IOWA ADMINISTRATIVE BULLETIN

Published Biweekly VOLUME XLIX NUMBER 6
September 16, 2026 Pages 1679 to 2063

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Pages 1853 to 2063 include **ARC 0558D** to **ARC 0603D**

PUBLISHED UNDER AUTHORITY OF IOWA CODE SECTIONS 2B.5 AND 17A.6

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.

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RA 26-283

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

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

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

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

Public Hearing

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

October 6, 2026 9:30 to 9:45 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Public Comment

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

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Purpose and Summary

The Authority proposes to amend Chapter 69. The chapter describes the policies and procedures applicable to the Business Incentives for Growth (BIG) Program. The program helps qualifying businesses offset some of the costs of locating, expanding, or modernizing a facility in Iowa. The amendments make the following changes:

- Remove references to 2025 Iowa Acts, Senate File 657, which has been codified since adoption of the chapter.
- Clarify the treatment of expenditures associated with the purchase of a business as a going concern.
- Establish parameters for the BIG Training Fund, which was created by 2026 Iowa Acts, House File 2799. The fund will provide reimbursement for eligible job training expenses.

Analysis of Impact

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

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

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

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

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

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

- **Quantitative description of impact:**

Businesses applying for assistance may require staff time to complete an application. Businesses that are awarded tax incentives or financial assistance may similarly incur costs to administer an award. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers. The current rules establish an application fee of 0.5 percent of the total amount of tax incentives recommended, not to exceed $10,000. The fee is unchanged by the proposed amendments.

- **Qualitative description of impact:**

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

3. **Costs to the State:**

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

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

- **Anticipated effect on State revenues:**

The proposed amendments have no anticipated impact on State revenues beyond that of 2026 Iowa Acts, House File 2799.

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?

This proposed rulemaking impacts only small businesses seeking financial assistance. The amendments regarding compliance and reporting requirements are no more stringent than necessary to implement the purposes of the program. The amendments do not establish schedules or deadlines. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Amend rule **261—69.1(15)**, definitions of "Agreement," "Base employment level," "Benefits," "Community," "Created job," "Eligible business," "Financial assistance," "Full-time equivalent position," "Program," "Project," "Project completion date," "Qualifying investment," "Qualifying wage threshold," "Retained job" and "Tax incentive," as follows:

"Agreement" means an agreement entered into pursuant to Iowa Code section 15.506 ~~as enacted by 2025 Iowa Acts, Senate File 657~~.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ITEM 2. Amend rule 261—69.2(15) as follows:

261—69.2(15) Eligibility requirements.

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

69.2(2) *Eligible businesses.*

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

b. No change.

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

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

e. No change.

(1) to (3) No change.

69.2(3) *Relocations and reductions in operations.* The authority will determine whether a business is ineligible due to a relocation or reduction in operations pursuant to Iowa Code section 15.504(1)*"c."* ~~as enacted by 2025 Iowa Acts, Senate File 657.~~ For the purposes of this subrule, "reduction in operations" includes but is not limited to a layoff during the 12 months before an application is submitted to the authority.

69.2(4) No change.

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

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

69.2(7) to **69.2(9)** No change.

69.2(10) *Other factors.* The authority shall consider any applicable additional factors pursuant to Iowa Code section 15.504(2) ~~as enacted by 2025 Iowa Acts, Senate File 657,~~ to determine whether a business is an eligible business.

69.2(11) *Ineligible projects.*

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

(1) and (2) No change.

b. A project representing solely acquisition of a business as a going concern that does not include creation or retention of jobs and qualifying investment at the acquired business facility is not eligible for the program. A qualified project that occurs following acquisition of a business as a going concern may be eligible for the program, but the purchase of a business as a going concern and its existing assets will not be included as an eligible business's qualifying investment.

c. No change.

69.2(12) No change.

ITEM 3. Amend subrule 69.3(3) as follows:

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

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

(1) to (5) No change.

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

ITEM 4. Amend subrule 69.3(6) as follows:

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

ITEM 5. Amend paragraph **69.4(1)"a"** as follows:

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

ITEM 6. Amend subrule 69.4(4) as follows:

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

ITEM 7. Amend subrule 69.4(5) as follows:

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

ITEM 8. Amend rule 261—69.5(15) as follows:

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

69.5(1) *Property tax exemption.*

a. The authority will only approve a property tax exemption pursuant to Iowa Code section 15.510 ~~as enacted by 2025 Iowa Acts, Senate File 657,~~ if other tax incentives or financial assistance through the program are also approved.

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

69.5(2) *Investment tax credit—treatment of rent.* The annual base rent paid to a third-party developer by an approved business may be considered new investment for the purpose of an investment tax credit approved pursuant to Iowa Code section 15.508 ~~as enacted by 2025 Iowa Acts, Senate File 657~~. Annual base rent incurred during the term of an agreement may be included as new investment. For the purposes of this subrule, "annual base rent" means the business's annual lease payment minus taxes, insurance and operating or maintenance expenses.

69.5(3) *Investment tax credit—issuance, amortization and claims.* The business must notify the authority that its project has been placed in service and document its total project cost, including its qualifying investment, to receive a tax credit certificate. A business shall not receive a tax credit certificate following the placement of a portion of its project in service unless such portion is approved by the authority at the time of application and specified in the agreement. The five-year amortization of a qualifying investment tax credit issued pursuant to Iowa Code section 15.508 ~~as enacted by 2025 Iowa Acts, Senate File 657,~~ shall begin no earlier than the year the credit is issued. Each amortized portion of the credit shall be claimed in the tax year it becomes available except to the extent an overpayment is credited to the immediately succeeding tax year.

ITEM 9. Amend rule 261—69.6(15) as follows:

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

ITEM 10. Amend subrule 69.7(2) as follows:

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

ITEM 11. Amend paragraph **69.7(9)"b"** as follows:

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

ITEM 12. Amend paragraph **69.7(9)"d"** as follows:

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

ITEM 13. Amend subrule 69.7(10) as follows:

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

a. No change.

b. The board may delegate authority to authority staff to approve nonsubstantive changes to the agreement, including but not limited to the following:

(1) to (6) No change.

<u>(7) Termination of an agreement following declination of all awarded program benefits by an eligible business.</u>

ITEM 14. Adopt the following **new** rule 261—69.10(15):

261—69.10(15) Training fund.

69.10(1) For the purposes of this rule, the following definitions apply:

"Funded training" means training that is eligible for reimbursement from the training fund created pursuant to Iowa Code section 15.512 as enacted by 2026 Iowa Acts, House File 2799, and pursuant to this rule.

"Training" means a structured process of instruction designed to develop technical and specialized skills required to perform job-specific tasks effectively, including courses, labs, simulations, and hands-on exercises either on the job or in a classroom or field environment.

"Training fund" means the business incentives for growth program training fund created pursuant to Iowa Code section 15.512 as enacted by 2026 Iowa Acts, House File 2799.

"Training fund assistance" means funds obligated for an eligible business from the training fund.

69.10(2) An eligible business shall indicate intent to apply for training fund assistance in the application submitted pursuant to rule 261—69.3(15). An eligible business seeking training fund assistance must provide a training plan with the application that includes but is not limited to training objectives, scope, provider(s), timeline, participating employees, and budget.

69.10(3) In negotiating the availability of, the terms of, and the aggregate value of training fund assistance, the authority will consider a variety of factors, including but not limited to the factors identified in subrule 69.4(1) and the measurable outcomes of the proposed training.

69.10(4) The authority may approve an eligible business for training fund assistance pursuant to Iowa Code section 15.512 as enacted by 2026 Iowa Acts, House File 2799. For an eligible business that has been approved for training fund assistance, the agreement will indicate the number of jobs expected to participate in the training and the maximum amount that may be credited to the training fund from the withholding payments to be paid by the business.

69.10(5) Only designated amounts of withholding payments made by an eligible business for jobs to participate in funded training shall be credited to the training fund. Amounts may be credited to the training fund for the purposes of reimbursing an eligible business's training costs for up to ten years from the date the board approves training fund assistance. Funds that are not requested by an eligible business within one year of the contract end date will be deobligated.

69.10(6) The amount of training assistance that any one eligible business may receive shall not exceed 50 percent of eligible training expenses incurred by the business and documented to the satisfaction of the authority.

a. Eligible training expenditures include but are not limited to the following:

(1) Costs paid to qualified third-party training providers for instruction and training materials;

(2) Supplies, equipment, and software necessary for training;

(3) Travel costs for training; and

(4) Testing fees or other fees associated with obtaining credentials following training.

b. Ineligible expenditures include but are not limited to the following:

(1) Wages paid to employees during training;

(2) Expenses associated with general employee onboarding or orientation;

(3) Expenses associated with conference or trade show attendance;

(4) Amounts paid to a related entity for training;

(5) Expenses for items that will not exclusively be used by the business for training;

(6) Training that leads directly to professional degrees in medicine, law, accounting or other professional areas or that includes safety training, succession planning, or behavior skills such as communication, leadership, teamwork, or conflict management;

(7) Expenses incurred to reimburse consultants, legal fees or any administrative expenses related to the training;

(8) Expenses incurred to provide training to executives, consultants, or independent contractors; and

(9) Expenses incurred more than four years after the date the board approves training fund assistance.

69.10(7) The authority may consult with Iowa workforce development to determine whether an eligible business should be awarded training fund assistance, the amount and terms of training fund assistance, and whether expenditures should be considered eligible for reimbursement.

ITEM 15. Amend **261—Chapter 69**, implementation sentence, as follows:

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

RA 26-284

ECONOMIC DEVELOPMENT AUTHORITY[261]

Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 70
"Headquarters Expansion and Development for Growth Employment (EDGE) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A and 15.601 through 15.603
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15, subchapter II, part 37, and section 15A.1

Public Hearing

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

October 6, 2026 9:30 to 9:45 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Public Comment

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

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Purpose and Summary

The Authority proposes to adopt a new Chapter 70. The chapter describes the policies and procedures applicable to the Headquarters Expansion and Development for Growth Employment (EDGE) Program. The program provides tax credits to attract corporate headquarters to Iowa and to keep corporate headquarters in Iowa.

Analysis of Impact

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

Businesses interested in applying for or receiving assistance through the program will bear the costs of this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

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

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

- **Quantitative description of impact:**

Businesses applying for assistance may require staff time to complete an application. Businesses that are awarded tax incentives or financial assistance may similarly incur costs to administer an award. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary depending on the compensation of staff or service providers. Businesses will be required to pay an application fee of 0.5 percent of the total amount of tax incentives recommended, not to exceed $10,000.

- **Qualitative description of impact:**

The program provides a financial incentive to businesses establishing or retaining a corporate headquarters in the State.

3. **Costs to the State:**

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

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

- **Anticipated effect on State revenues:**

The proposed amendments have no anticipated impact on State revenues beyond that of 2026 Iowa Acts, House File 2799.

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?

This proposed rulemaking impacts only small businesses seeking financial assistance. The rules regarding compliance and reporting requirements are no more stringent than necessary to implement the purposes of the program. The rules do not establish schedules or deadlines. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 261—Chapter 70:

CHAPTER 70
HEADQUARTERS EXPANSION AND DEVELOPMENT FOR
GROWTH EMPLOYMENT (EDGE) PROGRAM

261—70.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Agreement" means an agreement entered into pursuant to Iowa Code section 15.604 as enacted by 2026 Iowa Acts, House File 2799.

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

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

"Base employment level" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Benefits" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

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

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

"Community" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Contract end date" means the date on which an agreement ends.

"Corporate headquarters" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

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

"Eligible business" means a business that meets the requirements of Iowa Code section 15.602 as enacted by 2026 Iowa Acts, House File 2799.

"Full-time equivalent position" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Gross annual wages" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

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

"New corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Program" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Project" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Qualifying wage threshold" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

"Retained corporate job" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

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

"Tax incentives" means the same as defined in Iowa Code section 15.601 as enacted by 2026 Iowa Acts, House File 2799.

261—70.2(15) Eligibility requirements.

70.2(1) *Community approval.* Community approval of the project by ordinance or resolution is required as specified in Iowa Code section 15.602 as enacted by 2026 Iowa Acts, House File 2799.

70.2(2) *Eligible businesses.*

a. For the purposes of determining whether a business has a global presence, significant market share, or national recognition, the authority will evaluate a business's locations, distribution network, customer base, industry reports or rankings, and audited annual reports. A business with a single location will not be considered to have a global presence, significant market share, or national recognition.

b. For the purposes of determining whether a business generates a minimum of 51 percent of gross revenue from business outside the state, the authority will evaluate a business's financial statements, tax returns, and any additional relevant information available from the business or the Iowa department of revenue.

c. For the purposes of determining whether another state is meaningfully competing for the location or retention of a business's corporate headquarters, the business must identify any alternative locations being considered for the project and any information about the qualitative and quantitative advantages of locating its corporate headquarters at those alternative locations compared to the qualitative and quantitative advantages of locating its corporate headquarters in Iowa.

d. For the purposes of determining whether a business is an eligible business type pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799, "retail business" means any business primarily engaged in the business of sale at retail of tangible personal property or taxable services in this state or online. "Sale at retail" means the same as defined in Iowa Code section 423.1(46). A business obligated to collect sales or use tax under Iowa Code chapter 423 may be an ineligible retail business.

e. A business shall provide evidence that the business's primary operations are in a qualifying industry pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799. Such evidence may include but is not limited to whether the business has a North American Industry Classification System (NAICS) number aligned with the relevant industries as determined by the authority. Businesses with other NAICS numbers will be required to document to the authority's satisfaction that the business is primarily engaged in an applicable industry identified in Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799, based on factors including but not limited to sources of revenue and customer base.

f. A business shall demonstrate it is not a data center business or a business where a cover charge or membership requirement restricts certain individuals from entering the business that is ineligible for the program pursuant to Iowa Code section 15.602(1)*"e"* as enacted by 2026 Iowa Acts, House File 2799.

g. A foreign business shall demonstrate that it is not associated with a foreign adversary or foreign adversary entity. For the purposes of this paragraph, the following definitions apply:

"Foreign adversary" means a foreign government or foreign non-government person as determined in 15 CFR §7.4 or 15 CFR §791.4 at any time on or before March 4, 2024, and that is listed in 15 CFR §7.4(a) or 15 CFR §791.4(a) at any time from March 4, 2024.

"Foreign adversary entity" means a foreign business subject to the jurisdiction of or organized under the laws of a foreign adversary or a foreign business owned, directed, or controlled by a foreign adversary.

"Foreign business" means the same as defined in Iowa Code section 9I.1.

70.2(3) *Relocations and reductions in operations.* The authority will determine whether a business is ineligible due to a relocation or reduction in operations pursuant to Iowa Code section 15.602(1)*"f"* as enacted by 2026 Iowa Acts, House File 2799. For the purposes of this subrule, "reduction in operations" includes but is not limited to a layoff during the 12 months before an application is submitted to the authority.

70.2(4) *Determination of sufficient benefits.* The business shall offer a sufficient package of benefits to each full-time equivalent position employed at its corporate headquarters and to each full-time equivalent position at its corporate headquarters until the contract end date. The benefits package provided shall meet the criteria established by the board. The board will periodically approve such criteria to reflect the most current benefits package typically offered by employers. The criteria established by the board may include but not be limited to premium percentages to be paid by the business, deductible amounts, and other such criteria as determined necessary to the evaluation of benefits offered by a business.

70.2(5) *Violations of law.* The authority will address violations of law as described in Iowa Code section 15.602(1)*"h"* as enacted by 2026 Iowa Acts, House File 2799.

70.2(6) *Sufficient economic impact.* The business shall demonstrate that the project has a sufficient economic impact as described in Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799.

70.2(7) *Jobs.* The new corporate jobs created or existing corporate jobs retained by a business shall pay the applicable wages as established pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799, and as described in rule 261—70.8(15).

70.2(8) *Applicant's past or current performance.* If an applicant received a prior award or other benefit through any program administered by the authority or any other state agency, the authority and board will consider the applicant's past or current performance under the prior award or benefit.

70.2(9) *Results of due diligence review.* The authority will complete a due diligence review, including but not limited to lien searches, reports of violations, pending or resolved litigation, and other relevant information about the applicant. The authority will determine whether a business is ineligible due to the results of the review.

70.2(10) *Other factors.* The authority shall consider any applicable additional factors pursuant to Iowa Code section 15.602(2) as enacted by 2026 Iowa Acts, House File 2799, to determine whether a business is an eligible business.

70.2(11) *Ineligible projects.*

a. The following activities are presumed by the authority to lack sufficient economic impact to accomplish the goals of the program and are not eligible for the program pursuant to Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799:

(1) Facility maintenance, and

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

b. A project representing solely acquisition of a business as a going concern that does not include creation or retention of jobs and investment at the acquired business facility is not eligible for the program. A qualified project that occurs following acquisition of a business as a going concern may be eligible for the program, but the purchase of a business as a going concern and its existing assets will not be included as an eligible business's investment in the location or retention of a corporate headquarters.

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

70.2(12) *Project initiation.* An eligible business shall not initiate its project prior to board approval of the business's application for the program unless the business establishes that a delay in initiating the project would result in undue hardship or that extenuating circumstances necessitate initiating the project prior to approval of the business's application. Whether an undue hardship or extenuating circumstance exists will be determined by the authority.

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

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

(2) The start of rehabilitation of existing buildings;

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

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

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

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

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

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

c. Any costs incurred prior to the award date are not eligible investment if investment requirements are established pursuant to subrule 70.3(5).

261—70.3(15) Application process and review.

70.3(1) *Application.* The authority will invite applicants with projects that may be eligible for the program to apply. Businesses applying for the program shall utilize a standardized application developed by the authority and submit the application to the authority electronically.

70.3(2) *Community participation.* The application shall include an ordinance or resolution of the community's governing body approving the project. If applicable, the application shall also include documentation of any incentives or assistance to be provided by the community for the project.

70.3(3) *Applicability of wage requirements.* The qualifying wage threshold applicable to a project is the threshold in effect on the date the fully completed project application is received by the authority. If such an application is received but not acted upon by the board before the qualifying wage thresholds are updated, the thresholds in effect on the date the application was received will remain in effect for a period of three months after the month the thresholds were updated. Qualifying wage thresholds will be calculated and applied as described in rule 261—70.8(15).

70.3(4) *Job requirements.* The job requirements applicable to a project, identified as described in rule 261—70.7(15), will be established at the time of application. Job requirements will be based on the base employment level on the date the fully completed project application is received by the authority and the eligible business's job projections and will be utilized to determine the amount of tax incentives. The business shall provide documentation to verify the number of corporate jobs associated with the project as described in subrule 70.7(7).

70.3(5) *Investment requirements.* If the authority determines that proposed investment is a significant factor in negotiating the award pursuant to rule 261—70.4(15), investment requirements for a specific project may be established at the time of application. Investment requirements will be based on an eligible business's estimates of total project costs.

