A.29.
10. Certified nurse aide training programs as described in Iowa Code section 135C.33(9).
11. Nursing education programs as described in Iowa Code chapter 152.

“*Start employment or attend the training program*” means to begin to receive a salary or take classes.

“*Training*” means certified nurse aide training programs as described in Iowa Code section 135C.33(9) or nursing education programs as described in Iowa Code chapter 152.

441—119.2(135B,135C) When record check evaluations are requested.

119.2(1) *Record check evaluations on prospective employees and students.* A requesting entity shall request a record check evaluation prior to employment or enrollment of a person whose background check indicates a criminal or dependent adult abuse or child abuse record. Any deferred judgments will be considered in criminal background checks. Criminal, child abuse and dependent adult abuse background checks are required on all prospective employees or students, including employees or students who have terminated employment or participation in a training program for any reason or any length of time and wish to return to the same employment or training program, unless an exemption is provided in these rules.

a. A hospital or licensee of a health care facility may employ a person for up to 60 calendar days pending completion of the evaluation if all the following criteria are met:

- (1) The employment does not involve operation of a motor vehicle; and
- (2) The person to be employed has been convicted of a simple misdemeanor offense under Iowa Code section 123.47 or chapter 321 or a first offense of operating a motor vehicle while intoxicated under Iowa Code section 321J.2(1); and
- (3) The person to be employed does not have a record of founded child or dependent adult abuse; and
- (4) The hospital or licensee has requested an evaluation.

b. A training program in a facility licensed under Iowa Code chapter 135C may allow a student who is applying for, enrolled in, or returning to a certified nurse aide training program to participate in the clinical education component of the training program for up to 60 calendar days pending completion of the evaluation if all of the following criteria are met:

- (1) The student’s clinical education component of the training program involves children or dependent adults; and
- (2) The program does not involve operation of a motor vehicle; and
- (3) The student has been convicted of a simple misdemeanor offense under Iowa Code section 123.47 or chapter 321 or a first offense of operating a motor vehicle while intoxicated under Iowa Code section 321J.2(1); and

- (4) The student does not have a record of founded child or dependent adult abuse; and
- (5) The training program has requested an evaluation.

119.2(2) *Record check evaluations on current employees and students.* A requesting entity shall request a record check evaluation on current employees and students when a current employee or student background check indicates a criminal conviction other than an Iowa Code chapter 321 simple misdemeanor or equivalent simple misdemeanor offense from another jurisdiction or a dependent adult or child abuse record and the requesting entity intends to continue to employ the employee or to continue the student's enrollment in a training program. The requesting entity shall request a current criminal or dependent adult or child abuse record check when the entity receives credible information as determined by the entity that a current employee or student has a criminal or dependent adult or child abuse record that has not been previously considered by the requesting entity.

119.2(3) *Transfer of employee between facilities.* If a person owns or operates more than one facility, and an employee of one of the facilities is transferred to another facility without a lapse in employment, the facility is not required to request additional criminal or abuse record checks of the employee or obtain a new record check evaluation.

119.2(4) *Exceptions to record check evaluation requirements for employment under Iowa Code chapter 135B or 135C or participation in a training program in facilities licensed under Iowa Code chapter 135C.* If an evaluation was previously performed by the department and the department determined the person's criminal and abuse background did not warrant prohibition of employment, the person who is or was employed by a hospital licensed under Iowa Code chapter 135B and is hired by another hospital or the person who is or was employed by a facility licensed under Iowa Code section 135C.33 and is hired by another facility licensed under Iowa Code section 135C.33 may commence employment without further action by the department subject to the following conditions:

- a. The record check performed by the subsequent employer does not indicate that a crime was committed or that a founded abuse record was entered subsequent to the previous evaluation.
- b. The position with the subsequent employer is substantially the same or has the same job responsibilities as the position for which the previous evaluation was performed.
- c. Any restriction placed on the person's employment in the previous evaluation by the department shall remain applicable in the person's subsequent employment.
- d. The person subject to the record checks has maintained a copy of the previous evaluation and provides the evaluation to the subsequent employer, or the previous employer provides the previous evaluation from the person's personnel file pursuant to the person's authorization. If a physical copy of the previous evaluation is not provided to the subsequent employer, a new record check evaluation shall be performed.
- e. Although an authorized new evaluation is not required, the subsequent employer may choose to request a reevaluation of the person's criminal and abuse background and may employ the person while the reevaluation is being performed.
- f. The subsequent employer must maintain the previous evaluation in the employee's or student's personnel file for verification of the exception to the requirement for a record check evaluation.

119.2(5) *Exceptions to record check evaluation requirements for new employees under Iowa Code chapter 135B or 135C or participants in a training program in facilities licensed under Iowa Code chapter 135C.* If the person approved for employment or participation does not start employment or attend the training program within 30 days from the notice of decision approving the person, the requesting entity must perform a new record check.

a. If the evaluation was previously performed by the department and the department determined the person's criminal and abuse background did not warrant prohibition of employment or participation in a training program, the person being considered for employment may commence employment without further action by the department subject to the following conditions:

- (1) The record check performed by the employer does not indicate that a crime was committed or that a founded abuse record was entered subsequent to the previous evaluation.
- (2) The position with the employer is substantially the same or has the same job responsibilities as the position for which the previous evaluation was performed.

(3) Any restriction placed on the person's employment in the previous evaluation by the department shall remain applicable in the person's subsequent employment.

(4) The employer or person subject to the record checks has maintained a copy of the previous evaluation. If a physical copy of the previous evaluation is not maintained, a new record check evaluation shall be requested.

(5) Although an authorized new evaluation is not required, the subsequent employer may choose to request a reevaluation of the person's criminal and abuse background and may employ the person while the reevaluation is being performed.

(6) The employer must maintain the previous evaluation in the employee's or student's personnel file for verification of the exception to the requirement for a record check evaluation.

b. If the record check indicates that a crime was committed or that a founded abuse record was entered subsequent to the previous evaluation, a new record check evaluation shall be performed.

c. Record check evaluations completed in accordance with paragraph 119.4(3) "c" are valid for 30 days from the date the notice of decision is issued. If the person does not start employment or attend the training program within the 30-day time period, the conditions in subrule 119.2(5) shall apply.

441—119.3(135C) Request for evaluation.

119.3(1) *Required documentation.* The requesting entity and the prospective employee or student shall complete and submit a Record Check Evaluation Form (471-2310) to the department by regular mail, email, or fax to request an evaluation. The department will not process evaluations that are not signed by the prospective employee or student. The position sought or held must be clearly written on the first page of the record check evaluation form. The form shall be accompanied by the following documents:

a. A copy of the documentation of the person's status on the division of criminal investigation (DCI) criminal history database generated within 30 days of the date on which the request for evaluation is submitted to the department.

b. A copy of the Iowa criminal history data, if there is a history, as provided to the requesting entity by DCI.

c. A copy of the documentation of the person's status on the dependent adult abuse registry generated within 30 days of the date on which the request for evaluation is submitted to the department.

d. A copy of the documentation of the person's status on the child abuse registry generated within 30 days of the date on which the request for evaluation is submitted to the department.

119.3(2) *Additional documentation.*

a. The requesting entity may provide or the department may request from the prospective employee or student or from the requesting entity information to assist in performance of the evaluation that includes but is not limited to the following:

(1) Documentation of criminal justice proceedings.

(2) Documentation of rehabilitation.

(3) Written employment references or applications.

(4) Documentation of substance abuse education or treatment.

(5) Criminal history records, child abuse information, and dependent adult abuse information from other states.

(6) Documentation of the applicant's prior residences.

b. Any person or agency that might have pertinent information regarding the criminal or abuse history and rehabilitation of a prospective employee or student may be contacted.

441—119.4(135B,135C) Completion of evaluation.

119.4(1) *Considerations.* The department will consider the following when conducting a record check evaluation:

a. The nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought or held.

b. The time elapsed since the commission of the crime or founded child or dependent adult abuse.

- c. The circumstances under which the crime or founded child or dependent adult abuse was committed.
- d. The degree of rehabilitation.
- e. The likelihood that the person will commit a crime or founded child or dependent adult abuse again.
- f. The number of crimes or instances of founded child or dependent adult abuse committed by the person involved.

119.4(2) Evaluation conclusions.

- a. The department may determine the following:
 - (1) The person may be employed by the entity or enroll in the training program with no restrictions.
 - (2) The person may be employed by the entity or enroll in the training program with restrictions.
 - (3) The person may be employed by the entity or enroll in the training program with restrictions specific to a position within the program.
 - (4) The person may not be employed by the entity or enroll in the training program.
- b. Restrictions on a person's employment or enrollment status will be based upon what is necessary for the protection of the person or persons receiving care.
- c. Medicaid waiver attendant care evaluations will determine that either the person may work or the person may not work pursuant to Medicaid law.

119.4(3) Notice of decision. The department will issue a notice of decision in writing to the requesting entity. The requesting entity is responsible for providing a copy of the notice to the prospective employee or student.

- a. The notice will be valid only for employment with the employer or enrollment in a training or education program that requested the record check evaluation.
- b. The notice shall not be valid for employment with any other prospective employer or enrollment in another training program.
- c. Record check evaluations are valid for 30 days from the date the notice of decision is issued pursuant to 441—Chapter 16. If the person does not start employment or attend the training program within the 30-day time period, the conditions in subrule 119.2(5) shall apply.
- d. The notice of decision shall contain the notice of right to appeal pursuant to 441—Chapter 7.

441—119.5(135B,135C) Appeal rights. Any person or the person's attorney may file a written statement with the department requesting an appeal of the record check evaluation decision within 30 days of the date of the notice of the results of the record check evaluation in accordance with 441—Chapter 7.

These rules are intended to implement Iowa Code section 135C.33.

ARC 0202D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

Proposing rulemaking related to resident, special, and temporary physician licensure and licensure of acupuncturists and providing an opportunity for public comment

The Department of Inspections, Appeals, and Licensing hereby proposes to amend Chapter 653, "Resident, Special and Temporary Physician Licensure," and Chapter 656, "Licensure of Acupuncturists," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 147, 148, 148E, and 272C.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 147, 148, 148E, and 272C.

Purpose and Summary

Chapters 653 and 656 set the minimum requirements for special licensure and foreign-trained provisional licensure. These rules were reviewed and revised during the 2024 Red Tape Review process. The proposed amendments allow for an additional testing option for applicants to provide proof of English language proficiency.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on December 10, 2025. A public hearing was held on the following date(s):

- December 30, 2025

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board of Medicine for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

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

Emily DeRonde
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Email: emily.deronde@dia.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend paragraph **653.4(2)“g”** as follows:

g. Demonstrate proficiency in English by providing a valid ECFMG certificate or verification of a passing score on the Test of Spoken English (TSE) or the Test of English as a Foreign Language (TOEFL) examination administered by the Educational Testing Service or verification of a passing score on the OET medicine test;

ITEM 2. Amend subparagraph **653.4(3)“a”(4)** as follows:

(4) Provide a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service or verification of a passing score on the OET medicine test;

ITEM 3. Amend paragraph **653.6(2)“f”** as follows:

f. Demonstrate proficiency in English by providing a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service or verification of a passing score on the OET medicine test;

ITEM 4. Amend subparagraph **653.6(3)“a”(6)** as follows:

(6) Provide a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service or verification of a passing score on the OET medicine test; and

ITEM 5. Amend subparagraph **656.3(1)“c”(2)** as follows:

(2) An applicant who passed NCCAOM written or practical examination components in a language other than English shall pass the Test of Spoken English (TSE) or the Test of English as a Foreign Language (TOEFL) examinations administered by the Educational Testing Service or shall pass the OET medicine test.

ARC 0201D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Notice of Intended Action

Proposing rulemaking related to practice and licensure of funeral directors, funeral establishments, and cremation establishments and providing an opportunity for public comment

The Department of Inspections, Appeals, and Licensing hereby proposes to amend Chapter 900, “Practice of Funeral Directors, Funeral Establishments, and Cremation Establishments,” and Chapter 901, “Licensure of Funeral Directors, Funeral Establishments, and Cremation Establishments,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 17A, 147, 156, and 272C.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 147, 156, and 272C.

Purpose and Summary

This proposed rulemaking sets minimum standards for licensure as a funeral director or establishment in Iowa, as well as standards for registration as a removal technician. The purpose of this rulemaking is to correct citations within the rules and to change procedures for removal technicians. The current removal technician rules have been in place for the past year, and now that they have been utilized, the Board of Mortuary Science acknowledges necessary changes to assist in allowing removal technicians to aid funeral directors in Iowa.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026. A public hearing was held on the following date(s):

- January 27, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

Public Comment

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

Emily DeRonde
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Email: emily.deronde@dia.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind subrule **900.4(4)**.

ITEM 2. Adopt the following **new** paragraphs **900.6(3)“d”** and **900.6(3)“e”**:

d. When death is attributed to a reportable communicable disease, embalming may be omitted provided that cremation is performed within 48 hours after death. In such cases, the human remains shall be immediately topically disinfected, shall be placed in a container that will control odor and prevent the leakage of body fluids and shall only be transported to the crematory by the funeral director or intern.

e. If viewing of the unembalmed human remains is requested, the human remains shall be topically disinfected and all body orifices shall be packed or otherwise secured with material that will absorb and retain all secretions. No public viewing will be allowed of an unembalmed decedent who has

died of a reportable communicable disease, but private viewing is permissible at the discretion of the funeral director.

ITEM 3. Amend rule **481—901.1(156)**, definition of “Reactivate,” as follows:

“*Reactivate*” or “*reactivation*” means the process as outlined in rule ~~481—901.11(17A,147,272C)~~ 481—901.10(17A,147,272C) by which an inactive license is restored to active status.

ITEM 4. Amend subrule 901.3(1) as follows:

901.3(1) Internship.

a. to *j.* No change.

~~*k.* The intern will complete on a form provided by the board a confidential evaluation of the preceptorship program at the end of the internship. This form will be submitted before a funeral director license is issued to the intern.~~

k. The intern must be approved and licensed following a successful internship before the intern may practice mortuary science.

ITEM 5. Amend paragraph **901.5(1)“k”** as follows:

k. Failure to comply with any of these rules will constitute grounds for discipline pursuant to 481—Chapter 904 and 481—Chapter 504 or civil penalties for unlicensed practice pursuant to 481—Chapter 905.

ITEM 6. Amend rule 481—901.9(17A,147,272C) as follows:

481—901.9(17A,147,272C) Reinstatement of a funeral establishment license or a cremation establishment license. For a funeral or cremation establishment license that has been revoked, suspended, or voluntarily surrendered, the owner must apply for and receive reinstatement of the license in accordance with rule ~~481—506.31(272C)~~ 481—506.32(272C) and must apply for and be granted reactivation of the license in accordance with rule ~~481—901.9(272C)~~ 481—901.10(17A,147,272C) prior to offering mortuary science services from that establishment in this state.

ITEM 7. Amend subparagraph **901.10(2)“a”(3)** as follows:

(3) Verification of completion of two hours of continuing education in current Iowa law and rules covering mortuary science content areas including, but not limited to, Iowa law and rules governing the practice of mortuary science, cremation, vital statistics, cemeteries and preneed. These 2 hours will be included as a part of the 24 hours required in ~~subparagraph 901.11(3)“a”(2).~~ 481—paragraph 902.3(2)“f.”

ITEM 8. Amend subparagraph **901.10(2)“b”(2)** as follows:

(2) Verification of completion of 48 hours of continuing education that meet continuing education standards defined in 481—subrule 902.3(1) and 481—paragraphs 902.3(2)“a,” “b,” “c,” and “e,” within two years prior to filing the application for reactivation. Independent study identified in ~~481—paragraph 902.3(2)“f”~~ 481—paragraph 902.3(2)“d” will not exceed 24 hours of the 48 hours; and

ITEM 9. Amend rule 481—901.11(17A,147,272C) as follows:

481—901.11(17A,147,272C) Reinstatement of a funeral director license. A licensee whose license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the license in accordance with rule ~~481—506.31(272C)~~ 481—506.32(272C) and must apply for and be granted reactivation of the license in accordance with rule ~~481—901.11(17A,147,272C)~~ 481—901.10(17A,147,272C) prior to practicing as a funeral director in this state. The owner of a funeral home establishment whose establishment license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the establishment license and must apply for and be granted reactivation of the establishment license prior to reopening the funeral home establishment.

ITEM 10. Amend subrule 901.13(1) as follows:

901.13(1) A removal technician will serve under the direct supervision of an Iowa licensed funeral director, will only perform removals at the direction of the supervising funeral director, and may act in place of a funeral director only in performing a removal. Another funeral director, who is authorized by the supervising funeral director, may direct the removal technician in the temporary absence of the supervising funeral director.

ITEM 11. Amend paragraph **901.13(2)“c”** as follows:

c. Is ~~affiliated with~~ employed by a funeral establishment that has not had any formal disciplinary action within the past five years.

ITEM 12. Amend subrule 901.13(4) as follows:

901.13(4) The supervising funeral director will:
a. and b. No change.
c. Ensure the removal technician performs its duties as outlined in subrule ~~901.13(2)~~ 901.13(5);
d. No change.
e. Not have more than ~~four~~ six registered removal technicians employed by the same funeral establishment, or any funeral establishment owned, operated, or affiliated with that funeral establishment.

TREASURER OF STATE

Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the following interest rates of interest for public obligations and special assessments have been established. The usury rate for April is 6.25%.

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 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 April 9, 2026, 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 1.50%

180-364 days	Minimum 1.45%
One year to 397 days	Minimum 1.70%
More than 397 days	Minimum 1.80%

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 Roby Smith, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

ARC 0192D

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

Notice of Intended Action

Proposing rulemaking related to organization and procedures and providing an opportunity for public comment

The Iowa Department of Veterans Affairs hereby proposes to rescind Chapter 1, “Organization and Procedures,” Iowa Administrative Code, and to adopt a new Chapter 1 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 17A.4, 17A.9A, 35A.5, 35A.8, 35B.6, 35B.11, 35B.19, 35D.1, and 35D.17; 2025 Iowa Acts, House File 250; and Executive Order 10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 17A.4, 17A.9A, 35A.5, 35A.8, 35B.6, 35B.11, 35B.19, 35D.1, and 35D.17; 2025 Iowa Acts, House File 250; and Executive Order 10.