70.3(6) *Board approval and notice.*

a. Authority staff will review applications to ensure program eligibility requirements are satisfied and applications are complete. Authority staff may request additional information from the business or may use other resources to obtain the needed information. The authority or board may engage outside reviewers to complete technical, financial, or other reviews of applications beyond the expertise of the board and authority staff. Negotiation of the terms of, and the aggregate value of, tax incentives will occur following review of an application by authority staff and will be based on the factors identified in rule 261—70.4(15).

b. Complete and eligible applications and supporting documentation will be submitted to the board for its consideration. The authority shall have sole discretion to determine whether an application is fully completed and the date on which it was fully completed. Authority staff will submit a report to the board that summarizes the project. The report will include recommendations from authority staff on the terms of, and the aggregate value of, tax incentives based on the factors identified in rule 261—70.4(15) or any other elements of the proposed award. Staff may provide the board additional information or documentation as determined by staff. The board may offer an award that differs from that requested by a business or recommended by authority staff. Meeting eligibility requirements does not guarantee that tax incentives will be offered or provided in the manner sought by the applicant.

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

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

70.3(7) *Application fee.* An applicant for the program shall pay an application fee of 0.5 percent of the total amount of tax incentives recommended pursuant to paragraph 70.3(6)*"b,"* not to exceed $10,000, at the time an application is submitted to the board for its consideration. If the application fee has not been paid at the time of the board's approval of an application, the board may condition its approval on payment of the fee, including specifying the date by which the fee must be paid. If the board approves a total amount of tax incentives that is more or less than the amount recommended by authority staff, the fee will be adjusted accordingly. The authority may refund the fee if the award is declined or rescinded within 180 days of approval. If the award is declined or rescinded more than 180 days after approval, the fee will not be refunded.

261—70.4(15) Award amounts and terms.

70.4(1) In negotiating the terms of, and the aggregate value of, tax incentives, the authority will consider a variety of factors, including but not limited to the following.

a. *Economic impact.* The extent to which an eligible business's proposed project demonstrates economic impact on the state based on the factors identified in Iowa Code section 15.602(2)*"c"* as enacted by 2026 Iowa Acts, House File 2799.

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

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

(2) Whether the likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project.

(3) Whether the cost of completing the project at the out-of-state site is demonstrably lower. Such a condition indicates that tax incentives may be needed to equalize the cost differential between the two sites. The authority will attempt to quantify the cost differential between the sites.

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

d. *New corporate jobs.* In addition to the number of new corporate jobs, the authority may consider:

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

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

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

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

70.4(2) Eligible businesses that do not propose to create any new corporate jobs, including eligible businesses that propose retention-only projects, will receive lower award amounts compared to amounts awarded to eligible businesses that propose to create new corporate jobs. The authority may establish award terms specific to projects that do not propose to create new corporate jobs.

70.4(3) Eligible businesses that propose a project that includes long-term lease costs must demonstrate sufficient economic impact by proposing to create new corporate jobs.

70.4(4) Only projects that demonstrate extensive economic impact will be awarded the maximum amounts of tax incentives allowed pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799. Whether the project demonstrates extensive economic impact is within the sole discretion of the board.

261—70.5(15) Tax incentives. The authority may approve a business to receive any combination of applicable tax incentives allowed through the program pursuant to Iowa Code section 15.605 as enacted by 2026 Iowa Acts, House File 2799. An approved business shall not claim a tax incentive in excess of the amount specified in an agreement.

261—70.6(15) Agreements and compliance.

70.6(1) *Execution.* Successful applicants will be required to execute an agreement within 180 days of the award date. The time limit for execution may be extended by the authority director for an additional 180 days for good cause shown. Upon expiration of the time limit, including any extensions approved pursuant to this subrule, the board may approve additional extensions or rescind the award.

70.6(2) *Requirements.* An agreement shall meet all requirements of and be administered pursuant to Iowa Code section 15.604 as enacted by 2026 Iowa Acts, House File 2799.

70.6(3) *Jobs.* An agreement will specify the number of new corporate jobs the business has pledged to create in addition to the base employment level and the number of retained corporate jobs. An agreement may specify that a business has pledged additional jobs or pledged wage requirements greater than the applicable qualifying wage threshold requirements as a condition to receipt of an award or receipt of a specific amount of tax incentives. Job obligations will be established and monitored pursuant to rule 261—70.7(15).

70.6(4) *Project and investment requirements.* An agreement will describe the project and any investment requirements established pursuant to subrule 70.3(5).

70.6(5) *Contract end date.*

a. The authority will establish a contract end date at least two years from the date the business is expected to have claimed all tax incentives awarded through the program. The contract end date may be later than two years from the date the business is expected to have claimed all tax incentives awarded through the program if another contract between the business and the authority has a later end date. The agreement will specify the applicable requirements that must be met by the contract end date.

b. An agreement may be terminated prior to the contract end date by mutual agreement of the parties. The amount of tax incentives available may be reduced as described in the agreement if the agreement is terminated prior to the contract end date.

70.6(6) *Issuance of tax incentives.* Tax incentives may be issued no more frequently than annually during the period specified in the agreement. An agreement will specify the conditions to issuance of tax incentives, including but not limited to the following:

a. Compliance with the requirements of Iowa Code section 15A.1(3)*"b"* regarding solid and hazardous waste.

b. Verification that the business employs the new corporate jobs and retained corporate jobs specified in the agreement and the amount of gross annual wages paid to those jobs.

c. Receipt by the authority of the annual report described in paragraph 70.6(7)*"a."*

70.6(7) *Monitoring and reports.* The authority shall ensure that program recipients comply with agreements. An agreement will specify the reports a program recipient must submit to the authority and due dates for such reports. Reports shall be provided in the form and content acceptable to the authority.

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

b. Recipients shall submit a report to the authority to document that the project investment and job obligations have been completed as proposed and prior to the contract end date to verify compliance with the agreement.

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

70.6(8) *Default.* An agreement will specify events of default and the remedies available to the authority. The authority may determine that a recipient is in default of an agreement if the recipient has not complied with an agreement associated with another program administered by the authority. If the authority determines that a recipient is in default, the eligible business may be required to repay tax incentives pursuant to Iowa Code section 15.604(1)*"b"* as enacted by 2026 Iowa Acts, House File 2799. The repayment amount is subject to applicable interest and penalties as determined by the department of revenue. If the business is an entity that has elected pass-through taxation status for income tax purposes, the department of revenue may undertake collection efforts against members, individuals or shareholders to whom the tax incentives were passed through.

a. *Calculation of repayment due or reduction.*

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

(2) Investment shortfall. If a business does not meet investment requirements established pursuant to subrule 70.3(5), the repayment amount or reduction of tax incentives shall be the same proportion as the amount of the shortfall in applicable required investment. For example, if the business meets 75 percent of the amount of required investment, the business shall repay 25 percent of the amount of the tax incentives received or tax incentives will be reduced by 25 percent.

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

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

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

b. *Notice of default.* The authority will notify a business of an event of default as described in the agreement.

70.6(9) *Amendments.* Agreement amendments must comply with Iowa Code chapter 15, subchapter II, part 37, as enacted by 2026 Iowa Acts, House File 2799, and this chapter. Recipients may submit requests for amendments to authority staff.

a. Except as provided in paragraph 70.6(9)*"b,"* no request to amend an agreement may be approved unless it has been reviewed by the due diligence committee established pursuant to 261—Chapter 1, the due diligence committee has recommended approving the request to amend the agreement and the board has approved the request to amend the agreement.

b. The board may delegate authority to authority staff to approve nonsubstantive changes to the agreement, including but not limited to the following:

(1) Recipient name, address and similar changes.

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

(3) Line-item budget changes that do not reduce overall investment.

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

(5) Changes to tax credit amortization schedules.

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

(7) Termination of an agreement following declination of all awarded program benefits by an eligible business.

261—70.7(15) Job counting.

70.7(1) *Overview.* The authority will count new corporate jobs and retained corporate jobs using a base employment analysis comparing the base employment level to employment on another date. The business's base employment level will be established at the time of application for the program. The number of new corporate jobs the business has pledged to create shall be in addition to the base employment level. Retained corporate jobs may be included in the base employment level as established at the time of approval.

70.7(2) *Base employment level.*

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

b. If a business receives multiple awards for projects at the same location, including through the program; the high quality jobs program administered pursuant to Iowa Code chapter 15, subchapter II, part 13; or the business incentives for growth program administered pursuant to Iowa Code chapter 15, subchapter II, part 33, the base employment level will be calculated by using the payroll document from the oldest award that is open. Job obligations from each new award will be added to this base employment level.

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

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

70.7(3) *Verification.* Payroll documents will be used to calculate and verify compliance with job obligations. The person who submits the documents must, under penalty of perjury, verify that the information contained in the documents is true and correct.

70.7(4) *Full-time equivalent positions.*

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

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

(2) The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time

work for the kind of service an individual performs for an employing unit, provided that the number of hours is at least 32 hours per week for 52 weeks per year, including paid holidays, vacations and other paid leave.

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

70.7(5) *Contract employees.* A business's leased or contract employee may be included in the base employment level or included as a new corporate job or a retained corporate job only if the following requirements are met:

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

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

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

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

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

70.7(6) *Remote employees.* Employees in a position with a reasonable connection to a project location who work remotely may be included in the base employment level or as a new corporate job or a retained corporate job as established by the authority at the time of application. To determine whether employees who work remotely should be included, the authority will consider a business's policies on establishing remote work locations for employees, reporting structures, the percentage of time worked at the project location, and the distance of employees' remote work locations from the project location. Only employees who work remotely within a defined geographic area established by the authority will be included. Whether an employee who works remotely is included in the base employment level or as a new corporate job or a retained corporate job pursuant to this subrule shall be solely within the discretion of the authority.

70.7(7) *Corporate jobs.* At the time of application for the program and throughout the term of the agreement, an eligible business shall document that a position involves strategic planning, executive decision making, or core administrative functions by providing job titles, job descriptions, and any other documentation deemed necessary by the authority to demonstrate the nature of the position.

261—70.8(15) Wage requirements. New corporate jobs or retained corporate jobs shall meet the qualifying wage threshold requirements as established pursuant to Iowa Code section 15.605(1) as enacted by 2026 Iowa Acts, House File 2799, and as indicated in an agreement. Jobs that do not meet the qualifying wage threshold requirements will not be counted toward a business's job obligations.

70.8(1) If the business is creating new corporate jobs, the business shall demonstrate that the jobs will pay at least 200 percent of the qualifying wage threshold as of the start date for authorization of a tax credit specified in the agreement and through the contract end date. If the business is retaining corporate jobs, the business shall demonstrate that the jobs will pay at least 200 percent of the qualifying wage threshold from the award date until the contract end date. The authority may establish a higher qualifying wage threshold requirement for a specific project if the quality of jobs is a significant factor in negotiating the award pursuant to rule 261—70.4(15).

70.8(2) The authority will update the qualifying wage thresholds annually each fiscal year. The thresholds will take effect on September 1 of each fiscal year and remain in effect until August 31 of the following fiscal year.

70.8(3) The authority will calculate the qualifying wage threshold as follows:

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

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

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

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

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

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

70.8(4) To determine the wages paid to the employees of an eligible business, the authority will include only monetary compensation, represented in terms of an hourly rate, paid by an employer to an employee for work or services provided, typically on a weekly or biweekly basis. The wage will not include nonregular forms of compensation, such as bonuses, unusual overtime pay, commissions, stock options, pensions, retirement or death benefits, unemployment benefits, life or other insurance, or other fringe benefits.

These rules are intended to implement Iowa Code chapter 15, subchapter II, part 37, as enacted by 2026 Iowa Acts, House File 2799, and section 15A.1.

RA 26-303

EDUCATIONAL EXAMINERS BOARD[282]

Regulatory Analysis

Notice of Intended Action to be published: 282—Chapter 7
"Proof of Legal Presence"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.146
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.146

Public Hearing

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

October 6, 2026 9 a.m.	Room B50 Grimes State Office Building Also via Google Meet Video call link: meet.google.com/hcw-cnqi-ifz Or dial: 1.405.356.8095 PIN: 528 469 374#

Public Comment

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

Beth Myers
Bureau of Educational Examiners, Iowa Department of Education
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.419.3679
Email: beth.myers@iowa.gov

Purpose and Summary

This proposed change complies with changes made during the 2026 Legislative Session. 2026 Iowa Acts, Senate File 2218, creates different requirements for applicants to prove legal authorization to work in the United States.

Analysis of Impact

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

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

The Board of Educational Examiners bears the cost of compliance.

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

Iowans in general will benefit from this proposed rulemaking.

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

- **Quantitative description of impact:**

There is no known quantitative impact.

- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

Implementation costs will be absorbed within existing agency resources.

- **Anticipated effect on State revenues:**

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

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

The underlying legislation requires rulemaking.

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

The underlying legislation requires rulemaking.

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

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

No other methods were seriously considered by the Department since the underlying legislation requires rulemaking.

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

Alternative methods were rejected. The underlying legislation requires 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?

There is no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind subrule **7.2(3)**.

ITEM 2. Amend rule 282—7.3(256) as follows:

282—7.3(256) Acceptable evidence. The board will ~~accept as proof of~~ verify lawful presence in the United States ~~any acceptable document that establishes a U.S. place of birth or indicates U.S. citizenship or naturalization, or any documentation acceptable under the Immigration and Naturalization Act as amended to November 1, 2023, to establish alien status. Legible copies of documents will be accepted. Original documents will not be required unless a question arises concerning the documentation submitted~~ by accessing the Systematic Alien Verification for Entitlements (SAVE) program. Applicants for initial licensure, applicants for renewal, and all practitioners who are not subject to renewal requirements are required to send to the board a document that establishes employment authorization and identity, as described in 8 U.S.C. §1324a(b)(1)(B) as amended to November 1, 2023, or employment.

ITEM 3. Amend **282—Chapter 7**, implementation sentence, as follows:

These rules are intended to implement the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. §1621) and 2026 Iowa Acts, Senate File 2218.

RA 26-285

EDUCATIONAL EXAMINERS BOARD[282]

Regulatory Analysis

Notice of Intended Action to be published: subrule 11.4(1)
"Complaints, Investigations, and Contested Case Hearings"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 256.146

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 17A and section 256.146

Public Hearing

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

October 6, 2026 9 a.m.	Room B50 Grimes State Office Building Also via Google Meet Video call link: meet.google.com/hcw-cnqi-ifz Or dial: 1.405.356.8095 PIN: 528 469 374#

Public Comment

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

Beth Myers
Bureau of Educational Examiners, Iowa Department of Education
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.419.3679
Email: beth.myers@iowa.gov

Purpose and Summary

This proposed rulemaking allows unlicensed administrators in nonpublic and charter schools to file complaints against licensees.

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 known costs of this proposed rulemaking.

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

Iowans seeking to protect students will benefit from this rulemaking.

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

- **Quantitative description of impact:**

There is no known quantitative impact.

- **Qualitative description of impact:**

The qualitative impact is that there will be fewer barriers for people seeking to uphold professional standards of educators.

3. **Costs to the State:**

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

Implementation costs are expected to be minimal and absorbed within existing agency resources.

- **Anticipated effect on State revenues:**

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

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

This rulemaking provides the required procedures for filing a complaint.

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

A pathway for administrators of nonpublic schools and charter schools to file a complaint was necessary.

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

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

If the administrator of a nonpublic school or charter school does not hold a license from the Board of Educational Examiners, the administrator would not currently be able to file a complaint.

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

No other methods were considered since unlicensed nonpublic and charter school administrators do not have any other alternative to file a complaint.

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 subrule 11.4(1) as follows:

11.4(1) *Who may initiate.* The following entities may initiate a complaint:

a. Licensed practitioners.

b. School human resource directors.

c. Recognized educational entities or local or state professional organizations.

d. Local boards of education.

e. Parents or guardians of students involved in the alleged complaint.

f. Administrators or directors of nonaccredited or independently accredited Iowa nonpublic schools.

~~*f.*~~ *g.* The executive director of the board of educational examiners if the following circumstances have been met:

(1) and (2) No change.

(3) No other complaint has been filed regarding Iowa Code section 256.160, or at the direction of the board.

~~*g.*~~ *h.* The department of transportation if the licensee named in the complaint holds a behind-the-wheel instructor's certification issued by the department and the complaint relates to an incident or incidents arising during the course of driver's education instruction.

~~*h.*~~ *i.* An employee of the department of education who, while performing official duties, becomes aware of any alleged misconduct by an individual licensed under Iowa Code section 256.146.

RA 26-286

EDUCATIONAL EXAMINERS BOARD[282]

Regulatory Analysis

Notice of Intended Action to be published: 282—Chapter 22
"Limited Authorizations"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.146
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.146

Public Hearing

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

October 6, 2026 9 a.m.	Room B50 Grimes State Office Building Also via Google Meet Video call link: meet.google.com/hcw-cnqi-ifz Or dial: 1.405.356.8095 PIN: 528 469 374#

Public Comment

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

Beth Myers
Bureau of Educational Examiners, Iowa Department of Education
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.419.3679
Email: beth.myers@iowa.gov

Purpose and Summary

This proposed rulemaking complies with several changes made during the 2026 Legislative Session. Item 1 changes the requirements for the career and technical authorization as required in 2026 Iowa Acts, Senate File 2168. Item 2 removes the requirement for a baccalaureate degree for an athletic director authorization as required in 2026 Iowa Acts, House File 2724. Item 3 creates a new pathway for licensing people with experience in arts and sciences as directed in House File 2724.

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 known costs of this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

Iowans seeking licensure will benefit from this proposed rulemaking.

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

- **Quantitative description of impact:**

There is no known quantitative impact.

- **Qualitative description of impact:**

The qualitative impact is that there will be less of a barrier for people seeking these licenses.

3. **Costs to the State:**

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

Implementation costs are expected to be minimal and absorbed within existing agency resources.

- **Anticipated effect on State revenues:**

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

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

The underlying legislation requires rulemaking.

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

The underlying legislation requires rulemaking.

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

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

No other methods were seriously considered by the Department since the underlying legislation requires rulemaking.

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

Alternative methods were rejected. The underlying legislation requires 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?

There is no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend rule 282—22.3(256) as follows:

282—22.3(256) Career and technical authorization.

22.3(1) *Requirements for the initial career and technical authorization.*

a. Applicants will meet one of the following qualifications:

(1) Have ~~6,000~~ 3,000 hours of recent and relevant experience;

(2) Have ~~4,000~~ 2,000 hours of recent and relevant experience if the applicant holds a baccalaureate degree or an associate's degree in the endorsement area, if such a degree is considered terminal for that field of instruction;

~~(3) Have 3,000 hours of recent and relevant experience if the applicant holds an associate's degree in the teaching endorsement area sought, if such a degree is considered terminal for that field of instruction;~~

~~(4)~~ (3) Hold a baccalaureate or graduate degree or closely related degree in the teaching endorsement area sought; or

~~(5)~~ (4) Hold a baccalaureate degree in any area of study if at least 18 of the credit hours were completed in the teaching endorsement area sought.