Purpose and Summary

This proposed rulemaking is intended to update the organization and procedures of the Department and eliminate obsolete information.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 17, 2025. A public hearing was held on the following date(s):

- October 14, 2025

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on May 8, 2026. Comments should be directed to:

Mike Olson
Iowa Department of Veterans Affairs
Camp Dodge, Building 3465
7105 NW 70th Avenue
Johnston, Iowa 50131
Email: michael.olson@ivh.state.ia.us

Public Hearing

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

<p>May 8, 2026 1 to 1:30 p.m.</p>	<p>Video call link: meet.google.com/cxz-rrsg-ptq?hs=224 Or dial: 385.404.5147 Conference ID: 423580156</p>
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Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 801—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
ORGANIZATION AND PROCEDURES

801—1.1(35,35A,35D) Definitions. Unless otherwise provided for by law, the following definitions apply to 801—Chapters 1 through 17:

“Annual school of instruction” means annual classroom certification and recertification training sponsored by the department for county veterans service officers to meet accreditation requirements of the commandant.

“Armed forces graves” means graves of any individuals who die during or after discharge from honorable service in the army, navy, air force, marines, merchant marines, coast guard, space force, or as a federally activated reservist or member of the national guard and are buried within the state of Iowa.

“Cemetery” means the Iowa Veterans Cemetery.

“Chairperson” means the chairperson of the commission.

“Commandant” means the director of the Iowa department of veterans affairs.

“Commission” means the Iowa commission of veterans affairs.

“Commissioner” means a member of the Iowa commission of veterans affairs.

“*County commission*” means a county commission of veteran affairs.

“*County commissioner*” means a member of a county commission of veteran affairs.

“*County veterans service officer*” means an executive director or administrator of a county commission of veteran affairs.

“*Department*” means the Iowa department of veterans affairs.

801—1.2(35,35A,35D) Commission. The commission is established and operates in accordance with Iowa Code chapter 35A.

1.2(1) Office location. The commission maintains its office at the Iowa Department of Veterans Affairs at Camp Dodge. The mailing address is: Iowa Commission of Veterans Affairs, c/o Camp Dodge, Building 3465, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824. The telephone number is 515.252.4698 or 1.800.838.4692 (1.800.VET.IOWA).

1.2(2) Meetings and conduct of business.

a. Meetings. Regular meetings of the commission are held four times a year during the months of January, April, July, and October at 10 a.m. Written notices stating the time and place of the meetings shall be provided consistent with Iowa Code chapter 21. Special meetings may be held pursuant to call by the chairperson. Notice of time and place is posted in the same manner as a regular meeting.

b. A quorum consists of two-thirds of the membership appointed and qualified to vote.

c. A quorum is needed to carry a position.

d. Copies of minutes are kept on file in the office of the department.

e. In cases not covered by these rules, Robert’s Rules of Order apply.

1.2(3) Duties. In addition to duties prescribed by law, the commission will:

a. Organize and annually select a chairperson, a senior vice-chairperson and a junior vice-chairperson at the first meeting of each state fiscal year.

b. Supervise the commandant’s administration of commission policy for the operation and conduct of the Iowa Veterans Home as set out in rule 801—1.4(35A,35D) and 801—Chapter 10.

c. Review proposed administrative rules submitted by the department concerning the management and operation of the department. Unless the commission votes to disapprove a proposed rule on a two-thirds vote at the earlier of the next regularly scheduled meeting of the commission or a special meeting of the commission called by the commission within 30 days of the date the proposed rule is submitted, the department may proceed to adopt the rule.

801—1.3(35,35A) Commandant. The commandant is responsible for administering the duties and enforcing the policies of the department, the commission, and the Iowa Veterans Home.

1.3(1) Office location and hours. The office of the commandant is located at Camp Dodge, Building 3465, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824. The office is open to the public during the hours of 8 a.m. to 4:30 p.m., except Saturday, Sunday, and holidays. The telephone number is 515.252.4698 or 1.800.838.4692 (1.800.VET.IOWA).

1.3(2) Administrative staff. The commandant provides direction to administrative staff employed by the department to assist the commandant in carrying out assigned duties.

1.3(3) Investigation of applications. The commandant examines all applications and approves or disapproves the same and makes any investigation necessary to establish facts regarding veterans service status and veterans affairs data in accordance with Iowa Code chapters 35 and 35A.

1.3(4) Duties. In addition to duties prescribed by law, the department:

a. Ensures county commissions comply with required office hours.

b. Collects and maintains information concerning veterans affairs.

c. Assists the United States Department of Veterans Affairs, the Iowa Veterans Home, funeral directors, and federally chartered veterans service organizations in providing information concerning veterans’ service records and veterans affairs data.

d. Administers or conducts one school for training of county veterans service officers and another for county commissioners of veteran affairs pursuant to Iowa Code section 35A.5(6). At the discretion of the commandant, training for newly appointed county veterans service officers may also be conducted.

Training provided for veterans service officers includes accrediting courses, as well as other subjects, at the discretion of the commandant, who certifies satisfactory completion. The training shall ensure that each county veterans service officer is proficient in the use of electronic mail, general computer use, and use of the Internet to access information regarding facilities, benefits, and services available to veterans and their families.

801—1.4(35A) Iowa Veterans Cemetery. The department operates and administers the Iowa Veterans Cemetery in accordance with United States Department of Veterans Affairs' standards.

1.4(1) Operation and maintenance. The cemetery shall be operated and maintained in accordance with national standards set forth in 38 U.S.C. 24 as effective on [effective date of the rulemaking].

1.4(2) Application for interment. The department shall provide veterans and their eligible dependents with a standardized application for interment at the cemetery. This application is available at the Iowa Veterans Cemetery, 34024 Veterans Memorial Drive, Adel, Iowa 50003-3300; the Iowa Department of Veterans Affairs, 7105 NW 70th Avenue, Camp Dodge, Building 3465, Johnston, Iowa 50131-1824; or online at dva.iowa.gov/iowa-veterans-cemetery.

1.4(3) Eligibility. The department makes eligibility for interment determinations consistent with 38 U.S.C. 24 as effective on [effective date of the rulemaking]. State residency is not a component of eligibility.

801—1.5 Reserved.

ARMED FORCES GRAVES REGISTRATION

801—1.6(35A,35B) Armed forces graves registration. Armed forces graves registration shall be completed as follows.

1.6(1) Duties of the funeral director. The funeral director who contracts to inter the deceased veteran shall complete Armed Forces Graves Registration Record, Form 582-1002, in duplicate, forwarding the original and copy to the county commission.

1.6(2) Duties of the county commission. The county commission records the information alphabetically, and by description of location in the cemetery where the veteran is buried, in a book or other manner prescribed by the commission and kept for that purpose in the office of the county commission. The county commission forwards the original Armed Forces Graves Registration Record to the commandant at the address provided in subrule 1.3(1).

1.6(3) Where filed. The original Armed Forces Graves Registration Record is filed at the office of the commandant.

1.6(4) Forms. Additional Armed Forces Graves Registration Record forms may be obtained by contacting the commandant's office in accordance with subrule 1.3(1).

This rule is intended to implement Iowa Code sections 35A.5 and 35B.19.

UNIFORM WAIVER RULES

801—1.7(17A,35D) Uniform waiver rule.

1.7(1) To the extent a waiver is consistent with applicable statute, constitutional provision, or other provision of law, the commission or commandant, as applicable, may issue an order, in response to the timely filing of a completed petition, granting a waiver, in whole or in part, from the requirements of a rule under the jurisdiction of said commission or department, as applicable, as applied to the circumstances of a specified person, if the commission or commandant, as applicable, finds clear and convincing evidence of all four factors set out in Iowa Code section 17A.9A(2). The decision on whether the circumstances justify the granting of a waiver is made at the discretion of the chairperson or the commandant, as applicable, based on the unique, individual circumstances set out in the petition and upon consideration of all relevant factors.

1.7(2) A waiver, if granted, is drafted by the commission to provide the narrowest exception possible to the provisions of the rule. The commission may place any condition on a waiver that

the commission finds desirable to protect the public health, safety and welfare. A waiver may not be permanent unless the petitioner shows that a temporary waiver would be impracticable. If a temporary waiver is granted, there is no automatic right to renewal. At the sole discretion of the agency, a waiver may be renewed if the agency finds that all of the factors set out in 801—subrule 4.14(1) remain valid.

1.7(3) The burden of persuasion rests with the person who petitions the commission for the waiver of a rule.

1.7(4) This uniform waiver rule does not preclude the commission from granting waivers in other contexts or on the basis of other standards if the statute or other rules authorize it to do so and the commission deems it appropriate to do so.

801—1.8(17A,35D) Procedures for granting waivers.

1.8(1) Any person may file a petition requesting a waiver, in whole or in part, of a commission or department rule on the grounds that the application of the rule to the particular circumstances of that person justifies a waiver under this uniform waiver rule. The chairperson or commandant, as applicable, receives written petitions.

1.8(2) A petition for a waiver shall include the following information where applicable and known to the person requesting the waiver:

a. The name, address, and case number or state identification number of the entity or person for whom a waiver is requested.

b. A description and citation of the specific rule from which a waiver is requested.

c. The specific waiver requested, including the precise scope and operative period that the waiver will extend.

d. The relevant facts that the petitioner believes would justify a waiver with a signature from the petitioner attesting to the accuracy of the facts provided in the petition and a statement of reasons that the petitioner believes will justify a waiver.

e. A history of the commission's action relative to the petitioner.

f. Any information regarding the commission's treatment of similar cases, if known.

g. The name, address, and telephone number of any person inside or outside state government who would be adversely affected by the granting of the petition or who otherwise possesses knowledge of the matter with respect to the waiver request.

h. Signed releases of information authorizing persons with knowledge regarding the request to furnish the commission with information pertaining to the waiver.

1.8(3) Petitions under this rule will comply with the form, filing, timing, and content requirements of Iowa Code chapter 17A.

1.8(4) The commission or commandant, as applicable, shall acknowledge a petition upon receipt. The petitioner shall serve notice on all persons to whom notice is required by any provision of law and provide a written statement to the commission attesting that notice has been served.

1.8(5) Prior to issuing an order granting or denying a waiver request, the commission or commandant, as applicable, may request additional information from the petitioner relative to the application and surrounding circumstances.

1.8(6) An order granting or denying a request for waiver will be in writing and contain a reference to the particular person and rule or portion thereof to which the order pertains, a statement of the relevant facts and reasons upon which that action is based, and a description of the precise scope and operative period of the waiver if one is issued. A waiver shall be granted or denied for all or a portion of a rule as soon as practicable but, in any event, within 120 days of its receipt unless the petitioner agrees to a later date. However, if a waiver petition has been filed in a contested case proceeding, the agency shall grant or deny the petition no later than the time at which the final decision in that contested case is issued. Failure of the commission or commandant, as applicable, to grant or deny such a petition within the required time period constitutes a denial of that petition.

1.8(7) Within seven days of its issuance, any order issued under the uniform waiver rule shall be transmitted to the petitioner or the person to whom the order pertains and to any other person entitled to such notice by any provision of law.

1.8(8) Subject to the provisions of Iowa Code section 17A.3(1)“a,” the commission and commandant, as applicable, shall maintain a record of all orders granting and denying requests for waivers under this uniform waiver rule. The records shall be indexed by rule and available for public inspection.

1.8(9) Within 60 days of granting or denying a waiver, the commission or commandant, as applicable, shall make a submission on the Internet site established pursuant to Iowa Code section 17A.9A for the submission of waiver information. The submission shall identify the rules for which a waiver has been granted or denied, the number of times a waiver was granted or denied for each rule, a citation to the statutory provisions implemented by these rules, and a general summary of the reasons justifying the commission’s actions on the waiver requests and, to the extent practicable, detailing the extent to which the granting of a waiver has affected the general applicability of the rule itself and established a precedent for additional waivers.

1.8(10) The provisions of rules 801—1.7(17A,35D) and this rule do not apply to rules that define the meaning of a statute or other provisions of law or precedent if the commission does not possess delegated authority to bind the courts to any extent with its definition and do not authorize the commission to waive any requirement created or duty imposed by statute.

1.8(11) After the commission issues an order granting a waiver, the order is a defense within its terms and the specific facts indicated therein for the person to whom the order pertains in any proceeding in which the rule in question is invoked.

These rules are intended to implement Iowa Code sections 17A.4 and 17A.9A and chapter 35D and Executive Order 11.

FINAL AGENCY ACTION

801—1.9(17A,35,35A) Final agency action. Except as otherwise provided by law or by rule, and to the extent consistent with due process, any decision of the commission or the department affecting the rights, privileges, or entitlements of any person as provided in 801—Chapters 1 through 17 constitutes final agency action. Any person aggrieved by such final agency action may pursue judicial review pursuant to Iowa Code section 17A.19.

These rules are intended to implement Iowa Code chapters 35 and 35A and sections 35B.6, 35B.11, 35D.1, and 35D.17.

ARC 0191D

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

Notice of Intended Action

Proposing rulemaking related to county commissions of veteran affairs fund and training program and providing an opportunity for public comment

The Iowa Department of Veterans Affairs hereby proposes to rescind Chapter 7, “County Commissions of Veteran Affairs Fund and Training Program,” Iowa Administrative Code, and to adopt a new Chapter 7 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 35A.5, 35A.16, and 35B.6; 2025 Iowa Acts, House File 250; and Executive Order 10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 35A.5, 35A.16, and 35B.6; 2025 Iowa Acts, House File 250; and Executive Order 10.

Purpose and Summary

This proposed rulemaking explains the requirements that county veterans service officers (VSOs) must meet in order to be in compliance with State law, as well as requirements counties must meet to receive funding from the State.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 17, 2025. A public hearing was held on the following date(s):

- October 14, 2025

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. Executive Order 10 edits also have been made.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on May 8, 2026. Comments should be directed to:

Mike Olson
Iowa Department of Veterans Affairs
Camp Dodge, Building 3465
7105 NW 70th Avenue
Johnston, Iowa 50131
Email: michael.olson@ivh.state.ia.us

Public Hearing

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

May 8, 2026
1 to 1:30 p.m.

Video call link:
meet.google.com/cxz-rrsg-ptq?hs=224
Or dial: 385.404.5147
Conference ID: 423580156

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 801—Chapter 7 and adopt the following **new** chapter in lieu thereof:

CHAPTER 7

COUNTY COMMISSION OF VETERAN AFFAIRS FUND AND TRAINING PROGRAM

801—7.1(35A,35B) County commissions of veteran affairs fund.

7.1(1) Purpose. The purpose of the county commissions of veteran affairs fund is to assist county commissions of veteran affairs in complying with legislative requirements for employing a county veterans service officer who complies with all directives of the commandant of the Iowa department of veterans affairs regarding the completion of training or certification required for the person's position under applicable state and federal law, maintains an active Personal Identification Verification (PIV) card necessary to access the Veterans Administration's Veterans Benefit Management System, is employed in veterans affairs service for a minimum number of hours, and maintains an office in a location owned or leased by the county.

7.1(2) County training allocation amounts. Counties requesting reimbursement from the department in accordance with Iowa Code section 35A.16(4) will make their requests in accordance with state travel policies. Required supporting documentation for eligible expenses shall be submitted during the fiscal year up to the \$3,000 annual allocation within 30 days of training completion but no later than June 30 of each fiscal year.

7.1(3) Allocation report. Counties shall submit a written report to the department 30 days following the end of the fiscal year in which the allocation was received. The report will include:

a. An assessment of county veteran affairs services, including county population, verification of an office, hours of employment, and number of hours of veterans' services provided by the county veterans service officer.

b. Documentation that the county veterans service officer is performing required duties and maintaining qualifications and credentials pursuant to Iowa Code section 35B.6.

c. A comprehensive summary of county veteran affairs expenditures for the fiscal year in which the allocation was received and the expenditures from the previous fiscal year.

Information provided in this report is used by the department to comply with rule 801—7.3(35A,35B).

7.1(4) Recovery of funds. The department is the entity charged with the recovery of county commissions of veteran affairs fund allocations from counties under the following circumstances.

a. Unauthorized use. Counties expending a portion of the allocation on items that do not provide services to veterans pursuant to Iowa Code section 35B.6 will be required to return the unauthorized funds to the state of Iowa.

b. Maintenance of effort. Counties not maintaining their previous fiscal year's spending levels will be considered to have supplanted county funding with state allocation funds. Counties not complying with their maintenance of effort will be required to return the supplanted portion to the state of Iowa pursuant to Iowa Code section 35A.16(3).

c. Noncompliance. Counties that are not in compliance with the requirements of Iowa Code section 35B.6 on June 30 of each fiscal year will be required to return all moneys received during that fiscal year to the county commissions of veteran affairs fund pursuant to Iowa Code section 35A.16(3). Counties that are deemed noncompliant due to the termination or resignation of an employee are not required to return the state allocation if an employee is hired within three months of the previous employee's separation.

801—7.2(35A,35B) County commission of veteran affairs training program. The department provides training for county veterans service officers in accordance with Iowa Code section 35A.5(6).

7.2(1) County veterans service officers shall do the following within one year of appointment or will be subject to removal from office as provided for in Iowa Code section 35B.6(1) “c”:

a. Obtain and maintain all certifications that are federally required and provide documentation to the department.

b. Complete training as directed by the commandant of the Iowa department of veterans affairs.

c. Obtain and maintain a PIV card from the United States Department of Veterans Affairs as well as access to the Veterans Benefits Management System and provide the department with documentation. Upon request from a county commission of veteran affairs and based on extenuating circumstances, the commandant may extend the time frame for a veteran service officer to obtain a PIV card prior to being subject to removal from office. The decision of the commandant is final.

Counties shall submit to the department annually by July 30 all documentation required by this rule.

7.2(2) County veterans service officers shall complete the following on an annual basis or will be subject to removal from office as provided for in Iowa Code section 35B.6(1) “c”:

a. Maintain all certifications that are federally required and annually provide documentation to the department.

b. Comply with all directives of the commandant of the Iowa department of veterans affairs regarding the completion of training or certification required for the person’s position under applicable state and federal law.

c. Maintain a PIV card from the United States Department of Veterans Affairs as well as access to the Veterans Benefits Management System.

Counties shall submit to the department annually by July 30 all documentation required by this section.

7.2(3) County veterans service officers who fail to comply with subrules 7.2(1) and 7.2(2) shall be removed from their positions. Knowing violation of this provision constitutes noncompliance as provided in paragraph 7.1(4) “c.”

7.2(4) The annual school of instruction and all associated training materials will be provided at the expense of the department and attendees will not be charged for participation in the training.

7.2(5) Travel, meals, lodging, and miscellaneous expenses incurred while attending the annual school of instruction required by subrules 7.2(1) and 7.2(2) are the responsibility of the respective county.

7.2(6) Any cost of initial training, accreditation, and continuing training that uses state funds shall follow the department’s travel policy. The department’s travel policy overrides county-specific travel policies.

7.2(7) The department shall maintain documentation regarding any school of instruction required by subrules 7.2(1) and 7.2(2), including but not limited to agendas, presentation dates, attendees, certificate of satisfactory completion of accreditation or continuing education training, and the issuance of certificates of training.

7.2(8) Inquiries regarding an annual school of instruction may be directed to the commandant or designee.

7.2(9) Disputes regarding the annual school of instruction, certificates of training, and related matters are reviewed by the commandant, who will render a decision within ten days of receipt of all relevant facts and supporting materials. The decision of the commandant is final.

801—7.3(35A,35B) Report to the general assembly. To assist the department to prepare its annual report required by Iowa Code section 35A.5(14), each county commission of veteran affairs shall provide information required in Iowa Code section 35A.5(14) “a” through “c.” The department will provide each county executive director or administrator with a form to return to the department by July 30 of each year.

These rules are intended to implement Iowa Code chapters 35A and 35B.

ARC 0193D**VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]****Notice of Intended Action****Proposing rulemaking related to injured veterans grant program
and providing an opportunity for public comment**

The Iowa Department of Veterans Affairs hereby proposes to rescind Chapter 11, “Injured Veterans Grant Program,” Iowa Administrative Code, and to adopt a new Chapter 11 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 35A.14 and Executive Order 10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 35A.14 and Executive Order 10.

Purpose and Summary

This proposed rulemaking provides the amounts for grants paid by the Department under the Injured Veterans Grant Program and the criteria for eligibility. This rulemaking also explains the application process and the requirements for applying.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 17, 2025. A public hearing was held on the following date(s):

- October 14, 2025

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on May 8, 2026. Comments should be directed to:

Mike Olson
Iowa Department of Veterans Affairs
Camp Dodge, Building 3465
7105 NW 70th Avenue
Johnston, Iowa 50131
Email: michael.olson@ivh.state.ia.us

Public Hearing

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

May 8, 2026
1 to 1:30 p.m.

Video call link:
meet.google.com/cxz-rrsg-ptq?hs=224
Or dial: 385.404.5147
Conference ID: 423580156

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 801—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
INJURED VETERANS GRANT PROGRAM

801—11.1(35A) Grant amounts and eligibility.

11.1(1) Grants paid by the department pursuant to Iowa Code section 35A.14 are paid in increments of \$2,500, up to a maximum of \$10,000.

11.1(2) An initial grant of \$2,500 is payable to an eligible veteran who sustains an injury in the line of duty and, because of such injury, is either:

- a. Medically evacuated from an operational theater to a military hospital for treatment; or
- b. Hospitalized at a military hospital for at least 30 consecutive days.

11.1(3) After an initial grant is paid, subsequent grant payments of \$2,500 are payable at 30-, 60-, and 90-day intervals thereafter if the veteran remains hospitalized or continues to receive medical care or rehabilitation services authorized by the military. Qualifying treatment or services must be provided in a location that is not the veteran's home of record.

11.1(4) A veteran remains eligible for the grant after discharge from the military so long as the veteran remains hospitalized or continues to receive medical treatment or rehabilitation services for the qualifying injury or illness.

801—11.2(35A) Application.

11.2(1) To receive an initial grant payment under this chapter, a veteran must submit an application to the department that includes documentation establishing either Iowa residency or eligibility as a nonresident pursuant to Iowa Code section 35A.14(1). A veteran must also submit reasonably reliable documentation establishing eligibility, such as but not limited to:

- a. Military identification card;
- b. Relevant military orders;
- c. DD Form 214, if discharged.

11.2(2) To receive a subsequent incremental grant payment under this chapter, a veteran must submit additional documentation establishing continued qualifying hospitalization, medical care, or rehabilitation services for the injury.

11.2(3) An application for an initial or subsequent incremental grant payment under this chapter will be submitted by the veteran. If the veteran is incapacitated due to the injury, however, the application may be submitted on the veteran's behalf by a close family member, such as a spouse or parent, or by an appropriate power of attorney. Grants payable under this chapter are paid only to the legal custody of the veteran.

11.2(4) A veteran may receive assistance in the application process by contacting the department office at 515.252.4698 or 800.838.4692.

11.2(5) For any qualifying injury sustained on or after January 1, 2027, the department must receive an initial application within two years of the date of injury.

11.2(6) Upon receiving an application for an initial or subsequent incremental grant, the department will, within 30 days, inform the applicant in writing that the application has been approved or denied or requires additional documentation establishing eligibility.

These rules are intended to implement Iowa Code section 35A.14.

ARC 0203D

ECONOMIC DEVELOPMENT AUTHORITY[261]**Adopted and Filed****Rulemaking related to downtown loan guarantee program**

The Economic Development Authority hereby rescinds Chapter 36, “Downtown Loan Guarantee Program,” Iowa Administrative Code, and adopts a new Chapter 36 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 15.106A and 15.431.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.431.

Purpose and Summary

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

The updated chapter is more concise throughout. Unnecessary definitions and language that duplicates statute have been omitted.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 21, 2026, as **ARC 9976C**. A public hearing was held on the following date(s):

- February 10, 2026
- February 12, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Authority Board on March 20, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

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

CHAPTER 36
DOWNTOWN LOAN GUARANTEE PROGRAM

261—36.1(15) Definitions.

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

“Authority’s website” means the information and related content found at www.opportunityiowa.gov.

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

“Director” means the director of the authority.

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

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

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

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

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

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

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

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

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

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

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

261—36.5(15) Annual fee. The lender shall pay an annual loan guarantee fee not to exceed 2 percent of the loan amount for the duration of the loan guarantee. The fee applicable to each approved loan guarantee will be established by the program agreement executed pursuant to rule 261—36.6(15).

261—36.6(15) Agreement. Upon approval of an award, authority staff will prepare an agreement between the authority, the lender, and the borrower. The agreement, at a minimum, shall include the conditions of the award, including the applicable annual fee to be paid by the lender pursuant to rule 261—36.5(15), the guarantee percentage, the responsibilities of each party, and the potential actions in instances of noncompliance.

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

These rules are intended to implement Iowa Code section 15.431.

[Filed 3/25/26, effective 5/20/26]

[Published 4/15/26]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0204D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rulemaking related to main street Iowa program

The Economic Development Authority hereby rescinds Chapter 39, “Main Street Iowa Program,” Iowa Administrative Code, and adopts a new Chapter 39 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 15.106A and 15.108(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A and 15.108(3).

Purpose and Summary

Pursuant to Executive Order 10, the Authority is rescinding Chapter 39 and adopting a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Main Street Iowa Program. Communities selected by the Authority for participation in the program may receive technical assistance and financial assistance that enable the communities to revitalize traditional commercial districts.

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

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 21, 2026, as **ARC 9975C**. A public hearing was held on the following date(s):

- February 10, 2026
- February 12, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Authority Board on March 20, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

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

CHAPTER 39
MAIN STREET IOWA PROGRAM

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

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

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

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

“Director” means the director of the economic development authority.

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

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

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

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

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

261—39.3(15) Program administration.

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

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

261—39.4(15) Application and selection process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a.* Existence of historic character of the traditional commercial district.
- b.* Plans for the traditional commercial district demonstrate a recognition of traditional commercial district trends and address the challenges unique to that district.
- c.* Present market capacity defined by a current business environment upon which the district can build its revitalization efforts.
- d.* Present physical capacity defined by building stock and built environment upon which the district can build its revitalization efforts.

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

261—39.7(15) Program agreement and noncompliance. Each designated main street Iowa community shall enter into a standard program agreement with the authority. The program agreement will describe the obligations of the authority and the designated main street Iowa community. If the authority finds

that a designated main street Iowa community is not in compliance with the requirements of the program or the terms of the program agreement, the authority may terminate the program agreement.

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

[Filed 3/25/26, effective 5/20/26]

[Published 4/15/26]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0205D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rulemaking related to community catalyst building remediation program

The Economic Development Authority hereby rescinds Chapter 45, “Community Catalyst Building Remediation Program,” Iowa Administrative Code, and adopts a new Chapter 45 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 15.106A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.231.

Purpose and Summary

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

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

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 21, 2026, as **ARC 9974C**. A public hearing was held on the following date(s):

- February 10, 2026
- February 12, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Authority Board on March 20, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

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

CHAPTER 45
COMMUNITY CATALYST BUILDING REMEDIATION PROGRAM

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

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

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

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

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

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

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

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

“Director” means the director of the authority.

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

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

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

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

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

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

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

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

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

261—45.2(15) Program description.

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

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

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

45.2(2) *Application.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45.3(3) *Funding decisions.*

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

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

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

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

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

261—45.4(15) Agreement and reporting.

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

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

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

These rules are intended to implement Iowa Code section 15.231.

[Filed 3/25/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0206D**ECONOMIC DEVELOPMENT AUTHORITY[261]****Adopted and Filed****Rulemaking related to endow Iowa tax credits**

The Economic Development Authority hereby rescinds Chapter 47, “Endow Iowa Tax Credits,” Iowa Administrative Code, and adopts a new Chapter 47 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 15E and section 15.106A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 15E.

Purpose and Summary

Pursuant to Executive Order 10, the Authority is rescinding Chapter 47 and adopting a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to Endow Iowa tax credits, available pursuant to Iowa Code chapter 15E, subchapter XXII, as amended by 2025 Iowa Acts, Senate File 657. The tax credits encourage investment in community foundations to enhance the quality of life for residents through philanthropic activity.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 21, 2026, as **ARC 9973C**. A public hearing was held on the following date(s):

- February 10, 2026
- February 12, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Authority Board on March 20, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 261—Chapter 47 and adopt the following **new** chapter in lieu thereof:

CHAPTER 47
ENDOW IOWA TAX CREDITS

261—47.1(15E) Purpose. The purpose of endow Iowa tax credits is to encourage investment in community foundations to enhance the quality of life for residents through philanthropic activity.

261—47.2(15E) Definitions.

“Authority” means the economic development authority created pursuant to Iowa Code section 15.105.

“Community affiliate organization” means the same as defined in Iowa Code section 15E.303.

“Corporation or other business entity” means any business organized for profit or a nonprofit entity that includes the name of a business organized for profit.

“Endow Iowa qualified community foundation” means the same as defined in Iowa Code section 15E.303.

“Endowment gift” means the same as defined in Iowa Code section 15E.303.

“Permanent endowment fund” means a fund held in an endow Iowa qualifying community foundation to provide benefit to charitable causes in the state of Iowa. Endowed funds are intended to exist in perpetuity. “Permanent endowment fund” does not include a fund that contains the name of a corporation or other business entity on or after June 6, 2025.

“Tax credit” means the amount a taxpayer may claim against the taxes imposed in Iowa Code chapter 422, subchapters II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329.

261—47.3(15E) Authorization of tax credits to taxpayers. The authority shall authorize tax credits to qualified taxpayers pursuant to the provisions of Iowa Code section 15E.305.

47.3(1) If the authority receives applications for tax credits in excess of the amount available pursuant to Iowa Code section 15E.305(2), the applications shall be prioritized by the date the authority received the applications. Applications received in excess of the amount of tax credits available will be denied by the authority. A taxpayer shall submit an application to the authority for the tax credit no later than 12 months from the date of the donation that qualifies the taxpayer for the tax credit.

47.3(2) An individual who intends to claim a tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual will only be issued a tax credit if the individual submits an application as an individual. Alternatively, an individual may claim a portion of a tax credit issued to the partnership, limited liability company, S corporation, estate, or trust. The maximum amount of tax credits that may be issued to a taxpayer pursuant to Iowa Code section 15E.305(2)“a” will be applied to each tax credit issued, whether issued to an individual or partnership, limited liability company, S corporation, estate, or trust.

47.3(3) For donations made on or after January 1, 2026, the authority will verify that the requirements in Iowa Code section 15E.305(4) are met prior to issuance of a tax credit. For donations made on or after January 1, 2026, the endow Iowa qualified community foundation that administers a permanent endowment fund for which a taxpayer requests a tax credit must demonstrate that the endow Iowa qualified community foundation does not collect administrative fees or other fees that exceed 5 percent of the amount of any permanent endowment fund it holds. An endow Iowa qualified community

foundation shall provide documentation demonstrating compliance with the fee cap upon request by the authority.

47.3(4) To receive the tax credit, a donor shall file a claim with the department of revenue in accordance with any applicable administrative rules adopted by the department.

261—47.4(15E) Distribution process and review criteria. The authority shall develop and make available a standardized application pertaining to the allocation of endow Iowa tax credits.

47.4(1) Of the annual amount available for tax credits, 25 percent shall be reserved for those permanent endowment gifts made to community affiliate organizations. If by September 1 of any year the entire 25 percent reserved for permanent endowment gifts corresponding to community affiliate organizations is not allocated, the amount remaining shall be available for other applicants.

47.4(2) The authority will ensure the reservation of tax credits for endowment gifts of \$30,000 pursuant to Iowa Code section 15E.305(2) “b.”

47.4(3) Applications will be accepted and awarded on an ongoing basis. The authority will provide information on the available allocation of tax credits on its website.

These rules are intended to implement Iowa Code chapter 15E, subchapter XXII.

[Filed 3/25/26, effective 5/20/26]

[Published 4/15/26]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0207D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to logo signing

The Transportation Department hereby amends Chapter 118, “Logo Signing,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 306C.11.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 306C.

Purpose and Summary

This rulemaking removes gender identity from the list in the applicable rule for which compliance is required concerning business eligibility for participation in the logo signing program. This rulemaking implements 2025 Iowa Acts, Senate File 418 (Senate File 418), which removed gender identity from the list of protected classes in Iowa Code chapter 216.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9882C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 118.4(1) as follows:

118.4(1) The business is open to the general public; does not restrict entrance based on age; and conforms to all applicable laws concerning discrimination based on age, race, creed, color, sex, sexual orientation, ~~gender identity~~, national origin, religion, and disability.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0208D

TRANSPORTATION DEPARTMENT[761]**Adopted and Filed****Rulemaking related to tourist-oriented directional signing**

The Transportation Department hereby amends Chapter 119, "Tourist-Oriented Directional Signing," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 321.252.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 321.252.

Purpose and Summary

This rulemaking removes gender identity from the list in the applicable rule for which compliance is required concerning business eligibility for participation in the Tourist-Oriented Directional Sign (TODS) program. This rulemaking implements 2025 Iowa Acts, Senate File 418 (Senate File 418), which removed gender identity from the list of protected classes in Iowa Code chapter 216.

After public comment, this rulemaking also removes the requirement that “CLOSED” panels be placed on the TODS signs during the off-season when the destination is not open to the public or when the hours of operation are below the minimum threshold for qualifying purposes.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9881C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend subrule 119.3(1) as follows:

119.3(1) The destination is open to the general public for a minimum of four days per week and 20 hours per week, year-round or during the normal season for the destination. These hours are exclusive of any hours of operation that are by appointment, reservation or membership. The hours are conspicuously posted on the premises except for destinations that are open 24 hours per day.

ITEM 2. Amend subrule 119.3(9) as follows:

119.3(9) The destination complies with all applicable laws concerning public accommodations without regard to age, race, creed, color, sex, sexual orientation, ~~gender identity~~, national origin, religion or disability.

ITEM 3. Amend subrule 119.5(1) as follows:

119.5(1) *Installation and maintenance of tourist-oriented directional signs.* ~~Except as provided in subrule 119.5(4), the~~ The department will fabricate and perform the installation, maintenance, removal and replacement of tourist-oriented directional signs that are located within the right-of-way.

a. and *b.* No change.

ITEM 4. Rescind and reserve subrule **119.5(4)**.

ITEM 5. Amend **761—Chapter 119**, implementation sentence, as follows:

These rules are intended to implement Iowa Code section 321.252 ~~as amended by 2024 Iowa Acts, Senate File 2385, section 317.~~

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0209D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to lighting

The Transportation Department hereby rescinds Chapter 136, "Lighting," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Executive Order 10.

Purpose and Summary

The Department is rescinding Chapter 136 and instead publishing guidance in an operational manual that covers the requirements and procedures for entities to request the installation of lighting at the intersection of a side road or entrance with a primary road. The manual will be available on the Department's website.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9879C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **761—Chapter 136**.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0210D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to traffic signals and beacons on primary roads

The Transportation Department hereby rescinds Chapter 140, "Traffic Signals and Beacons on Primary Roads," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 321.252.

Purpose and Summary

The Department is rescinding Chapter 140 and instead publishing guidance in an operational manual that covers the procedure and responsibilities for entities to request the installation of traffic signals and beacons on a primary road. The manual will be available on the Department's website.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9878C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **761—Chapter 140**.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0211D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to speed zoning on primary highways

The Transportation Department hereby rescinds Chapter 142, "Speed Zoning on Primary Highways," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.285 and 321.290.