For a career and technical cluster endorsement, an applicant will meet one of the above qualifications and have at least 2,000 hours of recent and relevant experience or nine semester hours each in two additional areas within the cluster endorsement. Combinations of experience and education may be approved by the executive director.

b. Recent and relevant experience will have been accrued within the ten years prior to the date of application. Experience that does not meet these criteria may be considered at the discretion of the executive director. In subjects for which state registration, certification or licensure is required, the applicant will hold the appropriate license, registration or certificate before the initial career and technical secondary authorization or the career and technical secondary authorization will be issued.

c. The applicant will have verification of educator ethics training.

~~*c.*~~ *d.* During the term of the initial authorization, the applicant will complete board-approved training in the following:

(1) Coursework in the methods and techniques of career and technical education.

(2) Coursework in course and curriculum development.

(3) Coursework in the measurement and evaluation of programs and students.

(4) An approved human relations course.

(5) Coursework in the instruction of exceptional learners to include the education of individuals with disabilities, English language learners and the gifted and talented.

(6) Ethics training.

~~*d.*~~ *e.* The applicant will be assigned a mentor by the hiring school district.

22.3(2) *Validity—initial authorization.* The initial authorization is valid for three years.

22.3(3) *Requirements for the career and technical authorization.* The initial career and technical authorization may be converted to the career and technical authorization if the applicant completes the required coursework set forth in paragraph ~~22.3(1)*"c."*~~ 22.3(1)*"d."* This authorization is valid for five years.

ITEM 2. Amend rule 282—22.8(256) as follows:

282—22.8(256) Activities administration authorization. An activities administration authorization allows an individual to administer any student activity program in a K-12 school setting.

22.8(1) *Requirements.* Applicants for the activities administration authorization will meet the following requirements:

a. *Degree.* A baccalaureate degree or higher ~~related to athletics, physical education or a related field~~ is required. ~~Additional degree areas may be considered at the discretion of the executive director.~~

b. No change.

22.8(2) *Validity.* The activities administration authorization is valid for five years.

ITEM 3. Adopt the following **new** rule 282—22.15(256):

282—22.15(256) Arts and sciences authorization.

22.15(1) *Requirements for the initial arts and sciences authorization.*

a. *Degree.* Applicants will have a minimum of a baccalaureate degree or higher in any field.

b. *Credit hours or experience.* Applicants will meet one of the following qualifications:

(1) Music. K-8 and 5-12.

1. A baccalaureate degree or higher in music, or

2. 24 semester credit hours in music and 6,000 hours of recent and relevant experience.

(2) Art. K-8 and 5-12.

1. A baccalaureate degree or higher in art or,

2. 24 semester credit hours in art and 6,000 hours of recent and relevant work experience.

(3) Science. K-8.

1. A baccalaureate degree or higher in science, or

2. 24 semester credit hours across a broad field of science and 6,000 hours of recent and relevant work experience.

(4) Science—basic. 5-12.

1. A baccalaureate degree or higher in science, or

2. 24 semester credit hours across a broad field of science and 6,000 hours of recent and relevant work experience.

(5) Math. K-8.

1. A baccalaureate degree or higher in math, including algebra, or

2. 24 semester credit hours across a broad field of math including college algebra and 6,000 hours of recent and relevant experience.

(6) Math—basic. 5-12.

1. A baccalaureate degree or higher in math, including algebra and geometry, or

2. 24 semester credit hours across a broad field of math including college algebra and geometry and 6,000 hours of recent and relevant experience.

c. *Experience.* Recent and relevant experience will have been accrued within the ten years prior to the date of application. Experience that does not meet these criteria may be considered at the discretion of the executive director.

d. *Training.* During the term of the initial authorization, the applicant will complete board-approved training in the following:

(1) Coursework in the methods and techniques for the endorsement content sought.

(2) Coursework in course and curriculum development.

(3) Coursework in the measurement and evaluation of programs and students.

(4) Coursework in the instruction of exceptional learners to include the education of individuals with disabilities, English language learners, and the gifted and talented.

(5) Ethics training.

e. *Mentor.* The applicant will be assigned a mentor by the hiring school district.

22.15(2) *Validity—initial authorization.* The initial authorization is valid for three years.

22.15(3) *Requirements for the arts and sciences authorization.* The initial arts and sciences authorization may be converted to the arts and sciences authorization if the applicant completes the required coursework set forth in paragraph 22.15(1)*"d."* This authorization is valid for five years.

22.15(4) *Period of applicability.* This rule ceases to be applicable beginning July 1, 2030.

RA 26-287

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapters 2, 300, 302, and 304
"Health and Human Services Districts"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 217.1B(3) as enacted by 2026 Iowa Acts, House File 2707, and 225A as amended by 2026 Iowa Acts, House File 2707

State or federal law(s) implemented by the rulemaking: Iowa Code section 217.1B as enacted by 2026 Iowa Acts, House File 2707, and Iowa Code chapter 225A as amended by 2026 Iowa Acts, House File 2707

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

Purpose and Summary

This proposed rulemaking implements 2026 Iowa Acts, House File 2707, by creating rules for the Health and Human Services Districts (HHS Districts) enabled by the legislation. The proposed rules outline how the Department will undertake the required HHS District review, including data to be analyzed and mechanisms for feedback.

The proposed rulemaking also implements 2026 Iowa Acts, House File 2707, by making the definition updates in 2026 Iowa Acts, House File 2707, sections 5 through 21, to the Department's Behavioral Health Service System rules.

References to Iowa Code sections 225A.1 and 225A.5 are to those sections as amended by 2026 Iowa Acts, House File 2707. References to Iowa Code sections 217.1 and 217.1B are to those sections as enacted by 2026 Iowa Acts, House File 2707. The reference to Iowa Code section 234A.3 is to that section as enacted by 2026 Iowa Acts, Senate File 2488.

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:**

Iowans will benefit from the integration and coordination of health and human services delivery that are enabled by 2026 Iowa Acts, House File 2707, and this proposed rulemaking.

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

- **Quantitative description of impact:**

There are currently seven HHS districts.

- **Qualitative description of impact:**

Iowans will benefit from the integration and coordination of health and human services delivery that are enabled by 2026 Iowa Acts, House File 2707, and this proposed rulemaking.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs 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:**

Rulemaking is required by Iowa Code section 217.1B(3) as enacted by 2026 Iowa Acts, House File 2707.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 441—Chapter 2:

CHAPTER 2
HEALTH AND HUMAN SERVICES DISTRICTS

441—2.1(217) Definitions. For the purposes of these rules, the following definitions apply:

"Agency action" includes the whole or part of an agency rule or other statement of law or policy, order, decision, license, proceeding, investigation, sanction, relief, or the equivalent or a denial thereof, or a failure to act, or any other exercise of agency discretion or failure to do so, or the performance of any agency duty or the failure to do so.

"Council" means the council on health and human services established in Iowa Code section 217.2.

"District advisory councils" means the advisory councils, including but not limited to those established by Iowa Code sections 225A.5 and 234A.3.

"Efficacy" means the degree to which existing HHS system partners effectively coordinate within a district to ensure statewide delivery of the programs and services offered by each HHS service system.

"Health and human services district" or *"HHS district"* means the same as defined in Iowa Code section 217.1(4).

"Health and human services system" or *"HHS services system"* means any of the statewide service systems administered by the department to provide activities and services to Iowans and communities through HHS system partners.

"HHS system partners" means the department, identified lead entities, and local providers.

"Lead entity" means an HHS district-level coordinating organization responsible for planning, organizing, and assuring delivery of assigned HHS services system activities across all counties within an HHS district.

441—2.2(217) Decennial HHS district review. Beginning in calendar year 2032, the department will review the efficacy of the HHS districts pursuant to Iowa Code section 217.1B(1).

2.2(1) *Data collection and analysis.* On an ongoing basis to facilitate the review, the department will collect data focused on access to care, level of service need, and overall risk of poor health and social outcomes.

2.2(2) *Efficacy.* In determining efficacy, the department may consider:

a. The data collected and analyzed under subrule 2.2(1);

b. The degree to which HHS services systems are able to coordinate service delivery to Iowans;

c. Health and human services outcomes for Iowans as measured by the department; and

d. Any other factors the department determines to be relevant.

2.2(3) *Modification.* Subsequent to the review, the department will determine whether to retain the current HHS district designations or modify them pursuant to Iowa Code section 217.1B(2)*"a."*

441—2.3(217) Public notice and stakeholder engagement. At least one year before the start of each review, the department will publish notice on its website. The notice will include the scope of the review, the timeline for the review, and engagement opportunities, including the date and time of any public hearings.

441—2.4(217) Internal review team. To effectuate the review, the department will assemble a team of department subject matter experts representing each HHS services system and a data analytics expert who will analyze the data collected as it relates to the factors outlined in subrule 2.2(1).

2.4(1) *Preliminary report.* The internal review team will prepare and deliver to the director a report of findings and recommendations. The report will also be published on the department's website and shared with district advisory councils and the council. The report may include:

a. The internal review team's findings on HHS district efficacy;

b. An analysis of the factors outlined in Iowa Code section 217.1B(2)*"a"*;

c. A summary of any public feedback;

d. The internal review team's recommendation on HHS district map retention or revision; and

e. A proposed effective date.

2.4(2) Reserved.

441—2.5(217) Final decision. Within 30 days of receipt of the internal review team's report of findings and recommendations, the director will make a final decision on HHS district map retention or revision. The director's decision is considered final agency action and is not subject to appeal under Iowa Code chapter 17A or 441—Chapter 2506.

These rules are intended to implement Iowa Code section 217.1B.

ITEM 2. Amend rule **441—300.1(225A)**, definition of "District behavioral health service system plan," as follows:

"~~District behavioral~~ Behavioral health district service system plan" or *"district plan"* means a plan developed by the district BH-ASO and approved by the department to ensure access to behavioral health care and behavioral health services throughout a district.

ITEM 3. Amend subrule 302.1(3) as follows:

302.1(3) *~~District behavioral~~ Behavioral health district service system plan.* A BH-ASO will collaborate with the ~~district~~ behavioral health district advisory council and other stakeholders to develop a ~~district~~ behavioral health district service system plan to describe all behavioral health services and supports and other activities in support of the behavioral health system to be delivered by the BH-ASO.

ITEM 4. Amend **441—Chapter 304**, title, as follows:

~~DISTRICT~~ BEHAVIORAL HEALTH DISTRICT ADVISORY COUNCILS

ITEM 5. Amend rule 441—304.1(225A) as follows:

441—304.1(225A) Definitions. For the purpose of this chapter, the following definitions apply:

"Behavioral health district advisory council" or *"advisory council"* means the same as defined in Iowa Code section 225A.1.

"Chairperson" means the chairperson of the ~~district~~ behavioral health district advisory council who has been elected by a majority of advisory council members.

~~*"District behavioral health advisory council"* or *"advisory council"* means the same as defined in Iowa Code section 225A.1.~~

RA 26-288

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 79
"Implementation of 2026 Iowa Acts, House File 2543"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 249A
State or federal law(s) implemented by the rulemaking: 2026 Iowa Acts, House File 2543

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

Purpose and Summary

This proposed rulemaking implements 2026 Iowa Acts, House File 2543, section 3, by referencing new Iowa Code section 135G.3A, which specifies the time frames required for responses to requests for prior authorization of subacute mental health care services under the Medicaid program.

The reference to Iowa Code section 135G.3A is to that section as enacted by 2026 Iowa Acts, House File 2543.

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:**

Providers requesting approval for and Medicaid-covered individuals needing subacute mental health care services 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:**

It is unknown how many requests for prior authorization the Department will receive under the new time frames.

- **Qualitative description of impact:**

Providers requesting approval for and Medicaid-covered individuals needing subacute mental health care services will benefit from the guidance in this proposed rulemaking.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs associated with this proposed rulemaking.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no effect on State revenues.

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

Rulemaking is required by 2026 Iowa Acts, House File 2543, section 3.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend paragraph **79.9(3)"c"** as follows:

c. Decisions regarding approval or denial for items or procedures other than prescription drugs will be made according to the time frames set forth in 42 CFR 438.210(d) as amended to July 1, 2026, or Iowa Code section 135G.3A, as applicable.

RA 26-289

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 106
"Certification Standards for Children's Residential Facilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237C
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 237C

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

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.

Chapter 106 was created to establish certification standards for facilities that meet the definition of "children's residential facility" pursuant to Iowa Code chapter 237C. Iowa Code chapter 237C requires the Department to establish standards that shall, at a minimum, address the following: the basic health and educational needs of children; protection of children from mistreatment, abuse, and neglect; background and record checks of persons providing care to children in facilities certified under Iowa Code chapter 237C; the use of seclusion, restraint, or other restrictive interventions; health; safety; emergencies; and the physical premises on which care is provided by a children's residential facility.

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:**

Children and families in Iowa will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential facilities in the State.

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

- **Quantitative description of impact:**

In the past four fiscal years, Iowa has had two certified agencies across three different sites able to provide care for 94 children.

- **Qualitative description of impact:**

Children and families will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential facilities in Iowa.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

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

The rules set forth in this proposed chapter are appropriate under Iowa Code section 234.6.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This proposed rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 106 and adopt the following **new** chapter in lieu thereof:

CHAPTER 106
CERTIFICATION STANDARDS FOR CHILDREN'S RESIDENTIAL FACILITIES

441—106.1(237C) Definitions.

"Administrator" means the administrator of the department designated by the director to administer this chapter.

"Agency," unless otherwise provided by law, means an individual, corporation, limited liability company, business trust, estate, trust, partnership or association, or any other legal entity that provides care as a children's residential facility.

"Chemical restraint" means the use of chemical agents, including psychotropic drugs, as a form of restraint.

"Child" or *"children"* means an individual or individuals less than 18 years of age.

"Children's residential facility" means the same as defined in Iowa Code section 237C.1(2).

"Control room" means a locked room used for treatment purposes.

"Corporal punishment" means the same as defined in 441—Chapter 125.

"Mechanical restraint" means restriction of a child's mobility or ability to use the child's hands, arms, or legs by the use of a mechanical device.

"Physical restraint" means direct physical contact required on the part of a staff member to prevent a child from hurting self, others, or property.

"Prone restraint" means a physical restraint in which a child is held face down on the floor.

"Protective locked environment" means the same as defined in Iowa Code section 237.1(17). Examples to implement a protective locked environment could include but are not limited to secured doors, delayed locks, secured windows, badge-only access doors, or external fencing around the property perimeter.

"Staff" means any person providing care or services to or on behalf of the facility whether the person is an employee of the facility, an independent contractor or any other person who contracts with the facility, an employee of an independent contractor or any other person who contracts with the facility, or a volunteer.

441—106.2(237C) Application of the standards. These rules apply to all facilities that meet the definition of "children's residential facility" pursuant to Iowa Code chapter 237C. In the event that a children's residential facility is also subject to licensure, certification, registration, or regulation pursuant to another provision of law, those legal requirements take precedence over these rules.

441—106.3(237C) Application for a certificate of approval. A person shall not operate a children's residential facility without a certificate of approval to operate issued by the department.

106.3(1) *Right to apply.*

a. Any adult individual or agency may apply for a certificate of approval.

b. Parties wishing to apply for certification as a children's residential facility shall contact the department using the department's website.

106.3(2) *Application.* An applicant shall complete the Application for License or Certificate of Approval form.

106.3(3) *Withdrawal of an application.* The applicant shall report the withdrawal of an application promptly to the department.

106.3(4) *Evaluation of the application.* Each application will be evaluated by the department to ensure that all standards are met.

a. Before it results in adverse action, a founded abuse report on a director, a sole proprietor involved in the facility's operation, or any facility staff will be evaluated by the department to determine if the abuse merits prohibition of employment, prohibition from volunteer work or decertification.

b. The department will evaluate all founded child abuse on a case-by-case basis. Considerations will include but not be limited to:

(1) The applicant's or certified entity's response.

(2) Whether the abuse was an isolated incident or is symptomatic of a broader, systemic problem.

106.3(5) *Reports and information.* The applicant shall furnish requested reports and information relevant to the certification determination to the department.

106.3(6) *Applications for renewal of certificate of approval.*

a. The department or its agent shall send the certificate of approval holder an application for renewal 90 days before the certificate expires.

b. Applications for renewal of a children's residential facility certificate of approval shall be submitted to the department at least 30 days but no more than 90 days before the certificate of approval expires.

106.3(7) *Notification.* The department will notify a children's residential facility of approval or denial of a certificate within 90 days of the department's receipt of complete application or reapplication information.

106.3(8) *Fire inspection.*

a. Before the administrator issues or reissues a certificate of approval to a children's residential facility, the facility shall comply with standards adopted by the state fire marshal under Iowa Code chapter 100.

b. Each children's residential facility shall procure an annual fire inspection approved by the state fire marshal and shall meet the recommendations thereof.

c. In the case of a conflict between rules and standards adopted pursuant to this chapter and local rules and standards, the more stringent requirement applies.

441—106.4(237C) Certificate of approval.

106.4(1) A new certificate of approval shall be obtained when the certified location moves or the facility is remodeled.

106.4(2) The certificate of approval shall state on its face the name of the holder of the certificate, the particular premises for which the certificate is issued, and the number of children who may be cared for by the children's residential facility on the premises at one time under the certificate of occupancy issued by the state fire marshal. The certificate of approval shall be posted in a conspicuous place in the children's residential facility.

106.4(3) A children's residential facility shall operate only in a building or on premises designated in the certificate of approval.

106.4(4) A new certificate of approval shall be requested when the children's residential facility wishes to be certified for a different number of children.

106.4(5) The department will issue the Certificate of Approval form without cost to any children's residential facility that meets the standards. The department may offer consultation to assist applicants in meeting the standards.

106.4(6) Children's residential facilities shall be certified for a term of one year.

441—106.5(237C) Denial, suspension, or revocation.

106.5(1) The department may deny an application for issuance or reissuance of a certificate of approval if:

a. The applicant or certificate holder fails to comply with these rules or knowingly makes a false statement concerning a material fact or conceals a material fact on the application for the issuance or reissuance of a certificate of approval or in a report regarding operation of the children's residential facility submitted to the department.

b. The applicant or any person residing in the children's residential facility or any facility staff has a record of founded child abuse unless an evaluation of the founded abuse has been made by the department that concludes that the abuse does not merit prohibition of employment, volunteer work, or certification.

106.5(2) The administrator may suspend a certificate of approval if:

a. The applicant or certificate holder fails to comply with these rules or knowingly makes a false statement concerning a material fact or conceals a material fact on the application for the issuance or reissuance of a certificate of approval or in a report regarding operation of the children's residential facility submitted to the department.

b. A children's residential facility's failure to meet the certification requirements poses a danger to the health, safety, or well-being of the children being served.

c. A children's residential facility fails to comply with Iowa Code section 282.34.

106.5(3) All operations of a children's residential facility shall cease during a period of suspension or revocation of a certificate of approval, including during an appeal. A suspension of a certificate of approval cannot extend beyond six months, and the existence of the condition requiring suspension shall be corrected within six months and documented in the record of the holder of the certificate of approval.