Purpose and Summary

The Department is rescinding Chapter 142 and instead publishing guidance in an operational manual that covers the procedure for entities to request changes to posted speed limits on primary highways. The manual will be available on the Department's website.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9877C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **761—Chapter 142**.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0212D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to traffic signal synchronization

The Transportation Department hereby rescinds Chapter 143, “Traffic Signal Synchronization,” and adopts a new Chapter 143, “Traffic Signal Coordination,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 364.24.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 364.24.

Purpose and Summary

This chapter lays out requirements regarding the installation and coordination of traffic signals.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9875C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. Local public agencies bear the costs of installing and maintaining traffic signal coordination equipment and services.

Jobs Impact

The rulemaking maintains an already established requirement that certain traffic signal installations within a city be operated in a coordinated manner.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 143 and adopt the following **new** chapter in lieu thereof:

CHAPTER 143
TRAFFIC SIGNAL COORDINATION

761—143.1(364) Definitions.

“*Arterial street*” means any U.S. or state numbered route, controlled access highway, or other major street or highway designated by the city within its respective jurisdiction as a part of a major arterial system of streets or highways.

“*Coordination*” means the establishment of a timing relationship between adjacent traffic signals.

“*Traffic signal*” means any permanently installed, electrically powered traffic control device by which traffic is alternately directed to stop and to proceed.

“*Traffic signal system*” means two or more traffic signals operating in a coordinated manner.

761—143.2(364) Applicability. This chapter applies to all cities with more than three traffic signals within the corporate limits.

761—143.3(364) Conditions.

143.3(1) Unless a traffic engineering study documents that it is not practical, traffic signals within one-half mile of each other along an arterial street or in a network of intersecting arterial streets shall be operated as a traffic signal system.

143.3(2) Traffic signal timing and operational plans are to be developed by the application of traffic engineering principles to provide maximum traffic flow efficiencies and safety for all users.

143.3(3) All traffic signal installations and operations are to comply with the department’s traffic control device manual.

761—143.4(364) Contact information. Information regarding this chapter is available from: Traffic and Safety Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010. Additional information and guidance may be found at www.iowadot.gov/consultants-contractors/traffic-safety/document-resource-library/traffic-safety-manual.

These rules are intended to implement Iowa Code section 364.24.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0213D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to improvements and maintenance on primary road extensions

The Transportation Department hereby rescinds Chapter 150, “Improvements and Maintenance on Primary Road Extensions,” Iowa Administrative Code, and adopts a new Chapter 150 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 17A.9A, 307.12, 309.1, 313.4, 313.5, 313.21, 313.24, 313.27, 313.36, 314.5, 314.6, 318.1, 321E.3 and 362.2.

Purpose and Summary

The Department is rescinding and repromulgating Chapter 150. This chapter defines responsibilities, requirements, and procedures for construction and maintenance on primary road extensions within

cities and responsibilities for facilities commonly impacted by these activities, including traffic signals, lighting, bridges, intersection paint markings, signs, and rights-of-way. This chapter was reorganized to improve readability and includes several clarifications to the definitions and maintenance responsibilities outlined in the chapter. Responsibilities for previously unmentioned features, including bike lanes, bridge graffiti removal, and roundabout center islands, were added.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9880C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

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

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 150 and adopt the following **new** chapter in lieu thereof:

PRIMARY ROAD EXTENSIONS

CHAPTER 150

IMPROVEMENTS AND MAINTENANCE ON PRIMARY ROAD EXTENSIONS

761—150.1(306,306A,307,318,362) General.

150.1(1) Information. Information regarding this chapter is available from the Maintenance Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1547.

150.1(2) Definitions.

“Access control limits” means the area where the department has acquired access rights in accordance with 761—Chapter 112.

“City” means a municipal corporation as defined in Iowa Code section 362.2.

“Curbed cross section” means a roadway with outside raised paved edges or rims (commonly called “curbs”) used for storm water drainage. Raised medians or inside curbs alone are not sufficient to constitute a curbed cross section.

“Encroachment” means an item that is supported or located on the highway right-of-way or that overhangs into the airspace of the highway right-of-way.

“Freeway” means a fully controlled access primary highway. The rights of ingress and egress from abutting properties have been legally eliminated by the department. Permanent access to the freeway is allowed only at interchange locations. For the purpose of this chapter, a freeway is generally five or more miles in length.

“MUTCD” means the “Manual on Uniform Traffic Control Devices” as adopted in 761—Chapter 130.

“Nonfreeway primary highway” means a primary highway that is not a freeway.

“Obstruction” means the same as defined in Iowa Code section 318.1.

“Right-of-way” means the land for any public road, street or highway, including the entire area between the property lines.

“Urban-state traffic engineering program” or “U-STEP” refers to a department program that is intended for use by any Iowa city in order to solve traffic operations and safety problems on primary roads in Iowa cities as documented on the department’s “Grants and Programs” website at www.iowadot.gov/transportation-development/grant-programs/grant-program-list.

“Utility” means the same as defined in Iowa Code section 306A.13.

This rule is intended to implement Iowa Code sections 306.2, 306.3, 306A.13, 307.12(1)“j,” 318.1 and 362.2.

761—150.2(306,306A,307,313,314) Improvements and maintenance on extensions of freeways.

150.2(1) Construction. Except as otherwise provided, the department shall be responsible for all right-of-way and construction costs associated with the construction of freeway extensions.

a. The city shall be responsible for providing, without cost to the department, all necessary rights-of-way that involve dedicated streets or alleys.

b. The city may be responsible for providing, without cost to the department, all necessary rights-of-way that involve other city-owned lands, except parklands, subject to the condition that the department may reimburse the city for the functional replacement value of improved property and advanced purchases negotiated by the city for project purposes.

c. Outside the access control limits, the department shall be responsible for the costs of construction of longitudinal and outlet storm sewers made necessary by highway construction in the proportion that the street right-of-way of the primary road extension bears to the total drainage area to be served by the proposed sewers. The city shall be responsible for the remaining portion of storm sewer costs not paid for by the department.

d. The department shall be responsible for all storm sewer-related costs within the access control limits.

150.2(2) Maintenance. The department shall enter into an agreement with a city regarding the maintenance of primary roads within the corporate city limits. This is intended to include corporate line roads, when appropriate. Unless otherwise mutually agreed to and specified in the agreement, the maintenance of freeway extensions within the corporate city limits, including corporate line roads, shall be as follows:

a. The department shall be responsible for all maintenance costs on the through roadway, the on and off ramps, and the roadside features from right-of-way line to right-of-way line.

b. Where city streets cross the freeway, the department shall be responsible for:

- (1) Roadside maintenance within the freeway right-of-way.
- (2) Surface drainage of the freeway right-of-way.
- (3) Traffic signs and pavement markings required for freeway operation.
- (4) Guardrail at piers and guardrail at bridge approaches.

- (5) Expansion relief joints in approach pavement and approach panel leveling and maintenance.
- (6) All maintenance of bridges, including deck repair, structural repair, berm slope protection, painting, and inspection, except as noted in paragraph 150.2(2)“c.”
- (7) Graffiti removal on bridges and abutments within the freeway right-of-way.
 - c. Where city streets cross the freeway, the city shall be responsible for:
 - (1) All roadside maintenance outside the freeway right-of-way.
 - (2) All pavement, subgrade and shoulder maintenance on the cross street except expansion relief joints and bridge approach panel leveling or repair.
 - (3) All traffic lane markings on the cross street.
 - (4) Snow removal on the cross street, including bridges over the freeway and through ramp terminals.
 - (5) Cleaning and sweeping bridge decks on streets crossing over the freeway.
 - d. The city shall be responsible for maintenance and repair of pedestrian overpasses and underpasses, including snow removal, painting, lighting and structural repairs.
 - e. Should local service roads or streets be constructed as a part of a project, upon completion they shall become a part of the city street system. The department shall not be responsible for the maintenance of these roads or streets and corresponding drainage structures.

150.2(3) Lighting.

- a. The department shall be responsible for:
 - (1) The cost of installation of lighting on the main-traveled-way lanes and the on and off ramps, including the terminals with cross streets when the department determines that lighting is required under established warrants.
 - (2) The energy and maintenance costs of lighting on the main-traveled-way lanes.
 - (3) The energy and maintenance costs of lighting through interchange areas and ramps at interchanges between freeways that do not provide service to local streets.
 - (4) The energy and maintenance costs of lighting in interchange areas at interchanges between freeways and primary roads that are on corporate lines.
 - (5) At interchanges with city cross streets, the energy and maintenance costs of lighting on the main-traveled-way lanes, on and off ramps, ramp terminals, and, when the department determines full interchange lighting is required, the cross street between the outermost ramp terminals.
- b. The department shall not be responsible for:
 - (1) The installation, energy and maintenance costs of any lighting on cross streets in advance of interchanges and between the outermost ramp terminals at interchanges where the department determines partial interchange lighting or no lighting is required.
 - (2) The installation, energy and maintenance costs of any lighting on pedestrian overpasses, pedestrian underpasses, bicycle overpasses or bicycle underpasses. The city may elect to provide lighting at its own expense.

c. Warrants for the lighting of freeways shall be according to the 2018 “AASHTO Roadway Lighting Design Guide.” The AASHTO publication may be ordered from the website www.transportation.org. The publication may be inspected at the department’s maintenance bureau.

This rule is intended to implement Iowa Code sections 306.4, 306.42, 307.12(1)“j,” 313.4, 313.5, 313.21 through 313.24, 313.27, 313.36, 314.5 and 314.6 and chapter 306A.

761—150.3(306,306A,307,309,313,314,321E) Improvements and maintenance on extensions of nonfreeway primary highways.

150.3(1) Construction.

a. The department shall be responsible for all right-of-way and construction costs to construct nonfreeway primary highway extensions to the minimum design criteria as established by the department. Construction improvement costs beyond minimum design criteria shall be the responsibility of the city, as specified in the project agreement. Minimum design criteria shall be in accordance with “A Policy on Geometric Design of Highways and Streets, 2018” (Seventh Edition AASHTO Green Book).

The AASHTO publication may be ordered from the website www.transportation.org. The publication may be inspected at the department's maintenance bureau.

b. The city shall be responsible for providing, without cost to the department, all necessary rights-of-way that involve dedicated streets or alleys.

c. The city may be responsible for providing, without cost to the department, all necessary rights-of-way that involve other city-owned lands, except parklands, subject to the condition that the department may reimburse the city for the functional replacement value of improved property and advanced purchases negotiated by the city for project purposes.

d. The city shall take all necessary legal action to discontinue and prohibit any past or present use of project rights-of-way for private purposes. The city shall prevent any future encroachment or obstruction within the limits of project rights-of-way.

e. The department shall be responsible for the costs of construction of longitudinal and outlet storm sewers made necessary by highway construction and construction of local service roads developed as a part of the construction or reconstruction of the through traffic lanes in the proportion that the right-of-way of the primary road extension bears to the total drainage area to be served by the proposed sewers. The city shall be responsible for the remaining portion of storm sewer costs not paid for by the department.

f. Unless otherwise mutually agreed to and specified in the project agreement, the department shall be responsible for the cost of acquiring rights-of-way and construction of local service roads developed as a part of the construction or reconstruction of the through traffic lanes.

150.3(2) Maintenance. The department shall enter into an agreement with a city regarding the maintenance of primary roads within the corporate city limits. This is intended to include corporate line roads, when appropriate. Unless otherwise mutually agreed to and specified in the agreement, the maintenance of nonfreeway primary highway extensions within the corporate city limits, including corporate line roads, shall be as follows:

a. On primary roads constructed with a curbed cross section, the department shall be responsible for:

(1) Maintenance and repairs to pavement and subgrade from face of curb to face of curb exclusive of parking lanes, culverts, intakes, manholes, public or private utilities, sanitary sewers and storm sewers.

(2) Primary road signing for moving traffic as set out in subrule 150.4(1), pavement markings for traffic lanes, guardrail and stop signs at intersecting streets.

(3) Surface drainage only, within the limits of pavement maintenance.

(4) Plowing of snow from the traffic lanes of pavement and bridges and treatment of traffic lanes with abrasives and chemicals.

(5) Inspection, painting and structural maintenance of bridges as defined in Iowa Code section 309.1.

b. On primary roads constructed with a rural cross section (no curb), the department shall be responsible for all maintenance, except tree removal, sidewalks, retaining walls and repairs due to utility construction and maintenance, which shall be the city's responsibility.

c. On primary roads constructed with a curbed cross section, the city shall be responsible for:

(1) Maintenance and repairs to pavement in parking and bicycle lanes, intersections beyond the limits of department pavement maintenance, curbs used to contain drainage, and repairs to all pavement due to utility construction, maintenance and repair.

(2) Painting of parking stalls, stop lines and crosswalks, and the installation and maintenance of flashing lights. Pavement markings shall conform to the MUTCD.

(3) Maintenance of all storm sewers, manholes, intakes, catch basins and culverts used for collection and disposal of surface drainage.

(4) Removal of snow windrowed by departmental plowing operations, removal of snow and ice from all areas outside the traffic lanes, loading or hauling of snow which the city considers necessary and removal of snow and ice from sidewalks on bridges used for pedestrian traffic.

(5) Maintenance of sidewalks, retaining walls and all areas between curb and right-of-way line.

- (6) Cleaning, sweeping and washing of streets.
- (7) Maintenance and repair of pedestrian or bicycle overpasses and underpasses, including snow removal, painting and structural repairs.
- (8) Roundabout center islands.
- d. The city shall comply with the access control policy of the department as adopted in 761—Chapter 112 and obtain prior approval from the department for any changes to existing entrances or for the construction of new entrances.
- e. Drainage district assessments levied against the primary road within the corporate limits of the city shall be shared equally by the department and the city.
- f. Should local service roads or streets be constructed as a part of a project, upon completion they shall become a part of the city street system. The department shall not be responsible for the maintenance of these roads or streets and corresponding drainage structures.

150.3(3) Lighting.

a. The department shall not be responsible for the installation, energy, and maintenance costs of lighting on extensions of nonfreeway primary highways. The city may elect to provide lighting at its own expense. However:

- (1) For cities with a population of 5,000 or fewer, the department may elect to install interchange or intersection lighting and to be responsible for or to participate in the energy and maintenance costs of this lighting.
- (2) On a new construction project that results in a predominately fully controlled access highway, but incorporates some nonfreeway segments, the department may elect to participate in the installation of lighting at conflict points if the city agrees to be responsible for the energy and maintenance costs of this lighting.

b. At corporate line primary road junctions, the lighting shall be installed where necessary by the department in accordance with department warrants. The department shall be responsible for the installation costs. Unless otherwise agreed, the energy and maintenance costs shall be shared by the city and department in proportion to the number of luminaires in each jurisdiction as established by the corporate line. When and if the corporate line is extended to include any part of the lighting installation or a greater proportion of luminaires, the proportionate costs for maintenance and energy shall be redetermined on the basis of the number of luminaires in each jurisdiction as established by the new location of the corporate line.

This rule is intended to implement Iowa Code sections 306.4, 306.42, 307.12(1)“j,” 309.1, 313.5, 313.21 through 313.24, 313.27, 313.36, 314.5, 314.6 and 321E.3 and chapter 306A.

761—150.4(306,306A,307,313,314,318) General requirements for primary road extensions.

150.4(1) Signing.

- a. The department shall be responsible for permanent traffic control signing on primary road extensions.
- b. The department shall not be responsible for construction and maintenance work zone signing unless the work is being done by the department.
- c. The department shall not be responsible for street name signs, any regulatory parking signs that denote special regulations as may be determined by the city in cooperation with the department, and those signs that regulate parking as to time, hours and days of the week.
- d. The department shall not be responsible for signs facing traffic on primary road extensions that regulate traffic movements on city cross streets (one-way traffic).
- e. “Business District” signs on primary road extensions may be permitted upon application by the city to the department.
- f. All signing within the right-of-way shall conform to the MUTCD.

150.4(2) Encroachments and obstructions.

a. The city shall remove any existing obstructions within the highway right-of-way and prevent any future obstructions from occurring within the highway right-of-way in a manner consistent with Iowa Code chapter 318.

b. The city shall remove any existing encroachments and prevent any future encroachments from occurring within the highway right-of-way, except those authorized or permitted by the highway authority. Under no circumstances shall an overhanging sign or awning be allowed within two feet of the inside edge of the curb (also known as the face of the curb, which is that part of the curb that is next to traffic) or within two feet of the edge of the pavement in the absence of a curb. Any encroachments authorized or permitted by the highway authority shall be in accordance with Iowa Code chapter 318.

150.4(3) *Pedestrian, equestrian, and bicycle routes (sidewalks).*

a. The department shall remove and replace portions of existing routes as required by construction.

b. The department will consider the impacts to pedestrian accommodation at all stages of the project development process and encourage pedestrian accommodation efforts when pedestrian accommodation is impacted by highway construction. The cost of pedestrian accommodation made at the time of the highway improvement may be considered an additional roadway construction cost. Providing pedestrian accommodation independent of a highway construction project may be considered with construction funding obtained from local jurisdictions or other federal and non-road use tax state sources.

c. If a project is initiated by the department, the department shall fund 100 percent of all curb ramps, turning spaces, transitions, sidewalks, curb drops and pedestrian signals within the right-of-way of primary road extensions to meet the requirements of the Americans with Disabilities Act of 1990 (ADA) as amended by the ADA Amendments Act of 2008 (PL 110–325), codified at 42 U.S.C. 12101 et seq., if such improvements are in the project.

d. If a project is initiated by a local jurisdiction, the department may participate by funding 55 percent of the cost of constructing curb ramps, turning spaces, transitions, sidewalks, curb drops and pedestrian signals on existing sidewalks within the right-of-way of primary road extensions to meet the requirements of the Americans with Disabilities Act if such improvements are in the project. However, departmental participation shall not exceed \$250,000 per year for any one local jurisdiction and \$5 million per year in total.

150.4(4) *Overpasses and underpasses for pedestrian, equestrian, and bicycle routes.*

a. During initial construction of freeways and other relocated primary road extensions and when user-volumes and topographic conditions warrant the construction of a separation, the cost shall be shared between the department and the city on the basis of the current U-STEP cost apportionment.

b. The department may participate in a city-initiated separation that is not included in the department's "Five-Year Iowa Transportation Improvement Program."

150.4(5) *Utility relocation and removal.*

a. The city shall relocate or cause to be relocated, without cost to the department, all city-owned utilities necessary for construction when these utilities are within the existing street or alley right-of-way. The department shall reimburse the owner of a utility that is located on private right-of-way for the costs of relocation or removal, including the costs of installation in a new location.

b. The city shall comply with the utility accommodation policy of the department as adopted in 761—Chapter 115.

150.4(6) *Project concept statements and predesign project agreements for proposed construction projects.*

a. As early as possible after an urban project is included in the department's "Five-Year Iowa Transportation Improvement Program," a concept statement for the project shall be developed and shall be reviewed with the officials of the city prior to the public hearing.

b. During the design process, a predesign project agreement may be submitted to city officials for their approval. It shall include all the following:

- (1) A preliminary description of the project.
- (2) The general concepts of the project.
- (3) Responsibilities for right-of-way acquisition, storm sewer costs and utility adjustment costs.
- (4) The parking and access control restrictions to be applied to the project.
- (5) Financial participation above minimum standards.

150.4(7) *Preconstruction project agreements for proposed construction projects.*

a. The department shall maintain a close liaison with the city during the development of the project plan so that all parties will be fully informed of the details involved in the proposed improvement.

b. When the plan is sufficiently complete to provide typical cross sections, plan and profile drawings and incidental details, the department shall submit a preconstruction project agreement, which shall include known design data, to city officials for their approval. Terms for reimbursement to the state and local financial participation shall be stated in this agreement.

c. Modifications to this agreement necessitated by design changes encountered during construction shall be made by an extra work order agreed to in writing by the city, the contractor, and the department.

150.4(8) Traffic signals.

a. All traffic signal installations shall meet the standards and warrants established in the MUTCD.

b. When replacing pavement or adding lanes, the department may, by agreement, install or replace warranted traffic signals (including pedestrian-only signals) at no cost to the city.

c. When new or upgraded traffic signals (including pedestrian-only signals) are part of a pavement maintenance or stand-alone traffic signal project, the department may, by agreement, participate in installation costs with its maximum share limited to that based on the current U-STEP cost-sharing policy. The city is responsible for preparing plans, awarding the contract, supervising installation, and covering the remaining costs.

d. Signal modifications to coordinate with other city systems (outside the primary road extension system) are the city's full financial responsibility.

e. The department will not fund signals intended solely for commercial use or signalization of primary road stub routes ending within the city.

f. The department does not assume ownership or responsibility for any energy or maintenance costs for traffic signals.

g. Signal phasing, initial and future, as well as timing and coordination between intersections shall be coordinated between the department and the city.

150.4(9) Overdimensional and overweight vehicles. The city shall comply with all current statutes, rules and regulations pertaining to overdimensional and overweight vehicles using primary roads when issuing special permits for overdimensional and overweight vehicles.

This rule is intended to implement Iowa Code sections 306.4, 307.12(1)"j," 313.21 through 313.24, 313.27, 313.36, 314.5 and 314.6 and chapters 306A and 318.

761—150.5(17A,307) Special circumstances.

150.5(1) Waivers. The director of transportation or the director's designee may, in response to a written petition, waive provisions of this chapter in accordance with 761—Chapter 11. The written petition must contain the information as required in 761—subrule 11.5(2) and shall be submitted to the Rules Administrator, Office of the Director, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by email to the rules administrator's email address listed on the department's website at www.iowadot.gov/administrativerules.

150.5(2) Waivers involving interstate highways. The director shall not waive these rules if the request involves the interstate highway system, including its ramps, without the approval of the Federal Highway Administration.

This rule is intended to implement Iowa Code sections 17A.9A and 307.12(1)"j."

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0214D**TRANSPORTATION DEPARTMENT[761]****Adopted and Filed****Rulemaking related to traffic safety improvement program**

The Transportation Department hereby rescinds Chapter 164, “Traffic Safety Improvement Program,” Iowa Administrative Code, and adopts a new Chapter 164 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 307.12.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12 and 312.2.

Purpose and Summary

The purpose of the Traffic and Safety Improvement Program is to provide funding for traffic safety improvements or studies on public roads under county, city or State jurisdiction. This chapter establishes necessary regulation for effectively administering the program and defining eligibility requirements.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9876C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. The changes are made with guidance created for Executive Order 10.

Jobs Impact

This rulemaking is not creating, removing, or changing jobs.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 164 and adopt the following **new** chapter in lieu thereof:

CHAPTER 164
TRAFFIC SAFETY IMPROVEMENT PROGRAM

761—164.1(307,312) General.

164.1(1) Definitions.

“*Commission*” means the state transportation commission.

“*Jurisdiction*” means the department, a county, a city or any other public agency having responsibility for and control over a road or street.

“*Other public agency*” means any board, commission or agency having jurisdiction and control over roads and streets in any state park, state institution, and other state land road system.

“*State park, state institution, and other state land road system*” means the same as defined in Iowa Code section 306.3(10).

“*Traffic safety improvement program*” means the funding program created for traffic safety improvement projects pursuant to Iowa Code section 312.2(11).

164.1(2) Information and forms. Information, instructions and application forms may be obtained from the Traffic and Safety Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1557; or on the department’s website at www.iowadot.gov/consultants-contractors/traffic-safety/programs/traffic-safety-improvement-program-tsip.

761—164.2(307,312) Program administration.

164.2(1) Purpose. The traffic safety improvement program provides funding for traffic safety improvements or studies on public roads under county, city or state jurisdiction.

164.2(2) Local participation. The department will administer the traffic safety improvement program as a statewide program and will coordinate local participation in review and evaluation of applications for funding.

164.2(3) Funding.

a. The traffic and safety bureau will review all applications and availability of funds in order to make funding recommendations to the commission. The commission may choose to fund all or part of a project or limit funding to specific work items. Funding may also be made dependent upon adherence to a time schedule or fulfillment of specified conditions.

b. The commission need not commit all funds available during a fiscal year. Funds not committed by the commission will be retained for subsequent programming cycles. Awarded funds not used within a specified period or remaining after project closure will be retained for subsequent programming cycles.

c. The maximum traffic safety improvement program funding for a site-specific improvement will not exceed \$500,000. Total funding allotted for the traffic control device category will not exceed \$750,000 annually. Total funding allotted for the studies and outreach category will not exceed \$750,000 annually. All project costs exceeding the commitment of traffic safety improvement program funds shall be the responsibility of the applicant.

761—164.3(307,312) Eligibility.

164.3(1) Applicant eligibility. Any jurisdiction in the state of Iowa is eligible to apply for traffic safety improvement program funding. Applicants are to designate one jurisdiction as the principal contact for a project involving multiple jurisdictions.

164.3(2) Project eligibility. Projects located on a public roadway within the state of Iowa are eligible for funding. Projects located on a private road or for a private purpose are not eligible.

761—164.4(307,312) Project costs.**164.4(1) Eligible project costs.**

a. Site-specific improvements category. Activities considered eligible for funding are those integral to the safety aspects of the project. Eligible activities include but are not limited to the following:

- (1) Road modernization, upgrading or reconstruction.
- (2) Intersection improvements.
- (3) Right-of-way purchases.
- (4) Drainage and erosion control measures.
- (5) Traffic control devices.
- (6) Traffic barriers and other roadside safety devices.
- (7) Removal of trees and other fixed objects.

b. Traffic control devices category. The cost of materials purchased for initial installation of traffic control devices or replacement of obsolete traffic control devices is considered eligible for funding. Devices shall comply with the applicable warrants in the “Manual on Uniform Traffic Control Devices” (MUTCD) as adopted in rule 761—130.1(321).

c. Studies and outreach category. Activities considered eligible for funding include but are not limited to the following:

- (1) Research addressing statewide traffic safety concerns.
- (2) Studies addressing traffic safety concerns at specific locations.
- (3) Initiatives emphasizing or improving traffic safety techniques or policies.

164.4(2) Ineligible project costs.

a. Any and all costs incurred prior to commission approval of funding for a project are ineligible.

b. Activities and costs not eligible for traffic safety improvement program funding within the site-specific improvements category include but are not limited to:

- (1) Routine maintenance of a road, street, bridge, culvert or traffic control device.
- (2) Contract administration costs.
- (3) Design and construction engineering and inspection.
- (4) Utility construction, reconstruction or adjustment, except as an integral part of a project.
- (5) Sidewalks, shared-use paths, or railroad-highway crossings, except as an integral part of a project.
- (6) Maintenance or energy costs for traffic control devices or lighting.
- (7) Expenditures for items not related to the roadway.

c. Activities and costs not eligible for traffic safety improvement program funding within the traffic control devices category include but are not limited to:

- (1) Maintenance or energy costs.
- (2) Installation costs.

761—164.5(307,312) Applications. Applications address funding needs in one of three categories: site-specific improvements, traffic control devices, or studies and outreach. Application procedures for each funding category are distinct.

164.5(1) Site-specific improvements category. Applications in the site-specific improvements category shall be submitted electronically on forms provided on the department’s website. Required information includes:

a. The applicant’s name, mailing address, telephone number, and a designated contact person.

b. A preliminary project concept statement, including a location map and a sketch plan. Concepts are to be developed using engineering principles and are to include details to generate project cost estimates.

c. Justification for the proposed construction project. Justification may be based on a location’s crash history, a location’s crash risk, or recommendations from a traffic study.

d. Data showing the anticipated effect of the project on traffic safety. Data shall include crash history based on the department’s current crash analysis software and the anticipated crash reduction as a result of the project.

e. An itemized cost estimate for the project including a list of the sources and amounts of supplementary funds for the project. Safety-related work items and quantities shall be listed separately.

f. A time schedule for the project.

g. The jurisdiction's official endorsement, where applicable, of the project and written assurance that the improved site will be adequately maintained for a specified period of time.

164.5(2) *Traffic control devices category.* Applications in the traffic control devices category shall be submitted electronically on forms provided on the department's website. Required information includes:

a. The applicant's name, mailing address, telephone number, and a designated contact person.

b. A list of the number and types of devices requested, and whether each is for initial placement or a replacement.

c. Justification for the requested devices, including compliance with the applicable warrants in the MUTCD as adopted in rule 761—130.1(321).

d. A cost estimate.

e. A time schedule for installation.

f. The jurisdiction's official endorsement of the traffic control device project and written assurance that the traffic control device will be adequately maintained for a specified period of time.

164.5(3) *Studies and outreach category.* Applications in the studies and outreach category shall be submitted electronically on forms provided on the department's website. Required information includes:

a. The applicant's name, mailing address, telephone number and a designated contact person.

b. A description of the proposed subject matter and the goals or expected results of the effort.

c. A cost estimate.

d. A time schedule.

761—164.6(307,312) Processing the application.

164.6(1) *Submission.*

a. The jurisdiction shall submit the complete application electronically to the traffic and safety bureau. An application may be submitted at any time.

b. Complete applications received before August 16 of each year will be evaluated for funding in the following state fiscal year.

c. An unfunded application may be resubmitted for consideration during a subsequent funding cycle.

d. An application may be withdrawn at any time.

164.6(2) *Approval of projects.* Department staff will prepare, with input from local officials, a proposed program of projects for each funding category and submit the programs to the commission for approval. The criterion for determining funding priorities in each category is the demonstrated relationship of the project to traffic safety.

761—164.7(307,312) Project agreement.

164.7(1) After the commission has approved funding, a project agreement shall be negotiated and executed between the department and the jurisdiction. The agreement shall specify the following:

a. Conditions for project funding, which may include such items as the responsibility for planning, design, right-of-way, contracting, construction, materials inspection, documentation and the criteria for each.

b. The funding level for the eligible work items.

164.7(2) The department will reimburse the jurisdiction for actual eligible project costs not to exceed the amounts authorized by the project agreement.

These rules are intended to implement Iowa Code sections 307.12(1)“j” and 312.2(11).

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0215D**TRANSPORTATION DEPARTMENT[761]****Adopted and Filed****Rulemaking related to sanctions**

The Transportation Department hereby amends Chapter 615, “Sanctions,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 321.210.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 321.210.

Purpose and Summary

The purpose of this rulemaking is to comply with 2025 Iowa Acts, Senate File 22, section 7. This legislation, which implemented Iowa’s hands-free driving law, included convictions under Iowa Code section 321.276 in the determination of whether a driver’s license suspension will be issued.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9883C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

There is no fiscal impact to the State beyond what is required by the underlying statute, which authorizes the Department to impose driver’s license sanctions for certain convictions, including violations of Iowa Code section 321.276.

Jobs Impact

There is no impact on jobs as a result of this rulemaking that was not already required as a result of the underlying statutes.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend rule 761—615.5(321) as follows:

761—615.5(321) Suspension of a habitually reckless or negligent driver.

615.5(1) No change.

615.5(2) In this rule, speeding violations specified in Iowa Code section 321.210(2)“d” ~~and violations under Iowa Code section 321.276~~ are not included.

This rule is intended to implement Iowa Code section 321.210.

ITEM 2. Amend rule 761—615.6(321) as follows:

761—615.6(321) Suspension of a habitual violator.

615.6(1) and **615.6(2)** No change.

615.6(3) In this rule, speeding violations specified in Iowa Code section 321.210(2)“d” ~~and violations under Iowa Code section 321.276~~ are not included.

This rule is intended to implement Iowa Code section 321.210.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0216D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to items of general application for railroads

The Transportation Department hereby rescinds Chapter 800, “Items of General Application for Railroads,” Iowa Administrative Code, and adopts a new Chapter 800 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12, 327D.201 and 327G.24.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12, 307.26, 327C.38, 327C.41, 327C.42, 327D.201, 327F.31 and 327G.24.

Purpose and Summary

This chapter is intended to comply with Iowa Code chapters 327D and 327G, governing operations of railroads. These rules implement annual reporting standards consistent with the Surface Transportation Board requirements, adopt by reference with dates certain federal laws addressing the removal of railroad tracks after abandonment or discontinuance and the process to review and approve a local jurisdiction's train speed ordinance and reference the procedure for acquisition or use of railroad

right-of-way proposed for abandonment or trail use per 16 U.S.C. 1247(d). These updates will bring uniformity and consistency to the industry.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9874C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. The chapter is in accordance with Executive Order 10, and the affected CFR parts and United States Code adopted by the Department are updated to reflect a current date certain. The CFR updates will bring uniformity and consistency to the industry.

Jobs Impact

This rulemaking has no jobs impact to the State of Iowa. The chapter is in accordance with Executive Order 10, and the affected CFR parts and United States Code adopted by the Department are updated to reflect a current date certain.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 800 and adopt the following **new** chapter in lieu thereof:

RAILROADS

CHAPTER 800

ITEMS OF GENERAL APPLICATION FOR RAILROADS

761—800.1(327C,327D,327E,327G) General.

800.1(1) Definitions.

“*Crossing*” means the point where the railroad tracks and highway meet at the same location.

“*Railroad*” means persons who own rail facilities or who are responsible for the rail facilities’ operation and maintenance.

800.1(2) *Contact information.* Questions concerning this chapter may be directed to the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

800.1(3) *Federal citations.*

a. The department adopts the following portions of the Code of Federal Regulations, which are referenced throughout this chapter:

- (1) 49 CFR Part 1152 (October 1, 2024).
- (2) 49 CFR Part 1241 (October 1, 2024).
- (3) 49 U.S.C. 20106 (August 3, 2007).

b. Copies of the federal code or regulations cited in this chapter are available from the state law library or online at www.govinfo.gov.

This rule is intended to implement Iowa Code sections 327C.38, 327C.41, 327C.42, 327D.201, 327F.31 and 327G.24.

761—800.2(307,327C,327D) Accounts. All railroads operating in Iowa, except those whose accounts are regulated by the Surface Transportation Board, are to maintain accounts using the generally accepted accounting principles of the financial standards accounting board. The accrual method of accounting is to be used.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 327C.42, and 327D.201.

761—800.3(327C,327D) Annual reports.

800.3(1) A railroad company submitting an annual report to the Surface Transportation Board under 49 CFR Part 1241 is to submit a copy of this report to the department on or before April 1 following the close of the calendar year. The “State Statistics” report includes: annual data on additions and deletions of mileage within the state; mileage operated within the state at the end of the year; railway operating revenues earned within the state; statistics on rail line operations within the state, including locomotive unit-miles, car-miles and ton-miles; revenue freight carried within the state by commodity class; and a freight density map showing gross ton-miles for the railroad company’s system within the state.

800.3(2) A railroad company not required to submit an annual report to the Surface Transportation Board under 49 CFR Part 1241 is to submit an annual report to the department electronically on or before April 1 following the close of the calendar year.

This rule is intended to implement Iowa Code sections 327C.38, 327C.41, and 327D.201.

761—800.4(307,327F) Train speed ordinances. An ordinance or resolution adopted by a political subdivision that relates to the speed of a train in an area within the jurisdiction of the political subdivision is subject to department approval according to the following procedure:

800.4(1) The political subdivision is to submit the ordinance/resolution to the department supported by information or reasons that justify its approval by the department.

800.4(2) The department will notify the affected railroads.

800.4(3) The political subdivision and the affected railroads will have 30 days in which to submit position papers to the department before the department issues an order approving or disapproving the ordinance/resolution.