106.5(4) A suspension shall be effective on the date the notice is received by the holder of the certificate of approval and shall remain in effect until one of the following occurs:

a. The department withdraws the suspension due to a change in conditions in the children's residential facility.

b. The court orders the certificate of approval reinstated.

c. The action is reversed by a final decision in accordance with 441—Chapter 2506.

d. The certification period expires.

106.5(5) The notice of suspension will be sent in writing and will include the following:

a. The condition requiring the suspension.

b. The specific law or rule violated.

106.5(6) The department may revoke a certificate of approval if:

a. The applicant or certificate holder fails to comply with these rules or knowingly makes a false statement concerning a material fact or conceals a material fact on the application for the issuance or reissuance of a certificate of approval or in a report regarding operation of the children's residential facility submitted to the administrator.

b. The conditions requiring suspension are not corrected within six months.

c. A children's residential facility fails to comply with Iowa Code section 282.34.

106.5(7) Right to appeal suspension or revocation. The holder of the certificate of approval has the right to appeal a suspension or revocation of the certificate of approval, but initiation of an appeal does not alter the suspension or revocation. Notices of adverse actions and the right to appeal shall be given to applicants and certificate of approval holders in accordance with 441—Chapter 16 and 441—Chapter 2506.

106.5(8) Corrective action. The facility shall furnish the department with a plan of action to correct deficiencies that resulted in the suspension or revocation of a certificate of approval. The plan shall give specific dates upon which the corrective action will be completed.

441—106.6(237C) Providing for basic needs.

106.6(1) A children's residential facility shall provide the following for children in its care:

a. Shelter.

b. Nourishing food and water.

c. Opportunities for sleep, exercise, cleanliness, and health maintenance.

106.6(2) A children's residential facility shares responsibility for meeting these basic needs with the children's parents, guardians, or other primary caretakers.

106.6(3) A children's residential facility shall have written policies related to:

a. Children's communication with their parents or guardians.

b. Children's ability to receive visitors who have been approved by their parents or guardians.

c. Confidentiality and reasonable privacy for children. The children's residential facility shall afford children and their families privacy and confidentiality unless doing so would jeopardize a child's health or safety.

d. Children's ability to keep personal belongings such as clothing, pictures, and other items.

e. Children's ability to participate in standard community activities.

106.6(4) A children's residential facility cannot impose rules and restrictions that prevent communication with parents, guardians, other family members, or others.

106.6(5) A children's residential facility shall share its written policies related to communication, visitors, personal belongings, and participation in community activities with a child's parents or guardians before a child is admitted to the children's residential facility.

441—106.7(237C) Educational programs and services. A children's residential facility operating under a certificate of approval issued under Iowa Code chapter 237C shall comply with rules adopted by the state board of education pursuant to Iowa Code section 282.34.

441—106.8(237C) Protection from mistreatment, physical abuse, sexual abuse, and neglect.

106.8(1) The state of Iowa prohibits child abuse as defined in Iowa Code section 232.68(2)*"a,"* criminal assault, and other criminal acts of violence. A children's residential facility shall not use physical discipline that amounts to child abuse or a criminal act of assault or violence.

106.8(2) A children's residential facility's written policies shall:

a. Prohibit mistreatment, physical abuse, sexual abuse, and neglect of children.

b. Specify reporting and enforcement procedures for the children's residential facility. Alleged violations shall be reported immediately to the director of the facility and appropriate department personnel.

c. Prohibit the use of corporal punishment. The facility's policies shall clearly prohibit staff or the children from utilizing corporal punishment as a method of discipline or correcting children.

106.8(3) The policies in subrule 106.8(2) shall be communicated in writing to all staff of the facility.

441—106.9(237C) Discipline.

106.9(1) The facility shall have written policies, which shall be available to all staff and to the child's family, regarding methods used for control and discipline of children. Agency staff shall be in control of and responsible for discipline at all times. Discipline shall not include the withholding of basic necessities, such as food, clothing, or sleep.

106.9(2) Corporal punishment is prohibited. The facility shall have a policy that clearly prohibits staff from utilizing corporal punishment as a method of disciplining or correcting children. This policy is to be communicated in writing to all staff of the facility.

106.9(3) The administration of discipline by a child to another child is prohibited.

106.9(4) The facility shall make available to the child and the child's parents or guardian written policies regarding the following areas:

a. The general expectation of behavior, including the facility's rules and practices.

b. The range of reasonable consequences that may be used to deal with inappropriate behavior.

106.9(5) Discipline policies shall be discussed with:

a. All staff, volunteers, or others who perform duties under a subcontract with the children's residential facility; and

b. Parents or guardians before children are admitted to the children's residential facility.

441—106.10(237C) Record checks.

106.10(1) A children's residential facility shall conduct record checks for:

a. Any owner, director, staff member, volunteer, or other person who performs duties under a subcontract with the children's residential facility and who:

(1) Has direct responsibility for children, or

(2) Has access to a child when the child is alone.

b. Anyone living in the children's residential facility who is 14 years of age or older.

106.10(2) The record checks shall be conducted to determine whether the person:

a. Has any founded child abuse reports.

b. Has any founded dependent adult abuse reports.

c. Has any criminal convictions.

d. Has been placed on the sex offender registry.

106.10(3) Every applicant for employment shall submit to the children's residential facility a written, signed and dated statement that discloses:

a. Any substantiated instances of child abuse, neglect, or sexual abuse committed by the person.

b. Any substantiated instances of dependent adult abuse committed by the person.

c. Any convictions of crimes involving the mistreatment or exploitation of a child.

106.10(4) A children's residential facility may request additional information from the central abuse registry or the department of public safety.

106.10(5) If a record of criminal conviction or founded child abuse or founded dependent adult abuse exists, the children's residential facility shall evaluate the crime or founded child abuse or dependent adult abuse to determine whether or not the crime or founded child abuse or founded dependent adult abuse merits prohibition of employment or any voluntary or subcontracted position. The evaluation shall consider:

a. The nature and seriousness of the crime or founded abuse in relation to the position sought,

b. The time elapsed since the commission of the crime or founded abuse,

c. The circumstances under which the crime or founded abuse was committed,

d. The degree of rehabilitation,

e. The number of crimes or founded abuses committed by the person involved, and

f. The likelihood that the person will commit the crime or founded abuse again.

441—106.11(237C) Seclusion and restraints.

106.11(1) A children's residential facility shall not physically restrain a child unless necessary to prevent the child from hurting self, others, or property. Physical restraint must be conducted in a standing position whenever possible. Prone restraint is prohibited.

a. No staff person shall use any restraint that obstructs the airway of a child.

b. Staff persons who find themselves involved in the use of a prone restraint when responding to an emergency must take immediate steps to end the prone restraint.

c. If a staff person physically restrains a child who uses sign language or an augmentative mode of communication as the child's primary mode of communication, the child shall be permitted to have the child's hands free of restraint for brief periods unless the staff person determines that such freedom appears likely to result in harm to the child, others, or property.

d. The rationale and authorization for the use of physical restraint and staff action and procedures carried out to protect the child's rights and to ensure safety shall be clearly set forth in the child's record by the responsible staff persons.

106.11(2) A children's residential facility shall not put a child into time-out seclusion for more than one hour. A child shall never be secluded in an area that is locked or out of the view of staff, volunteers, or others who perform duties under a subcontract with the children's residential facility.

106.11(3) At no time shall a children's residential facility use a control room, mechanical restraint, or chemical restraint.

441—106.12(237C) Health.

106.12(1) A children's residential facility shall obtain, store, prepare, and serve food and water free from contamination.

106.12(2) A children's residential facility shall have written health policies that describe how the facility will care for a sick child residing there.

106.12(3) A children's residential facility shall have written policies and procedures related to disease control and the use of universal precautions for handling of any bodily excrement or discharge, including blood and breast milk. A children's residential facility shall take precautions to prevent the spread of infectious and communicable disease.

106.12(4) A children's residential facility shall seek immediate medical attention for a child when it is necessary to ensure that the child remains healthy. There shall be 24-hour emergency and routine medical and dental services available and provided when prescribed. Provision of these services shall be documented.

106.12(5) A children's residential facility shall have written policies and procedures to ensure that staff, volunteers, or others who perform duties under a subcontract with the children's residential facility demonstrate clean personal hygiene sufficient to prevent or minimize the transmission of illness or disease and are certified in the provision of first aid and cardiopulmonary resuscitation.

106.12(6) A children's residential facility shall be required to report any reportable disease to the department.

106.12(7) A children's residential facility shall have written policies on physical examination reports or health status statements for all children in the facility's care.

106.12(8) A children's residential facility shall have written policies and procedures for the dispensing, storage, authorization, and recording of all prescription and nonprescription medications.

106.12(9) A children's residential facility shall ensure that a clearly labeled first-aid kit is available and easily accessible to staff, volunteers, or others who perform duties under a subcontract with the children's residential facility at all times when children are in the facility, in the outdoor play area, and on field trips. The first-aid kit shall be sufficient to address first aid related to minor injury or trauma and shall be stored in an area inaccessible to children.

106.12(10) A children's residential facility shall have written policies on reporting illness or injury to parents or guardians. These policies shall be shared with parents or guardians before a child is admitted to the children's residential facility. A significant change in health status or incidents resulting in a serious injury to or death of a child shall be reported immediately to the parent or guardian and the department.

106.12(11) A children's residential facility shall have written policies on smoking and tobacco use that comply with Iowa state law.

441—106.13(237C) Safety.

106.13(1) A children's residential facility shall provide a sufficient number of staff to ensure safe practices that are based on the ages and needs of the children in care to ensure adequate supervision and child safety. This requirement applies to daytime and overnight hours.

106.13(2) Poison control centers' telephone numbers shall be posted in prominent locations and readily available. All poisonous or caustic drugs or materials shall:

a. Be plainly labeled.

b. Be stored separately from other drugs in a specific, well-illuminated cabinet, closet, or storeroom.

c. Be stored in a manner that prevents accidental or intentional ingestion.

d. Be accessible only to authorized persons.

106.13(3) A children's residential facility shall have written policies regarding any bodies of water located on or near the facility's grounds and accessible to children.

a. All swimming pools shall conform to state and local health and safety regulations.

b. Adult supervision shall be provided at all times when children are near or in the water.

106.13(4) A children's residential facility shall have written policies regarding transportation of a child that ensure compliance with Iowa Code section 321.446 regarding child restraint devices.

a. Drivers of vehicles shall possess a valid driver's license.

b. Drivers shall not operate a vehicle while under the influence of alcohol, illegal drugs, or prescription or nonprescription drugs that could impair the drivers' ability to operate a motor vehicle.

c. All vehicles used for children's residential facility activities shall be maintained in safe operating condition.

d. A children's residential facility shall have proof of current insurance that covers all vehicles and drivers used to transport children.

106.13(5) Animals kept on site shall:

a. Be in good health with no evidence of disease.

b. Be of such disposition as to not pose a safety threat to any person.

c. Be maintained in a clean and sanitary manner.

106.13(6) Weapons and ammunition are prohibited on the premises of a children's residential facility.

441—106.14(237C) Emergencies.

106.14(1) A children's residential facility shall have written emergency plans for responding to evacuations, fires, tornadoes, floods, blizzards, other weather incidents, power failures, bomb threats, chemical spills, earthquakes, or other natural or manmade disasters that could create structural damage to the children's residential facility or pose health or safety hazards.

a. The emergency plans shall include guidelines for responding to situations involving intruders within the children's residential facility and grounds, intoxicated persons, lost or abducted children, and evacuations.

b. Emergency plans shall be coordinated with county emergency planning agencies.

c. Evacuations and how to seek protective shelter shall be practiced at a cadence set forth by the facility's emergency preparedness plans.

106.14(2) The emergency plans shall include procedures for annual training regarding the contents and implementation of the plans for staff, volunteers, or others who perform duties under a subcontract with the children's residential facility.

106.14(3) A children's residential facility shall have:

a. Written policies and procedures for medical and dental emergencies.

b. Sufficient information and authorization to meet the medical and dental needs or emergencies of children.

106.14(4) Emergency telephone numbers shall be readily available, including emergency telephone numbers for parents or guardians.

441—106.15(237C) Buildings and physical premises. A children's residential facility shall ensure that the facility and grounds and all related equipment are safe and free from hazards.

106.15(1) A children's residential facility shall comply with requirements established by the fire marshal for the applicable type of occupancy and shall comply with any applicable additional fire safety requirements established by local ordinance, including fire inspections.

106.15(2) A children's residential facility shall be structurally sound. Any new facility or existing facility that is extensively renovated shall be constructed in compliance with applicable requirements of the state of Iowa building code established pursuant to Iowa Code chapter 103A and with any local building code in force at the time of construction.

106.15(3) A children's residential facility located in a building built before 1960 shall conduct a visual assessment for lead hazards that exist in the form of peeling or chipping paint.

a. If the presence of peeling or chipping paint is found, the paint shall be presumed to be lead-based paint unless a certified inspector as defined by the department determines that the paint is not lead-based.

b. In the absence of the determination that peeling or chipping paint is not lead-based, a children's residential facility shall use safe work methods as defined by the department to eliminate human exposure or likely exposure to lead-based paint hazards.

106.15(4) Living areas.

a. All living areas shall:

(1) Have screens on windows used for ventilation.
(2) Be maintained in clean and sanitary conditions.
(3) Be in safe repair.
(4) Provide for adequate lighting when natural sunlight is inadequate.
(5) Have heating and storage areas separated from sleeping or play areas.
(6) Have walls and ceiling surfaced with materials that are asbestos-free.
b. All sleeping rooms shall:
(1) Provide a minimum of 60 square feet per child for multiple occupancy.
(2) Provide a minimum of 80 square feet per child for single occupancy.
(3) Not sleep more than four children per room.
(4) Be of finished construction.
c. Rooms above ground shall have a ceiling height of at least 7 feet, 6 inches.
d. Rooms below ground shall:
(1) Have a ceiling height of at least 6 feet, 8 inches.
(2) Have a window area of at least 2 percent of the floor area unless mechanical ventilation is provided that is capable of removing dampness and odors.
(3) Have floor and walls constructed of concrete or other materials and free from groundwater leakage.

106.15(5) Bedrooms.
a. Each child in care shall have a solidly constructed bed.
b. Sheets, pillowcases, and blankets shall be provided for each child and shall be kept clean and in good repair.
c. Each child in care shall have storage space for private use.
d. No child over the age of five years shall occupy a bedroom with a member of the opposite sex.

106.15(6) Heating, ventilation, and air conditioning (HVAC).
a. The heating unit shall be located and operated to maintain the temperature in the living quarters at a minimum of 65 degrees Fahrenheit and a maximum of 80 degrees Fahrenheit. Variances may be made in case of health problems. Temperature is measured at 24 inches above the floor in the middle of the room.
b. All space heaters and water heaters involving the combustion of fuel, such as gas, oil or similar fuel, shall be vented to the outside. Space heaters are only allowed in common areas.
c. All gas and oil lines for heating systems, water heaters, and stoves/ovens shall meet existing building and health code requirements.
d. The HVAC system shall be checked yearly by a qualified HVAC professional and maintained in a safe working condition at all times.

441—106.16(237C) Sanitation, water, and waste disposal. In the case of a conflict between rules and standards adopted pursuant to this chapter and local rules and standards, the more stringent requirement applies.

106.16(1) *Bathroom facilities.*
a. Bathrooms shall have an adequate supply of hot and cold running water.
b. Each bathroom shall be properly equipped with toilet tissue and hand-washing supplies.
c. Toilets and baths or showers shall provide for individual privacy.
d. There shall be a shower or tub for each ten children.
e. Tubs and showers shall have slip-proof surfaces.
f. At least one toilet and one lavatory shall be provided for each six children.
g. Toilet facilities shall be provided with natural or artificial ventilation capable of removing odors and moisture.
h. Toilet facilities adjacent to a food preparation area shall be separated completely by an enclosed solid wall.

i. All toilet facilities shall be kept clean.

j. When more than one toilet is used in one bathroom, partitions providing privacy shall be used.

k. All bathroom facilities shall be maintained in good operating condition.

106.16(2) *Food preparation and storage.*

a. Cracked dishes and utensils cannot be used in the preparation, serving, or storage of food.

b. Storage areas for perishable foods shall be kept at 45 degrees Fahrenheit or below.

c. Storage areas for frozen foods shall be kept at 0 degrees Fahrenheit or below.

d. Food that is to be served hot shall be maintained at 140 degrees Fahrenheit or above.

e. Food that is to be served cold shall be maintained at 45 degrees Fahrenheit or below.

f. The kitchen and food storage areas shall be kept clean and neat. Foods cannot be stored on the floor.

g. The floor and walls shall be of smooth construction and in good repair.

106.16(3) *Personnel handling food.* Personnel who handle food shall:

a. Be free of infection.

b. Be clean and neatly groomed.

c. Wear clean clothes.

d. Not use tobacco in any form while preparing or serving food.

106.16(4) *Dishwashing facilities.*

a. Manual dishwashing will be allowed in facilities that normally serve 15 or fewer people at one meal.

b. Commercial dishwashers shall be used in facilities serving more than 15 people at one meal and shall meet the following criteria:

(1) When chemicals are added for sanitation purposes, they shall be automatically dispensed.

(2) Machines using hot water for sanitizing must maintain wash water at a temperature of at least 150 degrees Fahrenheit and rinse water at a temperature of at least 180 degrees Fahrenheit or a single temperature machine at 165 degrees Fahrenheit for both wash and rinse.

(3) All machines shall be thoroughly cleaned and sanitized at least once each day or more often if necessary to maintain satisfactory operating condition.

c. Soiled and clean dish table areas shall be of adequate size to accommodate the dishes for one meal.

d. All handheld food preparation and serving equipment shall be cleaned and sanitized following each meal. Dispensers, urns, and similar equipment shall be cleaned and sanitized daily.

106.16(5) *Foods not prepared at site of serving.*

a. The place where food is prepared for off-site serving shall conform to all requirements for on-site food preparation.

b. Food shall be transported in covered containers or completely wrapped or packaged so as to be protected from contamination.

c. During transportation, and until served, hot foods shall be maintained at 140 degrees Fahrenheit or above and cold food shall be maintained at 45 degrees Fahrenheit or below.

106.16(6) *Milk supply.* Milk shall be pasteurized Grade A.

106.16(7) *Public water supply.* The water supply is approved when the water is obtained from a public water supply system, as regulated by the department of natural resources.