800.4(4) The department will issue an order approving or disapproving the ordinance/resolution in accordance with the following:

a. The department may approve the proposed ordinance/resolution only if the proposal satisfies the requirements of 49 U.S.C. 20106.

b. Generally, the department does not consider highway-railroad grade crossings or rail lines located near schools, residences, or commercial activities to be local safety hazards that can be remedied by train speed restrictions.

c. In making its decision, the department may also consider the following factors:

- (1) Traffic density and speed.
- (2) Accident frequency.
- (3) Causes of accidents.

- (4) Obstructions to visibility.
- (5) Traffic controls at crossings.
- (6) Population density.
- (7) Resulting burden on the rail transportation system.
- (8) Resulting benefit to residents of the political subdivision.

800.4(5) The department will mail notice of its order approving or disapproving the ordinance/resolution by certified mail, return receipt requested, to the political subdivision and the affected railroads.

800.4(6) If the department issues an order approving the ordinance/resolution, it will go into effect 25 days after the notice is mailed unless the order is contested pursuant to subrule 800.4(7).

800.4(7) Within 20 days after the notice is mailed, the political subdivision or an affected railroad may submit to the department a written statement contesting the department's order approving or disapproving the ordinance/resolution.

a. If the order is contested, 761—Chapter 13 applies.

b. If an order approving an ordinance/resolution is contested, the order shall be stayed pending the outcome of the contested case.

800.4(8) A submission to the department under this rule will be deemed timely submitted if it is delivered or postmarked within the time period specified.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 307.26 and 327F.31 and 2001 Iowa Op. Att’y Gen. #01-5-2.

761—800.5(327G) Removal of tracks from crossings.

800.5(1) 49 CFR Part 1152 contains the regulations governing the abandonment and discontinuance of railroad lines and rail transportation under 49 U.S.C. 10903 et seq. This part also contains the regulations and procedures for the acquisition or use of railroad rights-of-way proposed for abandonment for interim trail use and rail banking pursuant to 16 U.S.C. 1247(d).

800.5(2) A railroad corporation or its successor in interest having received authority to remove its tracks from a rail line pursuant to abandonment or interim trail use under 49 CFR Part 1152 is to, at the same time it removes its tracks from the railroad rights-of-way, remove its tracks from the crossings of highways, streets and alleys along the rail line and restore the surface of these crossings. A crossing is to be restored in a manner specified by the agency having jurisdiction over the highway, street or alley at the crossing.

800.5(3) If a railroad corporation or its successor in interest fails to remove its tracks from and restore the surface of a crossing as specified in subrule 800.5(2), then the agency having jurisdiction over the highway, street or alley at the crossing may, at the expense of the railroad corporation or its successor in interest, remove the tracks and restore the surface 120 days after the tracks adjacent to the crossing have been removed.

This rule is intended to implement Iowa Code section 327G.24.

[Filed 3/18/26, effective 5/20/26]

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0217D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to railroad safety standards

The Transportation Department hereby rescinds Chapter 810, “Railroad Safety Standards,” Iowa Administrative Code, and adopts a new Chapter 810 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 307.12, 327F.38 and 327F.39.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12, 307.26, 321.449A, 327C.4, 327F.38 and 327F.39.

Purpose and Summary

This chapter is intended to comply with Iowa Code sections 321.449A, 327C.4, 327F.38 and 327F.39, governing safety standards for railroad tracks and employee conditions. These rules adopt by reference, with dates certain, the Federal Railroad Administrations' federal regulation (49 CFR Part 213) and the Federal Motor Carrier Safety Administration's regulation (49 CFR Section 393.77). These federal regulations address track safety standards and heater equipment requirements in motor vehicles used to transport railroad workers. This chapter establishes guidance regarding the availability of first aid and medical treatment for railroad employees and sets expectations for track inspection credentials. Additionally, this chapter implements procedures for addressing violations of heating equipment requirements in vehicles used to transport railroad workers and rest periods for drivers transporting railroad workers. These rules create consistency and uniformity of standard safety measures.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9873C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. The chapter is in accordance with Executive Order 10, and the affected CFR parts and United States Code adopted by the Department are updated to reflect a current date certain. The CFR updates will bring uniformity and consistency to the industry.

Jobs Impact

This rulemaking has no jobs impact to the State of Iowa. The chapter is in accordance with Executive Order 10, and the affected CFR parts and United States Code adopted by the Department are updated to reflect a current date certain.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 810 and adopt the following **new** chapter in lieu thereof:

CHAPTER 810
RAILROAD SAFETY STANDARDS

761—810.1(307,327C,327F) General.

810.1(1) Federal citations.

a. The department adopts the following portions of the Code of Federal Regulations concerning railroad track safety standards and heaters in vehicles.

- (1) 49 CFR Part 213 (July 1, 2025).
- (2) 49 CFR Section 393.77 (October 1, 2024).

b. Copies of the federal regulations are available from the state law library or online at www.govinfo.gov.

810.1(2) Track inspection credentials. Authorized department employees must be admitted to any railroad property to conduct safety inspections of the track and track structures and must present state identification cards upon request.

This rule is intended to implement Iowa Code sections 307.12(1)“j,” 307.26(5), 327C.4 and 327F.39.

761—810.2(307,321,327F) Railroad safety standards.

810.2(1) First aid and medical treatment for railroad employees.

a. Railroad employees who are injured in the course of employment are to have reasonable and adequate access to first aid or medical treatment. A railroad or railroad employee shall not:

- (1) Deny, delay or interfere with first aid or medical treatment for any railroad employee who is injured in the course of employment.
- (2) Discipline or threaten to discipline any railroad employee for requesting first aid or medical treatment when the employee is injured in the course of employment.

b. All railroads operating in the state must make reasonable efforts to have emergency first-aid kits available at locations where railroad employees perform their employment duties.

c. Nothing in this rule is to be construed to force a railroad or railroad employee to perform first aid or medical care.

810.2(2) Heating system and driver rest period.

a. *Heater.* Pursuant to Iowa Code section 327F.39(4), a motor vehicle used to transport railroad workers shall comply with the safety standards established in 49 CFR Section 393.77.

b. *Driver rest period.* A railroad worker transportation company and railroad worker transportation company driver are to comply with the rest period conditions of Iowa Code sections 321.449A and 327F.39(5).

c. *Report procedure.*

(1) A person is to report an alleged violation of paragraph 810.2(2)“a” or “b” in writing to the responsible railroad company at its corporate headquarters.

(2) If within 30 days the railroad company does not respond or if the response is unsatisfactory, the person may report the alleged violation to the department at the following address: Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

(3) The report is to include the date, time, weather conditions and all facts pertinent to the alleged violation; the name and contact information of the driver employed by the railroad worker transportation company; or the railroad worker transportation company alleged to have had a driver violate the

provisions of the Iowa Code (if applicable). The report is to also include a copy of the railroad's response or, if the railroad failed to respond, proof of the date the report was submitted to the railroad.

(4) The director of the modal transportation bureau or the director's designee may request additional information from the person submitting the report, the railroad worker transportation company or the railroad.

(5) The director of the modal transportation bureau or the director's designee, which may include peace officers within the commercial motor vehicle unit of the department of public safety, may investigate the alleged violation.

(6) The director of the modal transportation bureau or the director's designee will issue a decision within 60 days of receipt of the report or 60 days after receipt of the requested additional information. The decision may include any order as necessary to enforce Iowa Code section 327F.39 as set forth in Iowa Code section 327F.39(6).

(7) The department will notify the person and the railroad of the decision.

(8) The decision is final agency action.

This rule is intended to implement Iowa Code sections 307.12(1) "j," 307.26, 321.449A, 327F.38 and 327F.39.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0218D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to close-clearance warning signs along railroad tracks

The Transportation Department hereby rescinds Chapter 813, "Close-Clearance Warning Signs Along Railroad Tracks," Iowa Administrative Code, and adopts a new Chapter 813 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 327F.13.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 327F.13.

Purpose and Summary

This chapter complies with Iowa Code section 327F.13 concerning close-clearance warning signs. These rules define the criteria of a "close clearance," identify what type of obstructions warrant the placement of a warning sign and concern enforcement and reimbursement of close-clearance signs. If obstacles are unable to be removed and meet the close-clearance criteria, a railroad operator must place signage near the close clearance to notify railroad employees riding the side of a train of the safety concern.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9884C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

There is no fiscal impact beyond what is required by statute.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 813 and adopt the following **new** chapter in lieu thereof:

CHAPTER 813

CLOSE-CLEARANCE WARNING SIGNS ALONG RAILROAD TRACKS

761—813.1(327F) General.**813.1(1) Applicability.**

- a. This chapter implements Iowa Code section 327F.13.
- b. This chapter applies to railroad companies as well as industries, agricultural cooperatives or other entities that are owners of a railroad track, and this chapter applies to individuals who are owners of a railroad track.

813.1(2) Contact information. Information regarding this chapter is available from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; or by telephone, 515.239.1140.

813.1(3) Definitions.

“*Close clearance*” means a permanent or temporary situation where an obstruction near a railroad track physically impedes a person who is lawfully riding the side of a train from clearing the obstruction.

“*Obstruction*” means a building, machinery (other than equipment designed for operation on a railroad track when actually located on a railroad track), tree, brush or other object.

“*Owner*” means the railroad company, industry, agricultural cooperative, other entity or individual that holds a fee simple title, easement, leasehold, contract to purchase, license or other legal or equitable interest or right in the railroad track and is in primary possession and control of the railroad track.

“*Tangent track*” means a track segment without any curves.

761—813.2(327F) Close-clearance dimensions. Close clearance for a tangent track is a location along the railroad track where there is an obstruction that falls within the following dimensions: starting at the centerline of track at top of rail and extending 5 feet both sides horizontally and level therewith, thence upward vertically 15 inches, thence upward diagonally to a point 4 feet above top of rail and 8 feet laterally from centerline of track, thence vertically to a point 20 feet above top of rail, thence diagonally to a point 6 feet from centerline of track and 22 feet above top of rail, thence horizontally to centerline of track. Vertical clearance is to be 18 feet above top of rail at the entrance to and inside buildings. On curved track, clearances on each side of the track centerline are to be increased 1½ inches per degree of curvature (Figure 1).

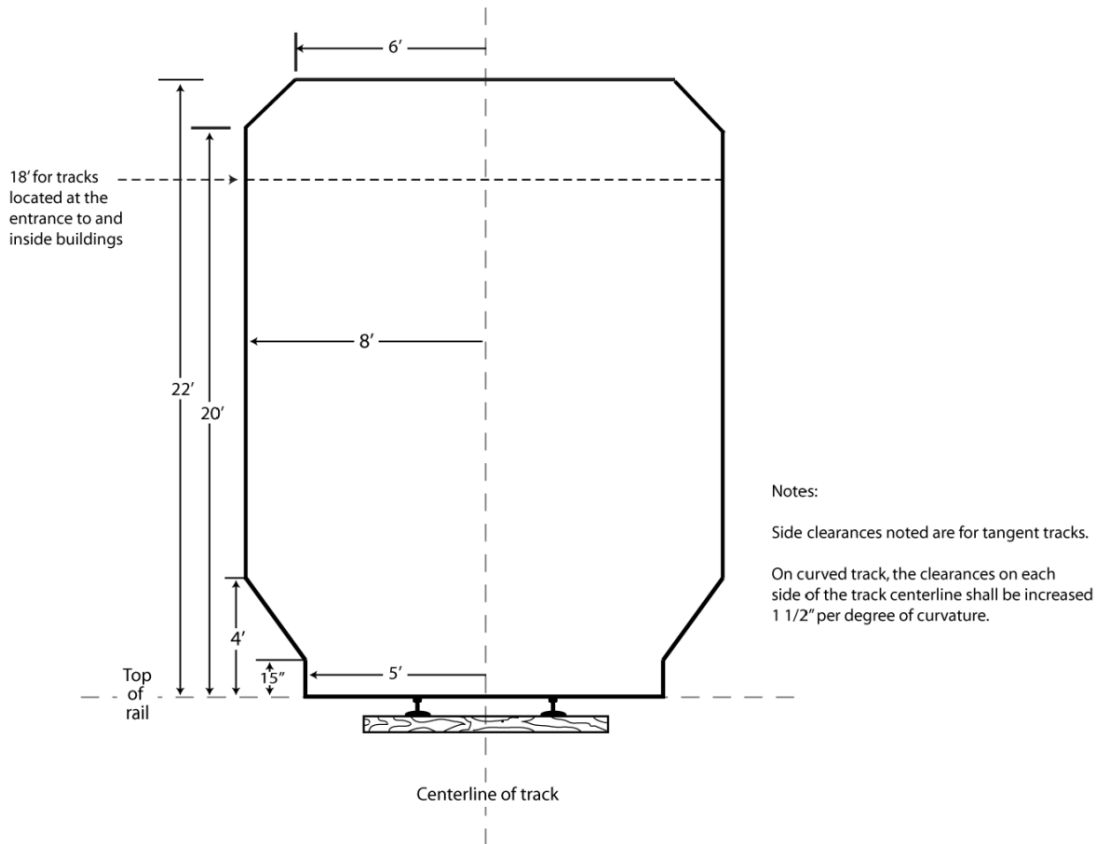


Figure 1

761—813.3(327F) Signing standards.

813.3(1) A close-clearance warning sign or signs are necessary at all locations where there is close clearance. It is the responsibility of the owner to ensure that all close-clearance locations have warning signs in accordance with this chapter and Iowa Code section 327F.13.

813.3(2) If an obstruction creating a close-clearance situation is a temporary or nonpermanent obstruction, in lieu of signage, the owner may remove the obstruction or remove the track from service until the obstruction is removed.

813.3(3) A close-clearance warning sign is to comply with the following:

- Include the words "no clearance." The letters must be black on a white reflective background and be a minimum of three inches high.
- Be a vertical sign not less than 42 inches in height and 4 inches in width.
- Be placed at least one foot off the ground or on the obstruction and within three feet of the close-clearance location or on the obstruction. Signs are to be located on both sides of the obstruction so as to be visible from both directions.
- Not be within eight feet of the centerline of the tracks.

813.3(4) In the event that the placement of the close-clearance warning sign according to paragraph 813.3(3) “c” or “d” does not provide adequate notice for a person who is lawfully riding the side of a train to prepare for the close clearance (such as a curve or other sight obstruction), an additional sign reading “no clearance ahead” is to be placed in a location that provides adequate notice to the person who is lawfully riding the side of the train so that the person may prepare for the close clearance. Depending on the particular environment that makes an additional no clearance ahead sign necessary, a no clearance ahead sign may be needed on one or on both sides of the obstruction so as to be visible from both directions.

813.3(5) In the event that the physical environment prevents the placement of a warning sign in accordance with paragraph 813.3(3) “c” or “d,” the sign is to be placed in a highly visible location that is clearly indicative of the point of close clearance. An alternative size and shape of sign may be used if there is no location available where a standard size and shape sign may be used. Any alternative sign must clearly be identifiable as an indicator of the close-clearance situation.

813.3(6) In limited situations where multiple instances of insufficient clearance occur within a confined area or over a distance, and where posting of multiple warning signs could on its own be a safety hazard, or where multiple signs would create a confusing environment, making it difficult to discern the areas that lack clearance, a sign reading “no clearance ahead” may be posted in lieu of multiple signs.

813.3(7) A line or other marker is to be maintained at a distance of eight feet from the centerline of the track on all platforms, excluding passenger platforms, to indicate the space along the edge of such platform that is to be kept clear of merchandise, material or other articles that could create a temporary close-clearance situation.

761—813.4(327F) Enforcement.

813.4(1) If the owner is provided written notice by an employee, a person working on or near the tracks or a railroad inspector that a location is in need of a close-clearance warning sign, the owner is to investigate and, if warranted, ensure the placement of a warning sign or signs within 30 calendar days of notification. If a close-clearance warning sign is not warranted, the owner is to inform the person who provided notice, in writing within 30 calendar days, that a sign is not warranted and explain why the location does not need a close-clearance warning sign.

813.4(2) If the owner fails to respond to a written notice by an employee or another person working on or near the tracks or if the employee or other person disagrees with the owner’s determination that a warning sign is not warranted, the employee or other person may notify the department. The department will investigate and make a determination if the location warrants the placement of a close-clearance warning sign.

a. If the department determines a close-clearance warning sign is warranted, the department will notify the owner in writing. The owner shall have 14 calendar days from the date of the notification to install the proper warning sign. Failure to install the close-clearance warning sign is evidence that the owner is in violation of Iowa Code section 327F.13.

b. The owner, an employee or a person working on or near the tracks may contest the determination. If the determination is contested, 761—Chapter 13 applies.

761—813.5(327F) Reimbursement.

813.5(1) The owner may request reimbursement from the department for up to \$100 per sign for the cost and installation of the close clearance or no clearance ahead warning sign.

813.5(2) To be reimbursed, the owner is to complete Form 291303, “Close-Clearance Warning Sign Certification.” The form is available on the department’s website at www.iowadot.gov or from the modal transportation bureau.

813.5(3) The owner is to submit the form to the modal transportation bureau and certify that the warning sign complies with the obligations in rule 761—813.3(327F) and provide proof of purchase.

813.5(4) The department may inspect, at any time, the sign installation to confirm that the warning sign meets the minimum obligations.

These rules are intended to implement Iowa Code section 327F.13.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0219D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to coordination of public transit services

The Transportation Department hereby rescinds Chapter 910, "Coordination of Public Transit Services," Iowa Administrative Code, and adopts a new Chapter 910 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 324A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 324A.4, 324A.5 and 325A.1.

Purpose and Summary

Chapter 910 describes the purpose, leadership, staffing, and duties of the statewide Transportation Coordination Advisory Council and the certification process for complying with the transportation coordination mandate in Iowa Code chapter 324A. The changes made to this chapter include removing unnecessarily restrictive terms, correcting the timing of Transportation Coordination Advisory Council meetings, and editorial changes for brevity and readability.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9872C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. This rulemaking explains how agencies receiving funds for transportation to the public should coordinate with the local public transit provider.

Jobs Impact

This rulemaking explains how recipients of public funding for transportation for the public can comply with the mandate to coordinate public transportation services in the State. This rulemaking details the forms to fill out, timeline for compliance, and role of the Transportation Coordination Advisory Committee. No jobs are impacted by this rulemaking.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 910 and adopt the following **new** chapter in lieu thereof:

CHAPTER 910
COORDINATION OF PUBLIC TRANSIT SERVICES

761—910.1(324A) Definitions. For purposes of this chapter, the following definitions apply in addition to the definitions in Iowa Code section 324A.1:

“*Council*” means the statewide transportation coordination advisory council formed in rule 761—910.3(324A).

“*Emergency transportation*” means transportation provided when life, health or safety is in danger, such as ambulance or law enforcement transportation.

“*Incidental transportation*” means the provision of transit rides when existing public transportation services cannot meet demand.

“*Provider*” means any recipient of direct or indirect, state, federal or local funds, including a public transit system, that provides or contracts for public transit services.

“*Public school transportation*” means passenger transportation provided by or for a legally organized Iowa public school district for school district purposes.

“*Public transit service*” means any publicly funded passenger transportation for the general public or for specific client groups not including exclusive public school transportation, emergency transportation or incidental transportation or transportation provided by the department of health and human services or department of corrections on the grounds of the following institutions:

- State training school, Eldora;
- Cherokee mental health institute;
- Independence mental health institute;
- Woodward resource center;
- Civil commitment unit for sexual offenders, Cherokee;
- Iowa veterans home, Marshalltown;
- Iowa state penitentiary, Fort Madison;
- Anamosa state penitentiary;
- Iowa correctional institution for women, Mitchellville;
- Mount Pleasant correctional facility;
- Newton correctional facility;
- Iowa medical and classification center, Coralville;
- North central correctional facility, Rockwell City;
- Fort Dodge correctional facility;

Clarinda correctional facility.

This rule is intended to implement Iowa Code section 324A.1.

761—910.2(17A) Information and location. Forms or information about the coordination of public transit services are available from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.233.7870 or on the department's website at iowadot.gov/modes-travel/transit.

This rule is intended to implement Iowa Code section 17A.3.

761—910.3(324A) Statewide transportation coordination advisory council.

910.3(1) Purpose. An advisory council will be formed by the department to assist with implementation of the compliance reviews required by statute. The council will assist in the review of information concerning the transportation operations of providers and advise the department as to whether the provider should be found to be in compliance with the transportation coordination mandate of Iowa Code chapter 324A.

910.3(2) Advisory council.

a. Membership. Membership in the council shall at minimum include one representative from the department of health and human services and one from the department. Other state, federal and private agencies funding local transportation services may also be granted membership.

b. Chairperson. The director of transportation or the director's representative shall serve as chairperson of the council.

c. Staff. Staff support for council activities will be provided by the department.

d. Meetings. Meetings will be held at least once each quarter and may be held more frequently if necessary to enable the council to expeditiously discharge its duties.

910.3(3) Duties. The council shall:

a. Review and make recommendations to the member agencies concerning guidelines and criteria for the review process operated by the council.

b. Provide the department with written recommendations for findings of compliance or noncompliance with the transportation coordination mandate of Iowa Code chapter 324A for individual providers based upon review of each provider's request for certification.

c. Upon request of a member agency, review all transportation components of funding applications or plans submitted by a recipient of the member agency.

d. Advise and make recommendations to the department concerning public transportation policy.

This rule is intended to implement Iowa Code sections 324A.4 and 324A.5.

761—910.4(324A) Certification process.

910.4(1) Requirement for certification. All providers are required to request a certification of compliance with the transportation coordination mandate of Iowa Code chapter 324A by submitting the certification application form in the Appendix to this rule plus a copy of a certificate of insurance or documentation of self-insurance. Agencies that provide a mixture of public transit service and other service will request certification based on that part of their overall operation that is public transit service.

910.4(2) Form distribution.

a. Recipients of state or state-administered funds. Each state agency in its own funding application or contract process will require each recipient of funding to submit a request for certification of compliance.

b. Recipients of other funds. The department will contact local governments and federal agencies to determine whether they are funding any providers that are not funded through the state. The department will send to any providers identified in this way, or by other means, an explanation of the certification requirement and a copy of the certification request form in the Appendix.

910.4(3) Submission of request forms.

a. Recipients of state funds shall submit both the certification application and the certificate of insurance forms annually to the funding agency.

b. Recipients of funds from multiple sources may submit a single request form to all state funding sources if it covers all agency transportation functions.

c. Providers not receiving any funds from state agencies are to return their completed forms within 20 working days of receipt.

d. Agencies or organizations that receive a form from the department and believe that none of their services fit the definition of public transit services are to respond to the department within 20 working days of receipt, stating this belief and providing a brief description of any passenger transportation service they do provide and why it should not be considered public transit service.

910.4(4) *Incomplete or unreturned request forms.*

a. Forms submitted to a state funding agency as part of a funding application will be reviewed for completeness by that agency within ten working days.

b. Forms submitted directly to the department by its recipients or by providers not receiving state or state-administered funds will be reviewed for completeness by the department within ten working days.

c. The reviewing agency will inform the provider in writing of any information deficiencies and allow ten working days from receipt for submittal of missing information.

d. Each state agency will report to the council each case in which a provider has failed upon notification to supply the necessary information within the required time frame.

e. All completed request forms submitted to state funding agencies will be forwarded to the council staff within five working days after verifying completeness.

910.4(5) *Processing requests.*

a. The council staff will evaluate completed requests based on the compliance standards found in rule 761—910.5(324A) and make a recommendation for a finding of compliance or noncompliance to the council within 20 working days of receiving the completed request form.

b. Ten working days prior to the council's scheduled quarterly meeting, the council staff will distribute to each council member and to the respective providers a meeting agenda and copies of all compliance-finding recommendations completed since the previous agenda mailing.

c. At the council's quarterly meeting, the council will consider the compliance-finding recommendations of the staff and may accept the staff recommendations as the council's recommendations to the director of transportation, change the recommendations and provide a statement of reasons, or defer action pending further review.

d. Upon consideration of the council recommendations, the department will make a final finding of compliance or noncompliance and notify the provider and the state funding agency, if applicable, in writing of the department's decision within five working days after the council meeting.

This rule is intended to implement Iowa Code section 324A.4.

761—910.5(324A) Standards for compliance. A provider shall be found compliant if the provider meets both of the following standards:

910.5(1) All vehicles used for the public transit services it provides or contracts for are insured for \$1 million per accident for all hazards or the provider maintains a self-insurance fund adequate to provide equivalent protection.

910.5(2) The provider:

a. Purchases all services from a designated public transit system, or

b. Operates all services open to the public under contract with and under control of a designated transit system, or

c. Purchases all services from a private-for-profit operator of public transit services, or

d. Operates its own services, which:

(1) The designated public transit system is currently unable to provide, or

(2) When considered as a whole using fully allocated costs, prove to be more economical than the purchase of equivalent services from the designated public transit system.

e. Uses a combination of services in paragraphs 910.5(2) "a," "b," "c," and "d."

This rule is intended to implement Iowa Code section 324A.4.

761—910.6(324A) Noncompliance. A provider shall be found noncompliant if:

910.6(1) The provider has not submitted required data upon expiration of either the original submittal deadline or the additional ten-day grace period after written notification of deficiencies in an original submittal.

910.6(2) The provider's request for certification has been processed and the provider did not qualify for a finding of compliance.

This rule is intended to implement Iowa Code section 324A.4.

761—910.7(324A) Noncompliant sanctions. A provider that is denied certification and continues the noncompliant activities for more than 30 days shall be subject to the penalties and sanctions specified in Iowa Code section 324A.5(2).

910.7(1) If the department of health and human services purchases services from the noncompliant provider, the department will notify the department of health and human services of the noncompliant finding.

910.7(2) If the noncompliant provider is a recipient of public funds from other than the department of health and human services, the department will notify the proper authority as required in Iowa Code section 324A.5.

This rule is intended to implement Iowa Code sections 324A.4 and 324A.5.

761—910.8(324A) Revocation.

910.8(1) If certification is revoked, the department will send a written notice of revocation to the provider.

910.8(2) The affected public transit system, the provider and the department are to meet within ten days after the date of the revocation notice to determine an acceptable amendment of the transportation services. The amendments that are agreed upon shall become effective within 60 days. The contract between the provider and the affected public transit system shall be amended, if necessary, to agree with the service changes.

910.8(3) If the transportation services are not amended in a timely manner, the department will initiate actions as required in Iowa Code section 324A.5(2).

This rule is intended to implement Iowa Code section 324A.5.

Appendix to rule 761—910.4(324A)

Date _____

FY _____

CERTIFICATION APPLICATION

State/Federal Administering Agency _____

I. GENERAL INFORMATION:

Agency Name: _____

Address: _____

Contact Person: _____ Phone: (____) _____

Service Area (counties): _____

Types of Clients: _____

Types of Services: _____

Does agency provide transportation services? Yes _____ No _____

Does agency use public funds for transportation? Yes _____ No _____

II. TRANSPORTATION ACTIVITIES:

Population groups served: Elderly _____ Youth Economically Deprived _____ Public _____

Persons with physical disabilities _____ Persons with mental disabilities _____ Other _____

Describe others: _____

Services Accessed: Medical _____ Day Care _____ Shopping _____ Nutrition _____ Employment _____

Recreation _____ Education/training _____ Other social services _____

What percent of your transportation service (in terms of miles driven) is operated during the following time periods?

_____ % weekdays + _____ % evenings + _____ % weekends = 100%

Is any part of agency's transportation purchased from an urban or regional transit system?

Yes _____ No _____ If yes, please indicate system: _____

V. PURCHASE OF SERVICE (Contracts and Vendor Agreements):

Total \$ _____

	Average Monthly Ridership	Average Monthly Vehicle Miles	Projected Annual Expenditures
Taxi			\$
Intracity bus			\$
Regional/Urban Transit System			\$
Other - specify			\$
Total	-----	-----	\$

VI. OPERATION OF OWN TRANSPORTATION SERVICE:

Total \$ _____

STAFF	Number	% of Time	Projected Annual Expenditures
Administrative			\$
Drivers			\$
Maintenance			\$
Professional			\$
Escorts			\$
Volunteers reimbursement		\$ /mile	\$
Other - specify			\$
Subtotal	-----	-----	\$

VEHICLE OPERATING COSTS	Projected Annual Expenditures
Fuel and oil	\$
Maintenance and repair	\$
Insurance	\$
Licenses and fees	\$
Staff mileage reimbursement \$ /mile	\$
Indirect cost or overhead	\$
Other - specify	\$
Subtotal	\$

PURCHASE OR LEASE OF VEHICLES AND SPECIAL EQUIPMENT

Vehicle Type	No. to be Leased	No. to be Purchased	No. for Replacement	No. for Expansion	Special Equipment	Projected Annual Cost
						\$
						\$
						\$
Subtotal	-----	-----	-----	-----	-----	\$

Note: The total funding in Section IV should equal the total expenditures in Section V plus Section VI.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0220D

TRANSPORTATION DEPARTMENT[761]

Adopted and Filed

Rulemaking related to school transportation services provided by regional transit systems

The Transportation Department hereby rescinds Chapter 911, “School Transportation Services Provided by Regional Transit Systems,” Iowa Administrative Code, and adopts a new Chapter 911 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 321.377.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.1, 321.189, 321.343, 321.375, 321.377 and 324A.1.

Purpose and Summary

This chapter establishes standards for school transportation services provided by Iowa’s regional transit systems under contract with local schools.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9885C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. This chapter outlines the requirements for regional public transit agencies to provide school transportation, allowing transit agencies and school districts to coordinate provision of student transportation.

Jobs Impact

This chapter explains how school districts can coordinate with regional transit systems to provide school transportation. No private sector jobs are impacted by this rulemaking.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 911 and adopt the following **new** chapter in lieu thereof:

CHAPTER 911
SCHOOL TRANSPORTATION SERVICES PROVIDED
BY REGIONAL TRANSIT SYSTEMS

761—911.1(321) Purpose and information.

911.1(1) Purpose. This chapter establishes standards for school transportation services provided by Iowa’s regional transit systems under contract with local schools.

911.1(2) Information. Information and forms may be obtained from the Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.233.7870; or the department’s website at www.iowadot.gov/transit.

761—911.2(321,324A) Definitions. The definitions in Iowa Code sections 321.1 and 324A.1 apply to this chapter. In addition:

“*Bus*” means a motor vehicle, excluding a trailer, designed to carry ten or more persons.

“*School bus*” means a bus that complies with all federal motor vehicle safety standards applicable to a school bus.

“*School transportation service*” means transit service provided under contract to a public or nonpublic school or other group, including day care centers, to transport students to or from schools or school-sponsored activities.

“*Student*” means a person attending a public or nonpublic school, grades prekindergarten through high school, including a Head Start participant.

“*Vehicle*” means an automobile, multipurpose vehicle, bus or school bus, including as defined in this rule.

761—911.3(321) Services to students as part of the general public. All services provided by regional transit systems must be open to the public. This chapter shall not be construed to restrict the use of these services by any individual fare-paying passenger, in either fixed route or demand response service.

761—911.4(321) Contracts for nonexclusive school transportation. Regional transit systems may contract with schools, day care providers, after-school program providers or others to provide nonexclusive school transportation service that meets the requirements of this chapter. Exclusive service contracts are prohibited.

761—911.5(321) Adoption of federal regulations.

911.5(1) Code of Federal Regulations. The department adopts the following portions of the October 1, 2024, Code of Federal Regulations, which are referenced throughout this chapter:

a. 49 CFR Part 38, Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

b. 49 CFR Part 571, Federal Motor Vehicle Safety Standards.

c. 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

911.5(2) Obtaining copies of regulations. Copies of these regulations are available from the state law library or online through the U.S. Government Publishing Office at www.ecfr.gov.

761—911.6(321) Driver standards. The following standards apply to regional transit system drivers assigned to provide school transportation service.

911.6(1) Federal Transit Administration (FTA) drug and alcohol testing. Each driver is subject to the following testing for drug and alcohol usage as detailed by the FTA in 49 CFR Part 655, including:

a. Preemployment testing.

b. Reasonable suspicion testing.

c. Postaccident testing.

d. Random testing.

- e. Return to duty testing.
- f. Follow-up testing.

911.6(2) Training. Each driver must, before or within the first 6 months of assignment and at least every 24 months thereafter, complete a course of instruction approved by the department of education in accordance with Iowa Code section 321.376.

911.6(3) Driving record check. The regional transit system must review the driving record of each driver prior to assignment and on an annual basis.

911.6(4) Criminal record check. The regional transit system must conduct a criminal records review of each driver prior to assignment and on an annual basis. This review verifies that the driver has no history of child abuse or other criminal activity.

911.6(5) Driver licensing. Each driver must be licensed appropriately for the size and type of vehicle used as provided in Iowa Code section 321.189. A Class A, B or C commercial driver's license with passenger endorsement may be required. A driver may operate the vehicle for purposes of training if the driver has the appropriate commercial learner's permit as described in 761—Chapter 607, and the restrictions in rule 761—607.20(321) shall apply. If a commercial driver's license is not required, a Class D (chauffeur) license is required.

911.6(6) Authorization to operate a school bus. Each driver who transports students must have an authorization to operate a school bus issued by the department of education in accordance with Iowa Code section 321.376.

911.6(7) Physical fitness.

a. Each driver who transports students must undergo a physical examination by a certified medical examiner who is listed on the National Registry of Certified Medical Examiners in accordance with Iowa Code section 321.375(1) "d" and with rule 281—43.15(285) or 281—43.17(285). Annually, the driver must submit the signed medical examiner's certificate to the driver's employer.

b. Upon a commercial driver's license issuance or renewal, the driver shall self-certify as to the type of driving the driver does and, if required, provide a current medical examiner's certificate to the department unless the driver's medical examiner's certification is provided to the department electronically by the Federal Motor Carrier Safety Administration pursuant to 761—paragraph 607.37(1) "a" and 761—subrule 607.50(2).

761—911.7(321) Vehicle standards. The following standards apply to regional transit system vehicles assigned to provide school transportation service.

911.7(1) Vehicle construction.

a. Each vehicle must be constructed in compliance with the federal motor vehicle safety standards for that type of vehicle as set forth in 49 CFR Part 571. The capacity rating of automobiles and multipurpose vehicles shall not be modified or altered in any way except by the original manufacturer.

b. Each bus in use must also comply with the following federal motor vehicle safety standards:

(1) Standard No. 217, Bus Emergency Exits and Window Retention and Release. Buses utilized for school transportation shall incorporate a rear emergency exit door in meeting this standard.

(2) Standard No. 220, School Bus Rollover Protection.

(3) Standard No. 221, School Bus Body Joint Strength.

(4) Standard No. 301, Fuel System Integrity.

911.7(2) Passenger restraint/protection. Each automobile, multipurpose vehicle or school bus must provide passenger restraint/protection devices as required for that type of vehicle in the federal motor vehicle safety standards. Each bus must meet the standards listed in either paragraphs 911.7(2) "a" through "f" or paragraph 911.7(2) "g":

a. Standard No. 207, Seating Systems.

b. Standard No. 208, Occupant Crash Protection.

c. Standard No. 209, Seat Belt Assemblies.

d. Standard No. 210, Seat Belt Assembly Anchorages.

e. Standard No. 213, Child Restraint Systems.

f. Standard No. 225, Child Restraint Anchorage Systems.

g. Standard No. 222, School Bus Passenger Seating and Crash Protection.

911.7(3) *Accessibility for persons with disabilities.* Each vehicle used for students with disabilities must comply with all applicable provisions of 49 CFR Part 38.

911.7(4) *Signage.* A vehicle must not be signed as a school bus.