106.16(8) *Private water supplies.* Any facility that serves at least 25 people for at least 60 days during the year and is supplied by its own well meets the definition of a public water supply and must be regulated by the department of natural resources.

a. Each privately operated water supply shall be maintained and operated in a manner that ensures safe drinking water. Each water supply used as part of a facility shall be annually inspected and evaluated for deficiencies that may allow contaminants access to the well interior. Items such as open or loose well caps, missing or defective well vents, poor drainage around the wells, and the nearby storage of potential contaminants shall be evaluated. All deficiencies shall be corrected within 30 days of discovery by a well contractor certified by the state.

b. As part of the inspection and evaluation, water samples shall be collected and submitted by the local health sanitarian or a well contractor certified by the state to the state hygienic laboratory or other laboratory certified for drinking water analysis by the department of natural resources. The minimum yearly water analysis shall include coliform bacteria and nitrate (NO3-) content. Total arsenic testing shall be performed once every three years. The water shall be deemed safe when there are no detectible coliform bacteria, when nitrate levels are less than 10 mg/L as nitrogen, and when total arsenic levels are 10 µg/L or less. A copy of the laboratory analysis report shall be provided to the department within 72 hours of receipt by the water supply.

c. When the water supply obtains water from more than one well, each well connected to the water distribution system shall meet all of the requirements of these rules.

d. When no apparent deficiencies exist with the well or its operations and the water supply is proven safe by meeting the minimum sampling and analysis requirements, water safety requirements have been met. Wells with deficiencies that result in unsafe water analysis require corrective actions through the use of a well contractor certified by the state.

e. When the water supply is proven unsafe by sampling and analysis, the facility shall immediately provide a known source of safe drinking water for all water users and hang notification at each point of water use disclosing the water is not safe to consume. In addition, the facility shall provide a written statement to the department disclosing the unsafe result and detail a plan on how the water supply deficiencies will be corrected and the supply brought back into a safe and maintained condition. The statement shall be submitted to the department within ten days of the laboratory notice. All corrective work shall be performed and the water supply sampled and analyzed again within 45 days from any water test analysis report that indicates the water supply is unsafe for drinking water uses.

f. Water obtained from another source through hauling and storage must meet the requirements of the department of natural resources.

106.16(9) *Heating or storage of hot water.* Each tank used for the heating or storage of hot water shall be provided with a pressure and temperature relief valve.

106.16(10) *Sewage treatment.*

a. A children's residential facility shall be connected to a public sewer system where available.

b. Private sewage disposal systems shall be designed, constructed, and maintained so that no unsanitary or nuisance conditions exist, such as surface discharge of raw or partially treated sewage or failure of the sewer lines to convey sewage properly.

106.16(11) *Garbage storage and disposal.*

a. A sufficient number of garbage and rubbish containers shall be provided to properly store all material between collections.

b. Containers shall be insect-proof, rodent-proof, and leakproof and shall be maintained in a sanitary condition.

441—106.17(237C) Staffing.

106.17(1) Children's residential facility staff shall be 21 years of age or older with appropriate training and experience related to job duties.

106.17(2) A children's residential facility shall have written policies and procedures regarding staff supervision, development, training requirements, and orientation to children's residential facility policies and practices.

106.17(3) A children's residential facility shall provide a sufficient number of staff to ensure proper supervision and child safety at all times and at all activities conducted by a children's residential facility off its premises.

441—106.18(237C) Reports and inspections.

106.18(1) The department may require submission of reports by a certificate of approval holder and will cause at least one annual unannounced inspection of a children's residential facility to assess compliance with applicable requirements and standards.

106.18(2) The inspections shall be conducted by the department of inspections, appeals, and licensing in addition to initial, renewal, and other inspections that result from complaints or self-reported incidents.

106.18(3) The department of inspections, appeals, and licensing and the department may examine records of a children's residential facility and may inquire into matters concerning the children's residential facility and its employees, volunteers, and subcontractors relating to requirements and standards for children's residential facilities under this chapter.

441—106.19(232) Mandatory reporting of child abuse.

106.19(1) *Mandatory reporters.* Any employee, operator, owner, or other person who performs duties for a children's residential facility shall make a report, in accordance with Iowa Code section 232.69, whenever that person reasonably believes a child for whom the person is providing care has suffered abuse.

106.19(2) *Required training.* Staff shall receive training relating to the identification and reporting of child abuse as required by Iowa Code section 232.69.

106.19(3) *Training documentation.* The certified children's residential facility shall develop and maintain a written record for each employee, operator, owner, or other person who performs duties for the children's residential facility in order to document the content and amount of training.

These rules are intended to implement Iowa Code section 232.69 and chapter 237C.

RA 26-290

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 112
"Licensing and Regulation of Child Foster Care Facilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237.3
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 237 and section 232.69

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

Purpose and Summary

This chapter was reviewed as part of the Red Tape Review process laid out by Executive Order 10. Through the review, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter relates to licensing procedures for all child foster care facilities authorized by Iowa Code chapter 237.

The reference to 441—subrule 117.1(3) in rule 441—112.10(237) is to that subrule as proposed in a concurrent rulemaking (**RA 26-293**, IAB 9/16/26).

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:**

Children, families, and facilities charged with the care of children within the foster care system benefit from having updated, concise, and clear rules regarding the licensing of child foster care facilities in Iowa.

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

- **Quantitative description of impact:**

For SFY 26, there were 1,643 children in foster care and a total of 2,062 eligible foster homes.

- **Qualitative description of impact:**

Children, families, and facilities charged with the care of children within the foster care system benefit from having updated, concise, and clear rules regarding the licensing of child foster care facilities in Iowa.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

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

The rules set forth in this proposed chapter are required by Iowa Code section 237.3.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 112 and adopt the following **new** chapter in lieu thereof:

CHAPTER 112
LICENSING AND REGULATION OF CHILD FOSTER CARE FACILITIES

441—112.1(237) Definitions.

"Applicant" means any one of the following:

1. For a foster family home license, the applicant is the person or persons applying.
2. For a proprietary facility, the applicant is the owner or designee of the facility.
3. For facilities having a board of directors, the applicant may be the president of the board or the board's designee.

"Foster family home" means a home in which an individual person or persons or a married couple who wishes to provide or is providing, for a period exceeding 24 consecutive hours, board, room, and care for a child in a single-family living unit.

"Group facility" means any of the following types of facilities:

1. "Community residential facility" means a facility that provides care for children who are considered unable to live in a family situation due to social, emotional or physical disabilities but are capable of interacting in a community environment with a minimum amount of supervision. The facility provides 24-hour care, including board and room. Community resources are used for education, recreation, medical, social and rehabilitation services. The facility is responsible for planning the daily activities of the children, discipline, guidance, peer relationships, and recreational programs.
2. "Comprehensive residential facility" means a facility that provides care and treatment for children who are unable to live in a family situation due to social, emotional, or physical disabilities and who require varying degrees of supervision as indicated in the individual service plan. Care includes room and board. Services include the internal capacity for individual, family, and group treatment. These services and others provided to the child shall be under the administrative control of the facility. Community resources may be used for medical, recreational, and educational needs.
3. "Residential facility for children with an intellectual disability or brain injury" means any residential facility that serves children with an intellectual disability as defined in Iowa Code section 222.2(5).

441—112.2(237) Application for license.

112.2(1) *Right to apply.* Any adult individual or agency has the right to apply for a license.

a. *Foster family care.* A person wishing to apply to be a foster parent shall contact the department's recruitment and retention contractor to request an application packet. This procedure also applies to:

(1) Persons wishing to care for children placed through any public or private agency.

(2) A relative who is caring for a child directly placed by the child's parents, guardians, or another relative and who wishes to be licensed as a foster parent.

b. *Group care.* A person wishing to apply for a group care license may contact the department for an application or access an application through the department's website.

112.2(2) *Decision to operate a facility.*

a. When an applicant has reached a decision to operate a foster family home, the applicant shall complete the Foster Family Home License Application form.

b. When an applicant has reached a decision to operate a group facility, the applicant shall complete the Application for License or Certificate of Approval form.

112.2(3) *Withdrawal of an application.* The applicant shall report the withdrawal of an application promptly to the department.

112.2(4) *Evaluation of the application.* Each application will be evaluated by the department to ensure that all standards are met.

a. Before it results in adverse action, a founded abuse report on a director, a sole proprietor involved in the facility's operation, or any facility staff or foster parent applicant will be evaluated by the department to determine if the abuse merits prohibition of employment or licensure.

b. The department will evaluate all founded child abuse on a case-by-case basis. Considerations will include but not be limited to:

(1) The facility's response (e.g., immediate termination of involved staff).

(2) Whether the abuse was an isolated incident or is symptomatic of a broader, systemic problem.

112.2(5) *Reports and information.* Requested reports and information relevant to the licensing determination shall be furnished to the department by the applicant.

112.2(6) *Applications for renewal.*

a. The department will send the licensee an application for renewal 90 days before the license expires. Applications for license renewal shall be made on the form prescribed by the department.

b. Applications for renewal shall be made at least 30 days but no more than 90 days before the license expires.

c. The department will approve or deny an application for license renewal through the same process as that used for the original application.

112.2(7) *Notification.*

a. *Foster family homes.*

(1) The department will notify an applicant of the approval or denial of an initial license within 140 days of the date that the applicant begins the required preservice training. When preservice training is waived, the department will notify the applicant of approval or denial within 120 days of the date that the training waiver is granted.

(2) The department will notify a licensee of the approval or denial of license renewal within 90 days of reapplication.

b. *Foster group facilities.* The department will notify a foster group facility of approval or denial of a license within 90 days of application or reapplication.

441—112.3(237) License.

112.3(1) A new license shall be obtained each time the licensee moves or the facility is remodeled.

112.3(2) A new license shall be requested when the facility wishes to be licensed for a different number of children.

112.3(3) When corrective action is completed on or before the date specified on a provisional or renewal license, a full license will be issued for the remainder of the licensure term.

112.3(4) When the corrective action is not completed by the date specified on a provisional or renewal license, a full license will be denied.

112.3(5) The department will issue the Certificate of License form without cost to any foster family that meets the standards. The department will issue the Certificate of License form without cost to any group facility that meets the standards. The department may offer consultation to assist applicants in meeting the standards.

112.3(6) A foster family home license will be approved for a term of one year for the first and second years of licensure. Thereafter, the license will be approved for a term of two years unless it is determined by the department that a one-year license will be issued.

112.3(7) A group facility license will be approved for a term of one to three years according to the following criteria:

a. A one-year license may be approved for all new facilities that meet licensure standards.

b. A one- to two-year license may be approved when it is determined:

(1) Some health or safety concerns have been identified; or

(2) Some complaints against a facility have been substantiated; or

(3) Deficiencies have been identified.

c. A three-year license may be approved when:

(1) No health or safety deficiencies have been identified;

(2) There have either been no substantiated complaints against the facility or, if substantiated, complaints have been determined not to be serious or severe; and

(3) A facility has no founded incidents of child abuse by facility staff.

441—112.4(237) Denial.

112.4(1) The department will deny the license application:

a. When the minimum standards are not met and a provisional license is inappropriate or disapproved by the department.

b. For just cause.

c. When the applicant, as a sole proprietor or a foster family home parent; any person residing in the foster family home other than a foster child; or any facility staff has been convicted of a crime unless an evaluation of the crime has been made by the department that concludes that the crime does not merit prohibition of employment or licensure.

d. When the applicant, as a sole proprietor or foster family home parent; any person residing in the foster family home other than a foster child; or any facility staff has a record of founded child abuse unless an evaluation of the founded abuse has been made by the department that concludes that the abuse does not merit prohibition of employment or licensure.

e. When the application is fraudulent, which means that the applicant has knowingly made fraudulent statements or has knowingly concealed information.

112.4(2) Reapplications shall be denied:

a. For the same reasons as original applications.

b. For the same reasons as listed in the grounds for revocation.

c. When the foster family applicant's license has been denied or revoked within the 12 months before the date of reapplication. Denial for this reason does not require a licensing study.

d. If the foster family refuses to engage as a resource to a foster child's birth parents when engagement can be done in a way that does not put the foster family or the foster child at risk of harm.

441—112.5(237) Revocation.

112.5(1) *Mandatory.* The department will revoke the license for the following reasons unless an exception as set forth in subrule 112.5(3) applies:

a. When the facility is misusing funds furnished by the department.

b. When the facility is operating without due regard to the health, sanitation, hygiene, comfort, or well-being of the children in the facility.

c. When the director or sole proprietor involved in the operation of the facility, or foster parent, any person residing in the foster home other than a foster child, or any facility staff has been convicted of a crime unless an evaluation of the crime has been made by the department that concludes that the crime does not merit prohibition of employment or licensure.

d. When there is a founded abuse report on a foster family home parent, any person residing in a foster family home other than a foster child, a director or sole proprietor who is involved in the facility's operation, or any facility staff unless an evaluation of the founded abuse has been made by the department that concludes that the abuse does not merit prohibition of employment or licensure.

112.5(2) *Optional.* Licenses may be revoked for any of the following reasons unless an exception as set forth in subrule 112.5(3) applies:

a. When moving to a new home, the foster family fails to notify the department and the recruitment and retention contractor within seven working days of the move to a new home.

b. The foster family or facility fails to meet any or all requirements of the placement agreement.

c. The child foster care facility fails to continue to comply with all of the licensing requirements in both law and regulation.

d. The foster family or the staff of a licensed group facility refuses to cooperate with an unannounced visit.

112.5(3) *Exceptions.* The license for a foster family home will not be revoked when there are 30 or fewer days until the date the license expires.

a. The foster family home will be advised in writing that a reapplication may be denied and the reasons for the possible denial.

b. The foster family home license may be suspended immediately at the discretion of the department.

441—112.6(237) Provisional license.

112.6(1) *Time frame for provisional licenses.* The department may issue a provisional license for not more than one year when a licensee's facility does not meet the requirements of this chapter.

112.6(2) *Written report.* The department will provide a report identifying the reasons for the provisional license and the standards that have not been met.

112.6(3) *Corrective action plan.* The facility shall furnish the licensing agency with a plan of action to correct deficiencies listed that resulted in the provisional license. The plan shall give specific dates upon which the corrective action will be completed.

441—112.7(237) Adverse actions. Notice of adverse actions shall be given pursuant to 441—Chapter 16 and the right to appeal the licensing decision shall be given to applicants and licensees in accordance with 441—Chapter 2506. Any issues of placement or payment are independent of the licensing decision and right of appeal.

441—112.8(237) Suspension.

112.8(1) *Types of suspension.* There are two types of suspension of a license.

a. Emergency suspensions are to prevent persons from providing foster care by suspending their license until it is revoked or denied.

b. Time-limited suspensions are to prevent persons from providing foster care by suspending their license until a deficiency in the home or facility is corrected.

112.8(2) *Requirements for emergency suspension.* The emergency suspension of a license by the department will occur only when all of the following conditions exist:

a. The licensee fails to meet licensing requirements.

b. There are sufficient grounds for revocation or denial of the license.

c. The health, safety, and welfare of any child placed in the home or facility requires immediate action.

d. The existence of the condition requiring suspension is documented in the licensee's record.

112.8(3) *Requirements for time-limited suspensions.* The time-limited suspension of a license by the department will occur only when all of the following conditions exist:

a. The licensee fails to meet licensing requirements.

b. The health, safety, and welfare of any child placed in the home or facility requires immediate action.

c. The existence of the condition requiring suspension is documented in the licensee's record.

d. The condition requiring the suspension can be corrected by the licensee to meet licensing requirements.

e. If the conditions were corrected, a full license would be issued.

f. The licensee signs a written statement acknowledging the existence of the condition, citing the law or rule violated, and making a commitment to correct the condition within a specific time period, not to exceed the period of the license.

112.8(4) *Effective period of suspensions.* A suspension will be effective on the date the notice is received by the licensee and will remain in effect until one of the following occurs:

a. The department withdraws the suspension due to a change in conditions in the home or facility.

b. The court orders the license reinstated.

c. The action is reversed by a final decision in accordance with 441—Chapter 2506.

d. For emergency suspensions, a revocation or denial becomes effective and the license is rescinded.

e. The licensing period expires.

f. For time-limited suspensions, the period of suspension ends.

112.8(5) *Method and content of notice.* The notice of suspension will be issued in writing and will include the following:

a. The condition requiring the suspension.

b. The specific law or rule violated.

c. The type of suspension.

d. For an emergency suspension, the adverse action being sought by the department.

e. For a time-limited suspension, the duration of the suspension.

112.8(6) *Right to appeal suspension.* The licensee has the right to appeal the suspension of the license, but initiation of an appeal does not alter the suspension.

441—112.9(232) Mandatory reporting of child abuse and training.

112.9(1) *Mandatory reporters.* All classes of persons described in Iowa Code section 232.69 who, in the scope of professional practice or in their employment responsibilities, examine, attend, counsel, or treat a child and reasonably believe a child has suffered abuse shall make a report in accordance with Iowa Code sections 232.69 and 232.70 whenever the provider reasonably believes a child for whom the provider is providing foster care has suffered abuse.

112.9(2) *Required training.* Mandatory reporters shall receive training relating to the identification and reporting of child abuse as required by Iowa Code section 232.69.

112.9(3) *Training documentation.* Each licensee shall develop and maintain a written record for each mandatory reporter in order to document the content and amount of training.

441—112.10(237) Required training on the reasonable and prudent parent standard. Each group facility shall have an on-site official authorized to apply the reasonable and prudent parent standard. Within one year of being identified as an authorized on-site official, each authorized official shall complete the same department-approved training on the reasonable and prudent parent standard in the same manner as required for prospective foster parents and referenced in 441—subrule 117.1(3).

441—112.11(237) Record checks. Record checks are required for any entity being considered for licensure or employment by a licensee on a facility campus where children reside to determine whether an applicant has any founded child abuse reports or criminal convictions or has been placed on a sex offender registry.

These rules are intended to implement Iowa Code chapter 237 and section 232.69.

RA 26-291

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 113
"Licensing and Regulation of Foster Family Homes"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237.3 and 2026 Iowa Acts, House File 2526

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 237

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

Purpose and Summary

This proposed chapter was reviewed as part of the Red Tape Review process laid out by Executive Order 10. Through the review, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter specifically relates to the licensing and regulation of foster family homes. This rulemaking also implements 2026 Iowa Acts, House File 2526, which implemented measures to protect foster parent address confidentiality by prohibiting the disclosure of that information without the written consent of the foster parents.

In addition to the Red Tape Review, this proposed chapter was reviewed by the Department's Foster Care Redesign Team. From the recommendations of the team, the following changes were made:

- In paragraph 113.4(3)"d," the maximum age for which video or surveillance cameras are allowed in the bedrooms of younger foster children has been changed from three years to five years. The team believes this will assist foster parents in ensuring the safety of younger foster children, while still protecting the privacy of older foster children.
- The annual testing requirement has been removed from subparagraph 113.5(3)"d"(2) for private water supplies when the family has made ongoing arrangements for the use of safe, potable

water. Rural families with well water may not qualify to be licensed foster parents due to the currently high restrictions the rules have on well water. The team recommended eliminating these restrictions by allowing families to provide an alternative arrangement, typically bottled water instead of annual testing.

- Being mindful of the changes made in 2026 Iowa Acts, Senate File 2096, the team proposes to remove medication management and face-to-face CPR and first aid from the list of preservice trainings required in subrule 113.7(1). Foster parent applicants should be able to follow doctors' and pharmacists' directions for medication administration. While they will still be available if the Department determines it is necessary, CPR and first aid training have been removed from the subrule.

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:**

Children and foster families will benefit from having clear, concise, and accurate rules regarding the licensing and regulation of foster family homes in the State.

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

- **Quantitative description of impact:**

The most recent data for FY 2026 shows there were a total of 1,643 children in foster care, down from 2,062 for FY 2025.

- **Qualitative description of impact:**

Children and foster families will benefit from having clear, concise, and accurate rules regarding the licensing and regulation of foster family homes in the State.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

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

Rulemaking is required by Iowa Code section 237.3.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

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

This rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 113 and adopt the following **new** chapter in lieu thereof:

CHAPTER 113
LICENSING AND REGULATION OF FOSTER FAMILY HOMES

441—113.1(237) Definitions.

"Age- or developmentally appropriate activities" means activities or items that are generally accepted as suitable for children of the same chronological age or level of maturity or that are determined to be developmentally appropriate for a child based on the development of cognitive, emotional, physical, and behavioral capacities. In the case of a specific child, "age- or developmentally appropriate activities" means activities or items that are suitable for the child based on the developmental stages attained by the child with respect to the cognitive, emotional, physical, and behavioral capacities of the child.

"Child," for the purposes of this chapter, means the child or children who are in foster care.

"Corporal punishment" means the intentional physical punishment of the child(ren).

"Foster family home" means an individual person or married couple who wishes to provide or is providing, for a period exceeding 24 consecutive hours, board, room, and care for a child in a single-family living unit.

"Kinship caregiver" means a relative or a fictive kin, as defined in rule 441—125.1(237), who is providing care for a child.

"Public water supply system" means a system for the provision to the public of water for human consumption through pipes or other constructed conveyances.

"Reasonable and prudent parent standard" means the standard characterized by careful and sensible parental decisions that maintain the health, safety, and best interests of a child and encourage the emotional and developmental growth of a child and that a caregiver shall use when determining whether to allow a child in foster care under the responsibility of the state to participate in extracurricular, enrichment, cultural, and social activities. For the purposes of this definition, "caregiver" means a foster parent with whom a child in foster care has been placed or a designated official for a child care institution (including group homes, residential treatment, shelters, or other congregate care settings) in which a child in foster care has been placed.

"Recruitment and retention contractor" means the entity or any of its subcontractors that contracts with the department statewide to recruit foster and adoptive parents, complete home studies, and perform activities to support and encourage retention of foster and adoptive parents.

"Relative" means an individual related to the child within the fourth degree of consanguinity or affinity, by marriage, or through adoption. "Relative" can include the parent of a sibling of the child.

"Social work administrator" means the department employee responsible for supervising the social work staff within a department service area and for implementing service policies and procedures of the department.

"Variance" means meeting a licensing standard through alternative means.

"Waiver" means waiving the licensing standard entirely. A waiver may only be granted for non-safety licensing standards for a kinship caregiver.

441—113.2(237) Licensing procedure.

113.2(1) *Application.* Applications for an initial license to operate a foster family home shall be submitted to the department. In addition to the application form, the applicant shall submit the following during the licensing process:

a. A Non-Law Enforcement Record Check Request form for each person living in the home who is 14 years of age or older.

b. A health report for resource families, if requested.

c. A foster care private water supply survey, if applicable.

d. A drawing of the floor plan of the family's home. The drawing can be completed by the applicant or the recruitment and retention provider.

e. If licensed to drive, a copy of the applicant's driver's license.

113.2(2) *Orientation.* Applicants shall attend an orientation provided by the recruitment and retention contractor or approved agency.

113.2(3) *Record checks.* Local record checks shall be completed before a license is issued.

113.2(4) *Home study.* The worker for the recruitment and retention contractor shall complete a family home study.

a. *Family home study process.* Information for the home study is gathered primarily through the required preservice training curriculum. Tribal agencies may also be involved in conducting home studies for American Indian and Alaska Native children. A home study that is received from another state or an Indian tribe will be treated as meeting the requirements imposed by the department for the completion of a home study pursuant to the requirements of 42 U.S.C. Section 671(a)(26)(B) as amended to August 1, 2026.

(1) The worker shall hold at least three face-to-face interviews with the applicant, with one of the interviews taking place in the applicant's home.

(2) The worker shall hold at least one face-to-face interview with each member of the household in the applicant's home to observe family functioning and to assess the family's capacity to meet the needs of the child in foster care. The worker will determine whether to interview or just observe each household member based on the household member's age and development.

(3) A physical inspection of the home is required. The worker shall use a resource family survey report to complete the physical inspection of the home to verify compliance with the licensing and regulation standards in this chapter.

b. *Family assessment topics.* The assessment of the prospective foster family shall evaluate the family's ability to parent the special needs of the child. The assessment shall include the following:

(1) The applicant's motivation for foster care and whether the family has biological, adopted, or foster children.

(2) The attitude of the family and the extended family toward accepting the child.

(3) The applicant's ability to cope with problems, stress, frustrations, crisis, separation, and loss.

(4) Medical, mental, and emotional conditions that may affect the applicant's ability to parent the child. Applicants and all household members must disclose any past or current mental health or substance use issues or both, if requested. The department may require further documentation or evaluation or both to determine the suitability of the home.

(5) Any household members who are children must be up to date on immunizations jointly recommended by the American Academy of Pediatrics, the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, or the American Academy of Family Physicians unless the immunization is contrary to the children's health as documented by a licensed health care professional.

(6) An evaluation of the applicant's willingness to accept a child who has medical problems, such as a communicable disease; an intellectual disability; or emotional or behavioral problems. The

applicant shall complete a form prescribed by the department to indicate choices about caring for any child who has or is at risk for a communicable disease and other medical problems.

(7) The applicant's ability to provide for the child's physical, medical, and emotional needs; respect the child's ethnic and religious identity; and support the child's overall well-being.

(8) The safety of the child in relation to any animals that live on the applicant's property.

(9) The adjustment of any child in the home, including their attitudes toward foster care and adoption, relationships with others, and school performance.

(10) An assessment of the applicant's disciplinary techniques and practices.

(11) The applicant's financial information and ability to provide for the child.

(12) The applicant's attitude toward the birth parents and siblings of the child placed in foster care.

(13) The applicant's commitment to and capacity to maintain significant relationships of the child in foster care and work with the child's parents when the permanency goal is reunification.

(14) Any criminal convictions of family members or adults in the household and the evaluation of the criminal record.

c. *Written report.* The recruitment and retention contractor shall prepare a written report of the family assessment using a resource parent initial home study (home study). The home study shall include a recommendation for the number, age, sex, characteristics, and special needs of the child the family can best parent and any other pertinent information in making the licensing recommendation. The report shall not contain the applicant's address. The home study shall be maintained in the foster family record.

113.2(5) *Decision.* The department will use the home study to approve or deny a prospective family as an appropriate placement for the child. The department worker shall notify the family of the licensing decision in writing.

a. Upon approval, the department will issue the applicant a foster family home license. The license will indicate the licensed capacity for the number of children approved for placement in the foster family home.

b. If the department worker does not approve the home study, the notice will state the reasons for that decision. A license denial may be appealed as described in 441—subrule 112.8(6).

441—113.3(237) Provisions pertaining to the license. On a case-by-case basis, the department or area social work administrator may waive any non-safety licensing standard for a kinship caregiver or grant a variance for any standard for a non-kinship caregiver in this chapter unless:

1. The requirement is set in state or federal law; or

2. The waiver or variance could have a negative impact on the safety and well-being of the child placed in the foster family home.

113.3(1) *Number of children.* A foster family home may care for up to five children unless a variance is approved as described in this rule. The license capacity will be based on the number of the foster family's biological and adoptive children and any relative placements. The license will be issued for at least one child. Any child who has reached the age of 18 and remains eligible for foster family care will be included in the license capacity. Any variance to this rule must:

a. Be approved by the department.

b. Be documented in the licensing record with reasons given for granting the variance.

c. Meet one of the following criteria:

(1) The foster parents have three or more children in the home and have shown the ability to parent a large number of children. A licensing variance may be approved at initial or renewal licensure to allow the placement of up to three children as set forth in the chart below:

Number of Children in the Home (birth/relative/adoptive placements)	Maximum License Capacity: Without variance	With variance
0 children	5	Not applicable
1 child	4	Not applicable

Number of Children in the Home (birth/relative/adoptive placements)	Maximum License Capacity: Without variance	With variance
2 children	3	Not applicable
3 children	2	3
4 children	1	3
5 or more children	Not applicable	3

(2) A variance beyond the maximum capacity of the foster home license is needed for the placement of a specific child in foster family care. A child-specific variance will end when that child leaves the placement or any other change brings the family into licensed capacity. Unless a variance is needed for the placement of a sibling of the child already in the home, or to keep siblings together, the maximum number of children in the home shall not exceed eight. On a case-by-case basis, if it is determined the foster parents have shown the parenting skills and have the social support system to meet the children's needs for parenting more than eight children, the social work administrator shall approve the foster parents to parent more than eight children. A foster family may have both a licensing and a child-specific variance concurrently.

d. All other licensing requirements, including but not limited to parenting ability and available bedroom space must be met before a foster home can be approved for a variance.

113.3(2) *Employees of the department as foster parents.* Employees of the department may be licensed as foster family home parents unless they are engaged in the administration or provision of foster care services. Employees engaged in the administration or provision of foster care services include:

a. Social workers or youth service workers or the social workers' or youth service workers' supervisors involved in programs for children in state institutions.

b. Foster care service workers or foster care licensing staff or the foster care service workers' or foster care licensing staff's supervisors employed by the department.

c. Other staff engaged in foster care placements, such as child protective staff or adoption workers.

d. Department staff responsible for the development of policies and procedures relating to foster care licensing and placement.

113.3(3) *Limits on foster family home licensure.* A licensed foster family home shall not be permitted to be a licensed comprehensive residential facility, community residential facility, or licensed child care center.

441—113.4(237) Physical standards.

113.4(1) *General standards.* The foster home shall be safe, clean, well-ventilated, properly lighted, properly heated, and free from vermin and rodents to ensure the well-being of the child residing in the home.

113.4(2) *Grounds.* There shall be safe outdoor space provided according to the age and developmental needs of the child for active play. The area available shall be documented in the case record.

a. The child shall be adequately supervised and protected against any potential hazards, including nearby traffic, bodies of water, railroads, waste material, and contaminated water. The foster parent shall provide environmental protections, such as door alarms, baby monitors, fences, and foliage barriers as necessary to promote a safe environment.

b. The applicant's home must meet the following standards concerning swimming pools, hot tubs and spas:

(1) Swimming pools must have a barrier on all sides at least four feet high.

(2) An aboveground or in-ground swimming pool that is not fenced shall be covered whenever the pool is not in use. Swimming pools must have their methods of access through the barrier equipped with a safety device, such as a bolt lock.

(3) Swimming pools must be equipped with a lifesaving device, such as a ring buoy.

(4) If the swimming pool cannot be emptied after each use, the pool must have a working pump and filtering system.

(5) Hot tubs and spas must have safety covers that have reasonable barriers in place when not in use.

c. The foster parent or other adult shall provide reasonable supervision according to the age and swimming abilities of the child when the child is using the pool.

113.4(3) *Bedrooms for a child placed in the home.*

a. Bedrooms shall either have been constructed for the purpose of providing sleeping accommodation or remodeled for sleeping to provide proper heat and ventilation. Bedroom additions to a home shall meet building code requirements. All bedrooms used by the child shall have:

(1) Permanent walls;

(2) A door that closes;

(3) An unobstructed, operable window that opens from the inside that is large enough to allow for an unrestricted exit by the child;

(4) A closet, wardrobe, armoire, or dresser for the child's clothes; and

(5) A standard bed. For infants and toddlers who cannot safely use a standard bed, a crib or crib-like furniture that has a waterproof mattress covering and sufficient bedding to enable the child to rest comfortably and that meets the current standards or recommendations from the U.S. Consumer Product Safety Commission. The provider shall follow safe sleep practices as recommended by the American Academy of Pediatrics for infants under the age of one. Safe infant sleep practices shall conform to the following standards:

1. Infants shall always be placed on their backs for sleep.

2. Infants shall be placed on a firm mattress with a tight-fitting sheet that meets U.S. Consumer Product Safety Commission federal standards.

3. Infants shall not be allowed to sleep on a bed, sofa, air mattress or other soft surface. No child shall be allowed to sleep on any item not designed for sleeping. This is not referring to a child in a car seat in a car.

4. No toys, soft objects, stuffed animals, pillows, bumper pads, blankets, or loose bedding shall be allowed in the sleeping area with the infant.

5. No co-sleeping or sharing of a single bed shall be allowed.

6. If an alternate sleeping position is needed for an infant, a signed authorization with a statement of a medical reason is required and shall be submitted by a physician, advanced registered nurse practitioner, or physician associate.

b. The minimum bedroom area per child shall be 30 square feet. However, the department may approve a waiver of this non-safety licensing standard for kinship foster caregivers or a variance when approval is in the best interest of a specific child placed or to be placed in the home. Such approvals shall:

(1) Be in writing;

(2) Contain the name and birth date of the child for whom the approval is issued; and

(3) Be reviewed at each license renewal.

c. When bedrooms meet only minimum requirements, the home shall provide additional room in other parts of the home for study and play.

d. Except for baby video monitors for the child from birth to five years of age used in the child's bedroom, video or surveillance cameras are not allowed in the child's bedrooms or bathrooms.

e. Bedrooms belowground shall:

(1) Be free from excessive dampness, noxious gases, and objectionable odors;

(2) Have access to at least one direct exit to the outside from the level belowground and one inside stairway exit from the level belowground;

(3) Have an egress window with a clear opening area with an opening height and width that is accessible for an adult to enter or exit;

(4) Have provisions, such as a ladder or steps, to ensure that the child can safely reach the window;

(5) Have a finished ceiling such as drywall or a drop ceiling; and

(6) Have a covered floor.

113.4(4) *Physical care standards for a child.*

a. Grouping children in bedrooms shall take into consideration the age and sex of the child, including the individual child's need for privacy.

(1) Any child over five years of age shall not share a bedroom with a child of the opposite sex.

(2) The child shall not share a bed with any other child. The social work administrator may approve a waiver of this policy for kinship caregivers or a variance for non-kinship caregivers.

b. Any child two years of age or older shall be provided bedroom space other than in the foster parents' bedroom. Any child under the age of two may share a bedroom with the foster parent in an individual crib.

c. There shall be a plan for isolating a healthy child from a child who is ill or suspected of having a contagious disease.

d. The foster home shall provide food with good nutritional content and in sufficient quantity to meet the individual needs of the child.

e. Personal care items must be provided for youth, and these items must reflect the individual, cultural, racial, and ethnic needs of the youth living in the foster home.

f. Bedding shall be clean, odor-free, and free of urine and feces.

g. Foster parents shall follow universal precautions to reduce exposure to blood-borne pathogens and other infectious materials when providing care to any child placed in the foster parents' physical custody.

h. Smoking and vaping shall be prohibited in the foster home or any vehicle when the child is present.

113.4(5) *Artificial lighting.* Adequate artificial lighting fixtures shall be provided for study in areas where the child will be studying.

113.4(6) *Bathroom facilities.*

a. Bathroom facilities shall have at least one toilet, sink, and tub or shower in safe operating condition.

b. Bathroom facilities shall have natural or artificial ventilation.

113.4(7) *Heating system.*

a. The heating system shall have a capacity to maintain a minimum temperature of approximately 65 degrees Fahrenheit in the bedrooms with the door closed.

b. Fireplaces and water heaters shall be vented to the outside atmosphere. The temperature of any water heaters must be set in accordance with the manufacturer's recommendations. Kerosene heaters and gas-fired space heaters shall not be used to heat any space in the home.

113.4(8) *Ventilation.* Ventilation shall be provided in all rooms where the child eats, sleeps, and plays either by windows that can be opened or by mechanical venting systems. Windows and doors used for ventilation shall be screened.

113.4(9) *Phone.* A working phone or access to a working phone shall be provided within the living space.

441—113.5(237) Sanitation, water, and waste disposal.

113.5(1) *Food preparation and storage.* Food preparation areas shall be clean, and the home shall have kitchen facilities with a sink, refrigerator, stove, and oven in safe operating condition.

113.5(2) *Public water supply.* The water supply is approved when the water is obtained from a public water supply system.

113.5(3) *Private water supply.* Prior to initial licensure and prior to each license renewal, each privately operated water supply shall be tested and evaluated for obvious deficiencies.

a. As part of the evaluation, water samples must be collected and submitted by the licensing worker or health sanitarian to a certified hygienic laboratory and analyzed for coliform bacteria. In order for a foster family home to be licensed for the care of any children under two years of age, the nitrate (NO^3) content must be analyzed and be within an acceptable range for safe consumption.

b. When the water supply is obtained from more than one well, proof of the quality of the water from each well is required.

c. When the water sample result shows the water is potable, the license may be granted.

d. When the water sample is not approved, no foster family home license will be issued until the foster parents provide a written statement that the child will be provided potable water, including where the water will be obtained and how it will be transported and stored.

(1) The statement shall be provided to the department using a Provisions for Alternate Water Supply form.

(2) When the family has made ongoing alternative arrangements for the use of safe, potable water, annual testing of the water may be waived.

113.5(4) *Sewage treatment.* Foster homes, wherever possible, shall be connected to public sewer systems. Private sewage disposal systems shall be designed, constructed and maintained so that no unsanitary or nuisance conditions exist, such as surface discharge of raw or partially treated sewage or failure of the sewer lines to convey sewage properly.

113.5(5) *Garbage storage and disposal.* A sufficient number of covered garbage and rubbish containers shall be provided to properly store all material between collections. Containers shall be watertight, and rodent-proof and shall be maintained in a sanitary condition.

113.5(6) *Rodent and insect infestation.* The home shall prevent or eliminate rodent and insect infestation.

441—113.6(237) Safety.

113.6(1) *Fire protection for bedrooms.* Any floor of a house, including the basement, shall be equipped with the following:

a. At least one Underwriter's Laboratory (UL)-approved smoke detector. On floors that are used for sleeping, the smoke detector shall be in a location where sleeping areas can be alerted. For any deaf or hard-of-hearing child, the foster parent shall install a smoke detector in the child's bedroom that will use an alternative means of waking the child.

b. Hallways and stairways free of debris and clutter to allow unrestricted access to an exit.

c. A working carbon monoxide detector in all homes with:

(1) Gas appliances, furnaces, fireplaces, or other gas equipment; and

(2) Attached garages.

113.6(2) *Combustion hazards.* Combustible materials shall be kept away from heat sources, including stoves, electrical panels, space heaters, and hot water heaters.

a. Explosives and flammable substances, including matches and lighters, shall be stored securely and be inaccessible to the child.

b. The home shall have at least one operable 2A-10BC-rated or ABC-rated fire extinguisher.