911.7(5) *Department of education inspection.* Every vehicle must be inspected twice annually by the department of education school bus inspectors and officers of the Iowa state patrol to determine if the vehicle meets all vehicle standards set forth in this chapter. The department of education will notify each regional transit system of the dates and locations of scheduled inspections. Inspections must be documented on a form prescribed jointly by the departments of transportation and education.

911.7(6) *Transfer to another public transit system.* When a public transit system purchases a used vehicle from another public transit system, the previous owner's department of education's bus inspections stickers must be removed. If the purchasing public transit system plans to use the vehicle for school transportation service, a new inspection must be performed on the vehicle.

761—911.8(321) Maintenance. Regional transit system vehicles assigned to provide school transportation service must be maintained in a safe and operable condition. The following maintenance practices apply.

911.8(1) *FTA drug and alcohol testing of mechanics.* With the exception of mechanics providing vehicle maintenance services under contract to a regional transit system-recipient of funding from 49 U.S.C. 5311, all personnel providing maintenance services on regional transit system vehicles are subject to drug and alcohol testing as required by the FTA in 49 CFR Part 655.

911.8(2) *Daily pretrip vehicle inspections.* Drivers of these vehicles must perform daily pretrip vehicle inspections using a form prescribed by the department or a mobile application including the same information. Regional transit systems must retain daily pretrip vehicle inspection reports and documentation of follow-up maintenance for one year.

911.8(3) *Annual vehicle inspection.* Maintenance personnel must annually inspect each vehicle. Regional transit systems must retain annual vehicle inspection records for one year.

761—911.9(321) Safety equipment. Regional transit system vehicles assigned to provide school transportation service must carry the following safety equipment.

911.9(1) *Communication equipment.* Each vehicle must be equipped with a two-way radio, cellular telephone, or mobile data terminal tablet capable of emergency communication between the vehicle and the regional transit system's base of operations.

911.9(2) *First-aid/body fluids cleanup kit(s).* Each vehicle must be equipped with a first-aid kit of sufficient size and content for the capacity of the vehicle and be equipped with a body fluid cleanup kit. These may be provided as separate kits or combined into one kit. The contents of the kit(s) must be contained in one or more moistureproof and dustproof container(s) stored in an accessible location within the driver's compartment and must be removable from the vehicle in an emergency.

911.9(3) *Fire extinguisher.* Each bus or school bus must be equipped with a minimum 5-pound capacity, dry chemical fire extinguisher. Each automobile and multipurpose vehicle must be equipped with an extinguisher of at least 2.5-pound capacity. Extinguishers must have a 2A-10BC rating. All fire extinguishers shall be inspected and maintained in accordance with the National Fire Protection Association requirements. The standards for portable extinguishers are available online from the National Fire Protection Association at www.nfpa.org.

911.9(4) *Seatbelt web cutter.* A seatbelt web cutter must be mounted or placed within reach of the driver.

911.9(5) *Roadside reflective triangles.* Each vehicle must be equipped with roadside reflective triangles for use in case of breakdown or emergency.

911.9(6) *Flashlight.* Each vehicle must be equipped with an operable flashlight, or each driver must be assigned an operable flashlight to be in the vehicle at all times of operation.

911.9(7) *Reflective vest.* Each vehicle must be equipped with a reflective vest, or each driver must be assigned a reflective vest that must be in the vehicle at all times of operation. Individual regional transit systems are to establish a policy for when the reflective vests must be worn.

761—911.10(321) *Operating policies.* School transportation services provided by regional transit systems must be designed to maximize the safety of student riders and must, at a minimum, meet the following standards.

911.10(1) *Passenger loading/unloading.* Unless prohibited by law, students transported in vehicles other than school buses must be loaded and unloaded on the same side of the street as their residence or other origin or destination. Students may be released only to the custody of a designated school official, parent or guardian, employee of the department of health and human services, or law enforcement official, unless other arrangements are made in advance.

911.10(2) *Student passenger behavior and discipline policy.* Each contract for school transportation service must include a policy relating to the behavior of students while they ride in vehicles. The regional transit system or school must provide instruction to all drivers assigned to school transportation service relative to the content and application of the policy. If a student is removed from a vehicle for one or more policy violations, the student may be released only to the custody of a school official, parent or guardian, employee of the department of health and human services or a law enforcement officer. In all cases, the school must be notified immediately of any such disciplinary action, and a written report must be filed with the school describing the circumstances resulting in the removal.

911.10(3) *Standing prohibited.* Under no circumstances shall a student be permitted or required to stand while a vehicle is in motion. Every student must be provided an appropriate seat at all times.

911.10(4) *Stops at rail crossings.* Every driver must make a complete stop before driving across the tracks of any railroad crossing in accordance with Iowa Code section 321.343.

911.10(5) *Accident reporting.* If a driver is involved in a collision or other incident causing or having a potential to cause injuries to students, the regional transit system must immediately notify the school of the incident. The regional transit system must file all accident reports required by law. In addition, the regional transit system must complete a school bus accident report on a form prescribed by the department of education and submit it to the school or the department of education.

911.10(6) *Passenger instruction/evacuation drills.* Each school must provide students assigned to school transportation service with school bus passenger safety instruction and emergency evacuation drills at least twice each school year. These evacuation drills must involve a vehicle of the same type used to provide the school transportation service.

911.10(7) *Special training for drivers carrying students with disabilities.* Each school contracting for school transportation services for a student with one or more disabilities must provide the regional transit system with information on any special needs of the student and, if necessary, provide the assigned driver with appropriate information and training on how to appropriately respond to the needs of the student during transit and in the event of an emergency.

911.10(8) *Posttrip inspection.* After each trip that had students on board, the driver must perform a posttrip inspection of the interior of the vehicle. The posttrip inspection must include a walk-through to the back of the vehicle to ensure no sleeping or hiding children are left behind.

These rules are intended to implement Iowa Code sections 321.1, 321.189, 321.343, 321.375 through 321.377 and 324A.1.

[Filed 3/18/26, effective 5/20/26]

[Published 4/15/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.

ARC 0221D**TRANSPORTATION DEPARTMENT[761]****Adopted and Filed****Rulemaking related to state transit assistance**

The Transportation Department hereby rescinds Chapter 920, “State Transit Assistance,” Iowa Administrative Code, and adopts a new Chapter 920 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 324A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 324A.4.

Purpose and Summary

This chapter is intended to implement Iowa Code chapter 324A, which provides applicant eligibility and project requirements for the receipt of State Transit Assistance funding.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9871C**. Public hearings were held on the following date:

- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on March 10, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa. This rulemaking explains the types of projects that may be funded with State Transit Assistance, a funding program distributed entirely to Iowa’s designated public transit systems.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on May 20, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 761—Chapter 920 and adopt the following **new** chapter in lieu thereof:

CHAPTER 920
STATE TRANSIT ASSISTANCE

761—920.1(324A) Statement of policy. State financial assistance to any public transit system is restricted to joint projects with the department that hold substantial promise of accomplishing the following goals:

920.1(1) Development, maintenance and improvement of transit services for the general public and for transportation disadvantaged persons.

920.1(2) Protection of the rights of private enterprise public transit providers, especially those providing intercity scheduled services on fixed routes.

920.1(3) Improvement of transit system effectiveness and efficiency.

761—920.2(324A) General information. The department will post annually the required forms and instructions for applying for state transit assistance through an online portal furnished to the transit systems by the department and notify each public transit system in Iowa of the availability. Requests for assistance and questions about application preparation should be directed to: Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.233.7870. For more information, visit www.iowadot.gov/modes-travel/transit.

761—920.3(324A) Definitions. The definitions in Iowa Code section 324A.1, except for the definition of “urban transit system,” apply to this chapter. In addition:

“*Formula assistance*” means state transit assistance appropriations minus funds reserved for special projects.

“*Operating deficit*” means the funding gap remaining after subtracting the passenger revenues from the service’s operating costs.

“*Project*” means a concerted set of actions that will develop, maintain, or improve one or more elements of the public transit system’s service.

“*Urban transit system*” means a system designated by the department that meets the requirements of Iowa Code section 324A.1(8). To be designated as an urban transit system for the purposes of this chapter, the system must serve a city or urbanized area with a population of 20,000 or more. The system also must be managed by a board of local officials who have either been elected by the public or appointed by elected officials, and who are responsible for policy and oversight of transit services for one or more incorporated areas within Iowa.

761—920.4(324A) Types of projects.

920.4(1) *Formula projects.* A formula project may involve operations assistance, capital assistance, planning or any combination of the three. These projects are developed with input from the appropriate planning agencies and shall ensure public participation and discussion.

920.4(2) *Special projects.*

a. Special projects are extraordinary, emergency or innovative in nature and may include but are not limited to the following purposes:

- (1) Expanding the scope of planning, managerial, or technical expertise.
- (2) Increasing the public’s awareness and understanding of transit.
- (3) Enhancing the capacity for administration consolidation and service coordination.
- (4) Reducing impediments to intramodal or intermodal transfers.

- (5) Increasing the cooperation and coordination between private and public sectors.
- (6) Developing, demonstrating, or refining a technical, procedural, or mechanical innovation that may be utilized by other public transit systems in Iowa.
- (7) Responding to an emergency situation that places an extraordinary and unforeseen strain on the resources of a public transit system.
 - b. Applications for training fellowships may be submitted to the department at any time.
 - c. Applications for special projects are due to the department by October 1 each year. The department may announce to the public transit systems the acceptance of special project applications at other times of the year if unobligated funds are available.

761—920.5(324A) Standards for projects.

920.5(1) *Requirements for transit system.* A public transit system is eligible for project assistance if the system is in compliance with all the following criteria. The transit system:

- a. Abides by all applicable state and federal laws and regulations.
- b. Maintains primary documentation for all revenues and expenses for a period of at least three years after contract closeout.
- c. Maintains the system's policies, routes, schedules, fare structure and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation and fiscal solvency.
- d. Received departmental approval of the system's plan or schedule for repayment of any loan administered by the department.
- e. Accurately reports all services to be supported with project formula assistance and ensures that all services are open to the general public.

920.5(2) *Project conditions.* The department will obligate state transit assistance for joint projects that meet the following criteria:

- a. Each project must be included in the current year of the locally adopted transportation improvement program.
- b. Each project shall contain payment criteria, through the contract, which are mutually agreed upon by the department and the contracting officer of the transit system.
- c. Each special project shall have a preestablished basis for determining success using a specified means of performance measurement and include a detailed budget of the resources available and the assistance necessary for implementation.
- d. State assistance for a special project involving capital expense shall not exceed 85 percent of the project's total capital expense. State assistance for a special project involving operating support shall not exceed 80 percent of the project's total operating deficit in the first year and 50 percent of the project's total operating deficit in the second year.

920.5(3) *Items not eligible for assistance.*

- a. Administrative, operations or capital expenses that are determined by the department to be inconsistent with department policies, public law, officially approved planning and programming documents or inconsistent with the purpose of improving the effectiveness and quality of transit services.
- b. Development of managerial, administrative or operational systems that duplicate programs made available at no charge to the transit system by the department.

920.5(4) *Determination of system eligibility for formula assistance.*

a. Prior to the beginning of each fiscal year, each state-designated public transit system's formula percentage will be determined through the process shown in the appendix located at the end of this chapter.

(1) Transit system data used in determining formula percentage is based only on services that are open to the general public and is derived from the last fiscal year for which complete information is available.

(2) The process shown in the appendix establishes the percentage of available state transit assistance funds not reserved for special projects for which each transit system is eligible during the fiscal year.

b. The amount of each system's eligibility for formula assistance from this appropriation will be determined by multiplying the system's formula percentage by the amount of the appropriation not reserved for special projects.

c. If the dollar amount of state transit assistance is not known until the funds are actually deposited in the state transit assistance account, the amount of each system's eligibility for formula assistance from these funds will be determined as follows: At the beginning of each month, the system's formula percentage will be multiplied by the amount of new funds not reserved for special projects that were deposited in the state transit assistance account during the previous month.

d. A transit system's eligibility for programmed project assistance may be reduced if it is subject to the sanctions outlined in Iowa Code section 324A.5 or 761—Chapter 910.

920.5(5) Determination of amount reserved for special projects. Each fiscal year, at least \$300,000 will be reserved from state transit assistance appropriations for special projects. Any special project funds not obligated in the previous fiscal year and any funds made available through closeout of previously approved projects may also be reserved for special projects. Special project funds are distributed by the department on a discretionary basis in accordance with subrule 920.4(2).

761—920.6(324A) Processing.

920.6(1) Review and recommendation. The department will review the proposed projects and, based on available funds and the project priorities established by the transit systems, prepare a set of funding recommendations.

920.6(2) Approval and agreement. Upon approval of the projects by the transportation commission, the department will prepare a contract and send it to each public transit system for execution.

920.6(3) Advance payment allowed. Each transit system with a signed contract may be paid formula assistance monthly starting on the execution date of the contract, one-twelfth (or 8.33 percent) of the total contract amount, in advance of project expenditures, if all of the following conditions are met:

a. The transit system included in its application for state transit assistance a request for advance allocations as set forth in Iowa Code section 324A.6.

b. The transit system is current on all reporting required by the department.

c. The transit system is current on all scheduled repayments under loan contracts from the department.

d. The application for advance allocation includes:

(1) The name of the transit system.

(2) A specific statement of the reasons why an advance allocation is required by the transit system.

(3) The signature of the contract officer of the transit system and the date of the signature.

e. The department will give consideration to the following items in determining the approval, disapproval or deferment of advance allocation applications:

(1) The justification submitted with the application pursuant to paragraph 920.6(3) "d."

(2) The department's previous experience with the transit system making application, including but not limited to the following:

1. Timeliness of contract and application materials as assessed by the department.

2. Fiscal management capability of the transit system as assessed by the department.

f. If the department defers or disapproves of the transit system's application for advanced allocation of formula assistance, the department will notify the transit system with reasons for that decision.

g. Any transit system that receives advance allocation payments shall deposit the funds in a separately identified interest-bearing account until such time as the funds are expended on costs incurred by the transit system. All income derived from interest-bearing accounts and investments shall be credited to the transit system and its transit accounts as a nonoperating or nontransportation revenue.

761—920.7(324A) Reporting.

920.7(1) Transit systems receiving state transit assistance shall provide quarterly and end-of-the-year financial and statistical reports to the department in the manner and within the time limits described in the state transit assistance contract. These reports shall be made through an online portal furnished to the transit systems by the department.

920.7(2) Failure to file quarterly and end-of-the-year financial and statistical reports by any transit system with the department in the manner and within the time limits described in the state transit assistance contract shall be cause for withholding of state transit assistance payments. The department will notify any transit system of such actions. Withheld state transit assistance payments, both advanced and reimbursement, will resume once the transit system's required reporting is current.

761—920.8(324A) Contract closeout and audits. After the end-of-the-year financial and statistical reports are submitted or after the department has instituted any action(s) for failure to do so, the department will require an audit of the transit system's books, accounts, records and other material and information necessary to determine contract compliance. The advance allocations paid to the transit system will be taken into consideration and made part of the amount to be audited.

These rules are intended to implement Iowa Code chapter 324A.

APPENDIX TO
761—920.5(324A)

- LDI Locally determined income. All transit system revenue dedicated for operations expense during a fiscal year, minus federal operating assistance from the U.S. Department of Transportation and minus all special project operating support and formula assistance funds received from the Iowa Department of Transportation.
- OpExp Operations expense. All eligible transit system expenses related to operating, maintaining, and administering transit operations.
- Pass Passenger. A person boarding a transit vehicle for the purpose of making a trip. A passenger is counted each time that person boards a vehicle for travel to a destination.
- RevMi Revenue miles. Total vehicle miles traveled by revenue vehicles of public transit systems while in revenue service. Excludes miles traveled to and from storage facilities and other deadhead travel.

Iowa State Transit Assistance Formula Percentage Allocation

$$\begin{array}{c} \text{Regional} \\ \text{RevMi} \\ \text{Sum of} \\ \text{Regional} \\ \text{and Urban} \\ \text{RevMi} \end{array} = \begin{array}{c} \text{Total} \\ \text{Regional} \\ \text{Systems} \\ \text{Allocation} \end{array} \times \left(\begin{array}{c} \text{Regional System Allocation} \\ .50 \times \left[\begin{array}{c} \text{System} \\ \text{LDI} \\ \text{Total} \\ \text{Regional} \\ \text{LDI} \end{array} \right] + .25 \times \left[\begin{array}{c} \text{System Pass to} \\ \text{OpExp ratio} \\ \text{Sum of Regional} \\ \text{Pass to OpExp} \\ \text{ratios} \end{array} \right] + .25 \times \left[\begin{array}{c} \text{System RevMi to} \\ \text{OpExp ratio} \\ \text{Sum of Regional} \\ \text{RevMi to OpExp} \\ \text{ratios} \end{array} \right] \end{array} \right) = \begin{array}{c} \text{Individual Regional} \\ \text{System Formula} \\ \text{Allocation} \end{array}$$

$$\begin{array}{c} \text{Urban} \\ \text{RevMi} \\ \text{Sum of} \\ \text{Regional} \\ \text{and Urban} \\ \text{RevMi} \end{array} = \begin{array}{c} \text{Total} \\ \text{Urban} \\ \text{Allocation} \end{array} \times \left(\begin{array}{c} \text{Urban System Allocation} \\ .50 \times \left[\begin{array}{c} \text{System} \\ \text{LDI} \\ \text{Total} \\ \text{Urban} \\ \text{LDI} \end{array} \right] + .25 \times \left[\begin{array}{c} \text{System Pass to} \\ \text{OpExp ratio} \\ \text{Sum of Urban} \\ \text{Pass to OpExp} \\ \text{ratios} \end{array} \right] + .25 \times \left[\begin{array}{c} \text{System RevMi to} \\ \text{OpExp ratio} \\ \text{Sum of Urban} \\ \text{RevMi to OpExp} \\ \text{ratios} \end{array} \right] \end{array} \right) = \begin{array}{c} \text{Individual Urban} \\ \text{System Formula} \\ \text{Allocation} \end{array}$$

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/26.