113.6(3) *Safety plan.* The family shall have an emergency safety plan to be used for fire, tornado, blizzard, flood, other natural or manmade disasters, accidents, medical issues, and other life-threatening situations for the child in out-of-home placements. The safety plans shall state the action that the foster parents and the child are to take in each situation that may occur.

a. The safety plans for a fire and a tornado shall be reviewed with the child at the time of placement. Fire and tornado plans shall be practiced with the child within one week of placement and no less than annually thereafter.

b. In a disaster requiring evacuation of the foster home, the foster parents shall notify the department of the evacuation and the address and telephone number of the foster parents' temporary residence within 24 hours after evacuation.

c. The safety plans shall include a designated meeting place.

d. Applicants must maintain a comprehensive list of emergency telephone numbers.

113.6(4) *Medications, first aid and poisonous substances.* All prescription medication shall be administered as prescribed.

a. All over-the-counter medications shall be administered according to label directions or as directed by a physician.

b. Applicants must prevent the child's access to all medications, poisonous materials, cleaning supplies, other hazardous materials and alcoholic beverages as appropriate for the child's age and development.

c. Applicants must maintain first aid supplies.

113.6(5) *Weapons.* All weapons, firearms, and ammunition shall be inaccessible to a child of any age.

a. The following weapons must be stored in an inoperative condition and in a locked area inaccessible to the child:

(1) Firearms;

(2) Air guns;

(3) BB guns;

(4) Hunting slingshots; and

(5) Any other projectile weapons.

b. All ammunition, arrows or projectiles for such weapons shall be maintained in a locked place separate from the firearms.

c. The weapons, firearms, and ammunition storage units shall not share the same key or matching security code. If a key is used, the key shall be stored in a place inaccessible to the child.

d. Any motor vehicles used to transport the child shall not contain a loaded gun, and any ammunition in the vehicle shall be kept in a separate, locked container.

e. Foster parents who are also law enforcement officials and can document that their jurisdiction requires them to have ready and immediate access to their weapons may be exempt from these weapon requirements provided they adopt and follow a safety plan approved by the department.

113.6(6) *Transporting the child.* Foster parents will ensure that if a privately owned vehicle owned by the applicants, family, or friends is used to transport the child, it must be inspected (if applicable under state law), registered, and insured and meet all applicable state or tribal requirements to be an operable vehicle on the road.

a. The driver will have a valid Iowa driver's license.

b. Safety restraints will be used that are appropriate to the child's age, height, and weight.

c. Any motor vehicles used to transport the child shall be smoke-free when the child is being transported.

d. Foster parents will have access to reliable public transportation if they do not have access to a reliable, registered, and insured vehicle.

113.6(7) *Supervision.* The foster parents shall provide reasonable and prudent supervision of the child to ensure the child's safety.

a. Foster parents shall adequately supervise the child while the child is using any potentially hazardous or dangerous objects or equipment. In order for the child to participate in age- or developmentally appropriate activities, the foster parent would apply the reasonable and prudent parent standard.

b. Foster parents shall use reasonable and prudent supervision of the child when the child is using the internet or other social media.

113.6(8) *Household pets.* Pet vaccinations should follow state and county requirements.

a. At the time of the initial home study and any time thereafter, foster parents shall report an animal's history of aggression toward people and inform the department of the animal's aggression toward people within 24 hours of an occurrence.

b. Foster parents who have pets or animals with any history of aggression shall have a written plan that addresses strategies to reduce the risk of aggression by the foster parents' pets or animals with which the child will have contact.

c. Animal waste will be contained and disposed of on a routine basis.

113.6(9) *Liability.* Foster parents who apply the reasonable and prudent parent standard reasonably and in good faith in regard to the child placed in the foster parents' home shall have immunity from civil or criminal liability that might otherwise be incurred or imposed. This subrule does not remove or limit any existing liability protection afforded under any other law.

441—113.7(237) Foster parent training.

113.7(1) *Preservice training.* All foster parent applicants shall complete the following training before licensure and the placement of the child in the foster parent applicants' home:

a. Orientation pursuant to rule 441—117.2(237);

b. Preservice training pursuant to rule 441—117.1(237) that shall include:

(1) Mandatory reporter training on child abuse identification;

(2) The reasonable and prudent parent standard training;

(3) Lessons teaching foster parents how to support a child's overall well-being and emotional needs; and

c. Mandatory reporter training on child abuse identification and reporting before initial licensure and every three years thereafter as required.

113.7(2) *In-service training.* All licensed foster parents shall complete agency-approved in-service training annually.

441—113.8(237) Involvement of kin.

113.8(1) *Support by foster parents.* Foster parents shall support the involvement of biological or adoptive parents and other relatives of the child unless this involvement is evaluated and documented by the department to be detrimental to the child's well-being.

113.8(2) *Nature of involvement.* The extent and nature of the involvement of the biological or adoptive parents and other relatives shall be determined by the caseworker in consultation with the foster parents, biological or adoptive parents, and others involved with the child and family.

113.8(3) *Cultural connections.* Throughout the provision of care, the foster family shall actively ensure that the child stays connected to the child's kin, culture, and community as required in the child's case permanency plan.

441—113.9(237) Information on the child placed in the home.

113.9(1) *Information about the child.* Foster parents shall maintain a file of information on the child placed in the home. This file shall be provided to the department or the child's parent or guardian when the child leaves the placement. The file shall contain:

a. The names and addresses of all doctors, mental health professionals, and dentists who have treated the child; current medications prescribed, including over-the-counter medications; a medication log; the type of medical, dental, vision, and mental health treatments received; and hearing examinations received while the child is in the foster home.

b. School reports including report cards and pictures.

c. Date the child left the placement.

d. Name, address, and telephone number of the person to whom the child is discharged.

113.9(2) *Confidentiality.* Foster parents shall maintain confidentiality regarding the child in placement except as required to comply with rules on mandatory reporting of child abuse and with the child's case permanency plan. Foster parents shall not without parent or guardian and department consent post pictures or information concerning the child on any internet website or social media platform.

441—113.10(237) Health of foster family.

113.10(1) *Health report required.* The foster parents shall furnish the licensing agency with a health report on the family, if requested. The request may include information on any family members, including foster parents, any minor child who resides in the home, and adult household members. An updated report shall be provided upon request of the department licensing worker or the recruitment and retention contractor.

113.10(2) *Contents of report.* This report shall include a statement from an impartial health practitioner that there are no physical or mental health problems that would be a hazard to the child placed in the home and a statement that the foster parents' health would not prevent needed care from being provided to the child.

113.10(3) *Whooping cough vaccine.* All adult household members who are caregivers must have up-to-date whooping cough vaccines.

113.10(4) *Exemption from whooping cough vaccine.* Nothing in this rule shall be construed to require the whooping cough vaccine for adult household members who are a member of a church or religious belief that discourages or prohibits vaccinations. In such instance, a statement from the household member shall be incorporated into the health record.

113.10(5) *Capability for caring for the child.* If there is evidence that the foster parent is unable to provide necessary care for the child, the department licensing worker, the recruitment and retention contractor, or the physician may require additional medical and mental health reports, including a substance abuse evaluation.

441—113.11(237) Characteristics of foster parents.

113.11(1) *Age.* Foster parents shall be at least 18 years of age. The age of foster parents shall be considered as it affects the foster parents' ability to care for a specific child and function in a parental role.

113.11(2) *Income and resources.* The foster family shall have sufficient income and resources to provide adequately for the family's own needs.

113.11(3) *Religious considerations.* The foster parent shall respect the child's religious background, affiliation and religious or moral beliefs.

113.11(4) *Requirements of foster parents.* Foster parents shall be stable; responsible; physically able to care for the type of child placed; and mature individuals who are not unsuited by reason of substance abuse, lewd or lascivious behavior, or other conduct likely to be detrimental to the physical or mental health or moral development of the child. Foster parents shall exercise good judgment in caring for the child and have a capacity to accept agency supervision.

113.11(5) *Personal characteristics.* The foster parents shall:

a. Provide evidence of relationship stability.

b. Have realistic expectations of the child.

c. Have time available to parent the child.

d. Be able to communicate with the licensing agency and other service providers.

e. Have functional literacy and a level of reading, writing and calculation skills, such as having the ability to read labels on medications in order to properly administer them.

f. Be able to accept and deal with acting out behavior with realistic expectations and good judgment.

g. Include the child in normal family life.

h. Have the ability to be accepting and loving toward the child entering the home.

i. Be able to support the case permanency plan for the child and be willing to cooperate with visits, transportation, or other activities that support the child's connection to and reunification with the child's family.

j. Ensure that all family members are aware of having the child in the home.

k. Articulate the foster parents' strengths, concerns and limitations that are essential to the department's matching the child with foster parents appropriately.

113.11(6) *Determination of characteristics.* The areas discussed in subrules 113.11(4) and 113.11(5) shall be evaluated through observation of the family and interviews with family members and documented in a foster home study, or in the foster family record when explored after licensure and prior to renewal. Any additional areas that the family or worker identifies as a possibility for creating problems shall also be documented in the foster family record.

441—113.12(237) Record checks. Record checks are required for each foster parent applicant and for anyone who is 14 years of age or older living in the home of the applicant. The purpose of the record checks is to determine whether any of these persons has any founded child abuse or dependent adult abuse reports or criminal convictions or has been placed on the sex offender registry.

113.12(1) *Procedure.* The department's contractor for the recruitment and retention of resource families shall assist applicants in completing required record checks, including fingerprinting.

a. Iowa records. Each foster parent applicant and anyone who is 14 years of age or older living in the home of the applicant shall be checked for records with:

(1) The Iowa central abuse registry;

(2) The Iowa division of criminal investigation;

(3) The Iowa sex offender registry; and

(4) Iowa Courts Online.

b. Other records.

(1) Each foster parent applicant and any other adult living in the household shall also be checked for records on the child abuse registry of any state where the person has lived during the past five years.

(2) Each foster parent applicant shall also be fingerprinted for a national criminal history check. Fingerprinting, for the purpose of a national criminal history check, is required on all other adult household members at the time of initial application. When warranted, the department may require fingerprinting for a national criminal history check on adult household members who move in after initial application.

113.12(2) *Evaluation of record.* If the applicant or anyone living in the home has a record of founded child or dependent adult abuse, a criminal conviction, or placement on the sex offender registry, the department will not license the applicant as a foster family unless an evaluation determines that the founded child or dependent adult abuse or criminal conviction does not warrant prohibition of license.

a. Exclusion. An evaluation shall not be performed if the person has been convicted of:

(1) A felony offense as set forth in Iowa Code section 237.8(2)*"a"*(3); or

(2) A crime in another state that would be a felony as set forth in Iowa Code section 237.8(2)*"a"*(3).

b. Scope. The evaluation shall consider the nature and seriousness of the founded child or dependent adult abuse or crime in relation to:

(1) The position sought or held;

(2) The time elapsed since the abuse or crime was committed;

(3) The circumstances under which the founded child or dependent adult abuse or crime was committed;

(4) The degree of rehabilitation;

(5) The likelihood that the person will commit the founded child or dependent adult abuse or crime again; and

(6) The number of abuses or crimes committed by the person.

c. Evaluation form. The person with the founded child or dependent adult abuse or criminal conviction report shall complete and return the Record Check Evaluation form within ten calendar days of the date of receipt to be used to assist in the evaluation. Failure of the person to complete and return the form within the specified time frame shall result in denial of licensure.

113.12(3) *Evaluation decision.* Centralized service area staff or their designee will conduct the evaluation and make the decision. The department will inform the subject of the decision in writing and describe the basis of the decision. The department will notify the person on whom the evaluation was completed:

a. Within 30 days of receipt of the completed Record Check Evaluation form; or

b. When the person whose record is being evaluated fails to complete the Record Check Evaluation form within the time frame specified.

113.12(4) *License renewal.* Foster parents applying for an annual or biennial license renewal shall be subject to the same checks as new applicants, except for fingerprinting. The department will evaluate only abuses and convictions of crimes that occurred since the last record check. The evaluation will be conducted using the same process.

441—113.13(237) Reference checks.

113.13(1) At least three additional unsolicited references will be checked for all foster family home applicants in addition to a minimum of three references provided by the applicant. Required references shall include a minimum of one relative and one nonrelative.

113.13(2) Responses of references will be documented in the applicant's record.

113.13(3) Information received from references may be discussed with the applicant at the discretion of the worker. The reference will be so informed.

113.13(4) Reference checks will include only those areas related to the applicant's ability to care for children and should include discussion of the following areas:

a. How long and in what capacity the reference has known the applicant.

b. Personal qualities of the applicant, including the general character, ability to get along with others, ability to deal with the child's problem behavior, ability to give affection and care, discussion of use of drugs and alcohol, and questions regarding personal difficulties that could be detrimental to the child.

c. Relationship stability.

d. How the applicant handles anger, problems, crisis situations, discipline, and disappointments.

e. Any areas of general concern not previously mentioned.

f. Whether or not the reference would feel comfortable leaving the child in the applicant's home for a period of time.

g. Recommendations regarding licensing.

113.13(5) When warranted, additional references may be sought after licensure.

441—113.14(237) Unannounced visits.

113.14(1) The department's recruitment and retention contractor shall make unannounced visits during periods of the day when the child and foster parents would normally be at home and awake unless there has been a specific complaint about the family and care of the child.

113.14(2) The unannounced visit shall include, at a minimum, the assessment of the following areas:

a. Home environment.

b. Who was present at the time of the visit.

c. Interaction between the child and foster family and their child(ren).

d. The child's perception of the foster parents, other child(ren) and adults in the home; behavioral expectations of foster parents; discipline used by foster parents; religious training; school; contact with natural parents; and purpose of placement in foster care.

e. The foster parents' view of the child, the child's problem, placement worker's involvement, plan for the child, involvement of biological parents, and additional services that either the child or foster parents need.

f. Any previously or currently cited deficiencies, corrective action plans and progress.

g. Any previous or current concerns from department workers.

h. Discussion of placements during the licensing year and, if none, the reason why.

i. Progress on completing training in the foster parents' training plan.

j. Awareness of the foster parents' license capacity and compliance.

k. Recommended action.

113.14(3) An unannounced visit to the foster home:

a. Shall be completed annually;

b. Shall not be waived; and

c. Shall not occur in conjunction with license renewal.

113.14(4) The findings from the unannounced visit shall be documented on a progress note.

a. The report shall be sent to the department licensing worker and the foster parents within two weeks after the visit.

b. A copy of the report shall be retained in the foster parents' record.

113.14(5) Actions after the unannounced visit.

a. When deficiencies are cited that do not appear likely to cause immediate physical or mental harm to the child, an additional visit may be scheduled. The department licensing worker and the recruitment and retention contractor shall discuss the deficiencies with the foster parents and make plans for improving the deficiencies.

b. When the reported deficiencies raise questions of concern as to the quality of care provided, the recruitment and retention contractor shall:

(1) Report deficiencies to the department licensing worker and to the placement worker for any child currently placed in the home;

(2) Hold a meeting with the department licensing worker and the foster parents to discuss deficiencies and the plans for improving the deficiencies and then complete a written corrective action plan as to how the foster parents intend to address the deficiencies.

c. When the reported deficiencies appear likely to cause immediate physical or mental harm to the child, the department will immediately:

(1) Direct the placement worker to determine if the child should be removed, and

(2) Direct the licensing worker to complete a review of the foster home to determine if the family should continue to be licensed, should receive a provisional license, or should have the license revoked.

113.14(6) When the foster parents refuse to make a written commitment to improve the deficiencies, the department licensing worker shall conduct a complete review of the foster home to determine if the license should be revoked.

441—113.15(237) Planned activities and personal effects.

113.15(1) *Daily routine.* The daily routine shall promote good health and provide an opportunity for activity suitable for the child with time for rest and play.

113.15(2) *Clothing.*

a. Any child should have the child's own clothing.

b. Any child shall have training and help in selection and proper care of clothing.

c. Clothing shall be suited to the existing climate and seasonal conditions.

d. Clothing shall be becoming, of proper size, and culturally appropriate.

e. There shall be an adequate supply of clothing to permit laundering, cleaning and repair.

f. There shall be adequate closet and drawer space for the child to permit access to the child's clothing.

113.15(3) *Educational opportunity.* Every child shall be given the opportunity to complete high school or vocational training in accordance with the child's case permanency plan. The foster parent shall be an advocate for the child by working with the child's school.

113.15(4) *Religion and culture.* Each child shall be given an opportunity, in consultation with the child's parents, to participate in the child's cultural and religious customs. The child shall not be required to participate in religious training or observances contrary to the wishes of the biological or adoptive family or the religious beliefs of the child.

113.15(5) *Community participation.* Every child shall be given the opportunity to develop healthy social relationships through participation in neighborhood, school and other community and group activities. The child shall have the opportunity to invite friends to the foster home and to visit the homes of friends.

113.15(6) *Work assignments.* Work assignments shall be in keeping with the child's age and development.

a. Exploitation of the child is prohibited. No child shall be permitted to do any hazardous tasks or to engage in any work that is in violation of the child labor laws of the state.

b. The child shall have the opportunity to learn to assume some responsibility for self and for household duties in accordance with the child's age, health and ability. However, assigned tasks shall not deprive the child of school, sleep, play or study periods.

441—113.16(237) Medical examinations and health care of the child.

113.16(1) *Medical and dental care.* Foster parents shall keep the child's department case manager informed of any medical and dental appointments and treatments prescribed for the child.

a. Foster parents should attempt to contact the child's parents to engage them in the process of accessing routine medical and dental care for their child unless parental rights have been terminated.

b. In case of an emergency or urgent situation requiring medical care and treatment of an acute illness, disease or condition of the child, when a delay or inability to access parental or department consent for medical care or treatment would endanger the health or physical well-being of the child, the foster parents can provide consent for medical care and treatment.

113.16(2) *Exemption from medical care.* Nothing in this rule shall be construed to require medical treatment or immunization for a minor child of any person who is a member of a church or religious tradition that prohibits medical treatment for disease. In such instance, an official statement from the organization and a notarized statement from the parents shall be incorporated in the record. In potentially life-threatening situations, the child's care shall be referred to appropriate medical and legal authorities.

441—113.17(237) Training and discipline of the child.

113.17(1) *Foster parents' methods of training and discipline.* The home study evaluation of each foster parent applicant shall include a discussion and a written report of the foster parents' methods of training and discipline. Discipline shall be designed to help the child develop self-control, self-esteem, and respect for the rights of others.

113.17(2) *Restrictions on training and discipline.* Training and discipline of the child shall be handled with kindness and understanding.

a. The child shall not be locked in a room, closet, box, or other contained area.

b. The child shall not be deprived of food as punishment or for any other reason.

c. The child shall not be subjected to verbal abuse, threats, or derogatory remarks about the child or the child's family.

d. Corporal punishment shall not be used and is prohibited.

e. Restraints shall not be used as a form of discipline.

(1) Reasonable physical force may be used to restrain the child only in order to prevent injury to the child, injury to others, the destruction of property, or extremely disruptive behavior.

(2) Upon approval of the department, the foster parent may use restraints only in accordance with the written plan of a licensed mental health professional who is working with the child and the foster parents.

113.17(3) *Reports of mistreatment.* Reports of mistreatment coming to the attention of the department licensing worker and caseworker for the child will be investigated promptly and referred to the proper authorities when necessary.

441—113.18(237) Emergency care and release of the child.

113.18(1) *Supervision and arrangements for emergency care.*

a. Foster parents shall provide supervision of the child in preadoptive placement as dictated by the individual child's specific needs.

b. In case of emergency requiring the foster parents' temporary absence from the home, arrangements shall be made with other licensed foster parents or with designated, responsible persons for the care of the child during the period of absence. The child's placement worker shall be notified of all emergency absences of the foster parents.

113.18(2) *Release of child.* The foster parents shall release the child only to the agency, parent or guardian from whom the child was received for care, or the person specifically designated by the agency, parent, or guardian.

441—113.19(237) Changes in foster family home. Foster parents shall notify the department and the recruitment and retention contractor within seven working days of:

113.19(1) Any change in the number of persons living in the home (except for the child placed in the home);

113.19(2) A move to a new home; or

113.19(3) Any circumstances in the home that could negatively affect the health, safety or welfare of the child in the family's care.

441—113.20(237) Foster parents' address disclosure. The foster parents' address shall not be released by the department or contracting agency without written release from the foster parents.

These rules are intended to implement Iowa Code chapter 237.

RA 26-292

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 114
"Licensing and Regulation of All Group Living Foster Care Facilities for Children"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237.3
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 237

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

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. Chapter 114 outlines the basic standards for all group living foster care facilities in Iowa.

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:**

Children and families in Iowa will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential foster care facilities in the State.

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

As of SFY 26, there were 13 different agencies across 52 different sites that can care for up to a total of 835 children.

- **Qualitative description of impact:**

Children and families will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential foster care facilities in Iowa.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

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

Rulemaking is required by Iowa Code section 237.3.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 114 and adopt the following **new** chapter in lieu thereof:

CHAPTER 114
LICENSING AND REGULATION OF ALL
GROUP LIVING FOSTER CARE FACILITIES FOR CHILDREN

441—114.1(237) Definitions.

"Adequate lighting" means a light intensity of the approximate equivalent to a 60-watt bulb at a clear distance of 5 feet.

"Caseworker" means any staff of the facility who is primarily responsible for planning for individual children, a family, or groups, as well as coordination with referral sources and coordination of services to the individual.

"Casework supervisor" means any staff of the facility who provides supervision of the caseworker(s) by regularly scheduled face-to-face case specific discussions with the caseworker.

"Child care worker" means the same as defined in 441—Chapter 105.

"Control room" means a locked room used for treatment purposes in a comprehensive residential facility.

"Corporal punishment" means the same as defined in 441—Chapter 125.

"Immediate family," for the purposes of this chapter, means persons who have a blood or legal relationship with the child.

"Mechanical restraint" means restriction by the use of a mechanical device of a child's mobility or ability to use the hands, arms, or legs.

"Physical restraint" means the same as defined in 441—Chapter 105.

"Prone restraint" means the same as defined in 441—Chapter 105.

"Protective locked environment" means the same as defined in Iowa Code section 237.1(17). Examples to implement a protective locked environment could include but are not limited to secured doors, delayed locks, secured windows, badge-only access doors, and external fencing around the property perimeter.

"Schedule II medications" means those controlled substances identified in Iowa Code chapter 124.

"Staff" means the same as defined in 441—Chapter 105.

"Time out" means the same as defined in 441—Chapter 105.

441—114.2(237) Physical standards. Local building and zoning ordinances shall be met.

114.2(1) *Grounds.*

a. An outdoor recreational area shall be provided.

b. The recreational area shall be identified and kept free from hazards that could cause injury to a child.

c. Rubbish and trash shall be kept separated from the recreational area.

d. The grounds shall be adequately drained.

114.2(2) *Buildings.*

a. All living areas shall:

(1) Have screens on windows used for ventilation.

(2) Be maintained in clean and sanitary conditions.

(3) Be in safe repair.

(4) Provide for adequate lighting when natural sunlight is inadequate.

(5) Have heating and storage areas separated from sleeping or play areas.

(6) Have walls and ceiling surfaced with materials that are asbestos free.

b. All sleeping rooms shall:

(1) Provide a minimum of 60 square feet per child for multiple occupancy.

(2) Provide a minimum of 80 square feet per child for single occupancy.

(3) Not sleep more than four children per room.

(4) Be of finished construction.

c. All rooms aboveground shall:

(1) Have a ceiling height of at least 7 feet, 6 inches.

(2) Have a window area of at least 8 percent of the floor area unless mechanical ventilation is provided that is capable of removing dampness and odors.

d. All rooms belowground shall:

(1) Have a ceiling height of at least 6 feet, 8 inches.

(2) Have a window area of at least 2 percent of the floor area unless mechanical ventilation is provided that is capable of removing dampness and odors.

(3) Have floor and walls constructed of concrete or other materials and free from groundwater leakage.

114.2(3) *Bedrooms.*

a. Each child in care shall have a solidly constructed bed.

b. Sheets, pillowcases, and blankets shall be provided for each child and shall be kept clean and in good repair.

c. Each child in care shall have storage space for private use.

d. No child over the age of five years shall occupy a bedroom with a member of the opposite sex.

114.2(4) *Heating, ventilation, and air conditioning (HVAC).*

a. The heating unit shall be located and operated to maintain the temperature in the living quarters at a minimum of 65 degrees Fahrenheit and a maximum of 80 degrees Fahrenheit. Variances may be made in case of health problems. Temperature is measured at 24 inches above the floor in the middle of the room.

b. All space heaters and water heaters involving the combustion of fuel, such as gas, oil or similar fuel, shall be vented to the outside. Space heaters are allowed only in common areas with staff present.

c. All gas and oil lines for heating systems, water heaters, and stoves/ovens shall meet existing building and health code requirements.

d. The HVAC system shall be checked yearly by a qualified HVAC professional and maintained in a safe working condition at all times.

441—114.3(237) Sanitation, water, and waste disposal.

114.3(1) *Bathroom facilities.*

a. Bathrooms shall have an adequate supply of hot and cold running water.

b. Each bathroom shall be properly equipped with toilet tissue and hand-washing supplies.

c. Toilets and baths or showers shall provide for individual privacy.

d. There shall be a shower or tub for each ten children.

e. Tubs and showers shall have slip-proof surfaces.

f. At least one toilet and one sink shall be provided for each six children.

g. Toilet facilities shall be provided with natural or artificial ventilation capable of removing odors and moisture.

h. Toilet facilities adjacent to a food preparation area shall be separated completely by an enclosed solid wall.

i. All toilet facilities shall be kept clean.

j. All bathroom facilities shall be maintained in good operating condition.

114.3(2) *Food preparation and storage.*

a. Cracked dishes and utensils shall not be used in the preparation, serving, or storage of food.

b. Storage areas for perishable foods shall be kept at 45 degrees Fahrenheit or below.

c. Storage areas for frozen foods shall be kept at zero degrees Fahrenheit or below.

d. Food that is to be served hot shall be maintained at 140 degrees Fahrenheit or above.

e. Food that is to be served cold shall be maintained at 45 degrees Fahrenheit or below.

f. The kitchen and food storage areas shall be kept clean and neat. Foods shall not be stored on the floor.

g. The floor and walls shall be of smooth construction and in good repair.

114.3(3) *Personnel handling food.* Personnel who handle food shall:

a. Be free of infection.

b. Be clean and neatly groomed.

c. Wear clean clothes.

d. Not use tobacco in any form while preparing or serving food.

114.3(4) *Dishwashing facilities.*

a. Manual dishwashing will be allowed in facilities that normally serve 15 or less people at one meal.

b. Commercial dishwashers shall be used in facilities serving more than 15 people at one meal, and shall meet the following criteria:

(1) When chemicals are added for sanitation purposes, they shall be automatically dispensed.

(2) Machines using hot water for sanitizing must maintain wash water at least 150 degrees Fahrenheit and rinse water at a temperature of at least 180 degrees Fahrenheit or a single temperature machine at 165 degrees Fahrenheit for both wash and rinse.

(3) All machines shall be thoroughly cleaned and sanitized at least once each day or more often if necessary to maintain satisfactory operating condition.

c. Soiled and clean dish table areas shall be of adequate size to accommodate the dishes for one meal.

d. All hand-held food preparation and serving equipment shall be cleaned and sanitized following each meal. Dispensers, urns, and similar equipment shall be cleaned and sanitized daily.

114.3(5) *Foods not prepared at site of serving.*

a. The place where food is prepared for off-site serving shall conform with all requirements for on-site food preparation.

b. Food shall be transported in covered containers or completely wrapped or packaged so as to be protected from contamination.

c. During transportation, and until served, hot foods shall be maintained at 140 degrees Fahrenheit or above and cold food maintained at 45 degrees Fahrenheit or below.

114.3(6) *Milk supply.* Milk shall be pasteurized Grade A.

114.3(7) *Public water supply.* The water supply is approved when the water is obtained from a public water supply system.

114.3(8) *Private water supplies.* Any facility that serves at least 25 people for at least 60 days during the year and is supplied by its own well meets the definition of a public water supply and must be regulated by the department of natural resources.

a. *Maintenance and operation.* Each privately operated water supply shall be maintained and operated in a manner that ensures safe drinking water. Each water supply used as part of a facility shall be annually inspected and evaluated for deficiencies that may allow contaminants access to the well interior. Items such as open or loose well caps, missing or defective well vents, poor drainage around the wells, and the nearby storage of potential contaminants shall be evaluated. All deficiencies shall be corrected within 30 days of discovery by a well contractor certified by the state.

b. *Evaluation and water testing.* As part of the inspection and evaluation, water samples shall be collected and submitted by the local health sanitarian or a well contractor certified by the state to the state hygienic laboratory or other laboratory certified for drinking water analysis by the department of natural resources. The minimum yearly water analysis shall include coliform bacteria and nitrate (NO3-) content. Total arsenic testing shall be performed once every three years. The water shall be deemed safe when there are no detectible coliform bacteria, when nitrate levels are less than 10 mg/L as nitrogen, and when total arsenic levels are 10 µg/L or less. A copy of the laboratory analysis report shall be provided to the department of natural resources within 72 hours of receipt by the water supply.

c. *Multiple wells supplying water.* When the water supply obtains water from more than one well, each well connected to the water distribution system shall meet all the requirements of these rules.

d. *Deficiencies.* When no apparent deficiencies exist with the well or its operations and the water supply is proven safe by meeting the minimum sampling and analysis requirements, water safety requirements have been met. Wells with deficiencies that result in unsafe water analysis require corrective actions through the use of a well contractor certified by the state.

e. *When water is proven unsafe.* When the water supply is proven unsafe by sampling and analysis, the facility shall immediately provide a known source of safe drinking water for all water users and hang notification at each point of water use disclosing the water is unsafe for drinking water uses. In addition, the facility shall provide a written statement to the department disclosing the unsafe result and detail a plan on how the water supply deficiencies will be corrected and the supply brought back into a safe and maintained condition. The statement shall be submitted to the department within ten days of the laboratory notice. All corrective work shall be performed and the water supply sampled and analyzed again within 45 days from any water test analysis report that indicates the water supply is unsafe for drinking water uses.

f. *Alternative water sources.* Water obtained from another source through hauling and storage must meet the requirements of the department of natural resources.

114.3(9) *Heating or storage of hot water.* Each tank used for the heating or storage of hot water shall be provided with a pressure and temperature relief valve.

114.3(10) *Sewage treatment.*

a. Facilities shall be connected to public sewer systems where available.

b. Private disposal systems shall be designed, constructed, and maintained so that no unsanitary or nuisance conditions exist, such as surface discharge of raw or partially treated sewage or failure of the sewer lines to convey sewage properly.

114.3(11) *Garbage storage and disposal.*

a. A sufficient number of garbage and rubbish containers shall be provided to properly store all material between collections.

b. Containers shall be leakproof, rodent proof, and shall be maintained in a sanitary condition.

441—114.4(237) Safety.

114.4(1) *General.* Facilities shall take sufficient measures to ensure the safety of the children in care in all of their programs.

114.4(2) *Premises.*

a. Stairways, halls and aisles shall be of substantial nonslippery material, shall be maintained in a good state of repair, shall be adequately lighted and shall be kept free from obstructions at all times. All stairways shall have handrails.

b. Radiators, registers, and steam and hot water pipes shall have protective covering or insulation.

c. Electrical outlets and switches shall have wall plates. Fuse boxes and circuit breakers shall be inaccessible to children.

d. Facilities shall have written procedures for the handling and storage of hazardous materials.

e. Firearms and ammunition shall be kept under lock and key and inaccessible to children. When firearms are used, the facility shall have written policies regarding their purpose, use, and storage.

f. All swimming pools shall conform to state and local health and safety regulations. Adult supervision shall be provided at all times when children are using the pool.

g. The facility shall have policies regarding fishing ponds, lakes, or any bodies of water located on or near the facility grounds and accessible to the children.

114.4(3) *Emergency evacuation and safety procedures.* Upon admission, all children shall receive instruction regarding evacuation and safety procedures. All living units utilized by children shall have a posted plan for evacuation and safety procedures regarding severe weather events, fire or other natural or man-made disasters. Practice fire drills shall be held monthly, and severe weather drills shall be held twice annually.

114.4(4) *Fire inspection.* Each facility shall procure an annual fire inspection approved by the state fire marshal and shall meet the recommendations thereof.

114.4(5) *Local codes.* Each facility shall meet local building, zoning, sanitation and fire safety ordinances. Where no local standards exist, state standards shall be met.

114.4(6) *Safety, protection, and well-being of children in care.* Facilities shall develop and follow written policies and procedures that assure the safety, protection, and well-being of children in care. Policies shall address but not be limited to the following:

a. Supportive leadership of the facility that promotes protecting each child from abuse or bullying from other children and staff.

b. Defining the facility's culture to reduce the use of unnecessary restraint.

c. Clear definitions of unsafe behavior and the emergency situations when it is appropriate to use physical interventions.

d. Staff training and development that give staff confidence they are supported by leadership with proper supervision and ongoing access to information about best practices and evidence-based approaches to care.

e. Adequate supervision of children while the children are using any hazardous or dangerous objects or equipment and when children are using the Internet or other social media.

f. The social and developmental needs of children in care.

g. Providing personal care items to children in care. Personal care items must be provided to the children in care and must reflect the individual needs of the youth living in the facility and participating in the facility's programs.

441—114.5(237) Organization and administration. Any change in the name of the facility, the address of the facility, the executive, or the capacity shall be reported to the department.

114.5(1) *Table of organization.* A table of organization including the identification of lines of responsibility and authority from policymaking to service to clients shall be available to the licensing staff.

114.5(2) *Purpose of agency or facility.* The purpose or function of the organization shall be clearly defined in writing and shall include a description of the children to be accepted for care and the services offered.

114.5(3) *Governing bodies or individuals.* All group living foster care facilities shall:

a. Have a governing board or individuals who are accountable for and have authority over the policies and activities of the organization. In the case of an organization owned by a proprietor or partnership, the proprietor or partner shall be regarded as the governing body.

b. Provide the department with a list of names, addresses, telephone numbers and titles of the members of the governing body.

c. Have adequate insurance covering fire and liability as a protection to children in care.

d. For organizations located outside Iowa, have duly authorized representatives with decision-making abilities designated within the state of Iowa.

114.5(4) *Executive director.* The governing body or proprietor or partner(s) shall select and appoint an executive director with full administrative responsibility and qualifications for carrying out the policies, procedures and programs established by the governing body.

114.5(5) *Financial solvency of facilities.* Profit and nonprofit institutions shall maintain financial solvency to ensure adequate care of children and youth for whom responsibility is assumed. The facility shall have sufficient financial resources, predictable income, or both, and not be totally dependent upon current fees, for a three-month operating period. The facility shall have written policies and procedures describing the program of the facility and specifying how it will be carried out.

441—114.6(237) Policies and record-keeping requirements.

114.6(1) *Policies in writing.* The following current personnel policies and practices of the agency and relating to the specific facility shall be described in writing and accessible to staff upon request:

a. Equal employment opportunity policies and procedures covering the hiring, assignment, and promotion of employees.

b. Job descriptions for all positions.

c. Provisions for vacations, holidays, and sick leave.

d. Effective, time-limited grievance procedures allowing the aggrieved party to bring the grievance to at least one level above that party's supervisor.

e. Authorized procedures, consistent with due process, for the suspension and dismissal of an employee for just cause.

f. Written procedures for annual employee evaluations.

114.6(2) *Health of staff.* Each staff person who has direct client contact or is involved in food preparation shall be tested for tuberculosis and have a physical examination within six months prior to hiring unless the staff can produce valid documentation of the physical and tuberculosis test from within the previous three years. Physical examinations shall be completed every three years from the date of current physical on file. Evidence of these examinations or tests shall be included in each personnel file. The examinations or tests shall be completed by one of the following:

a. A physician as defined in Iowa Code section 135.1(4);

b. An advanced registered nurse practitioner who is registered with and certified by the Iowa board of nursing to practice nursing in an advanced role; or

c. A physician associate licensed under Iowa Code chapter 148C.

114.6(3) *Staff records.*

a. The facility shall maintain the following information with respect to each staff person:

(1) Name and current address of each staff person.

(2) At least two written references or documentation of oral references. In case of unfavorable references, there shall be documentation of further checking to ensure that the person will be reliable.

(3) Documentation of all record checks and evaluations as required in subrule 114.23(1).

(4) A written, signed and dated statement furnished by the staff person prior to providing any care or services to or on behalf of the facility which discloses any founded reports of child abuse on the person that may exist.

(5) Records of a physical examination or a record of a health report, plus a written record of subsequent health services rendered to staff necessary to ensure that each individual is physically able to perform the job duties or functions.

(6) Records of training sessions attended, including dates and content of the training.

(7) When otherwise required in situations that apply, a copy of a school transcript, diploma, or written statement from the school or supervising agency for positions having educational requirements.

b. In addition, with respect to staff who are employed by the facility, the facility shall maintain the following records:

(1) Social security number of each employee.

(2) A job application containing sufficient information to justify the initial and current employment.

(3) A copy of a school transcript, diploma, or written statement from the school or supervising agency before permanent employment of applicants for positions having educational requirements.

(4) Written verification of licensure before permanent employment of applicants for positions requiring licenses. Evidence of renewal of licenses as required by the licensing agency.

(5) Current information relative to work performance evaluation.

(6) Information on written reprimands or commendations.

(7) Information on position in the agency and date of employment.

(8) If the applicant, probationary employee or temporary employee has completed and submitted the Record Check Evaluation form, a copy of the Record Check Evaluation form.

441—114.7(237) Staff.

114.7(1) *Qualifications of staff.*

a. A caseworker shall meet one of the following minimum education and experience criteria:

(1) Graduation from a four-year college or university with a bachelor's degree in a human services field related to social work, psychology or a related behavioral science.

(2) Graduation from a four-year college or university with a bachelor's degree in education and the equivalent of one year of full-time experience in social work or in the delivery of human services in a public or private agency.

(3) Six years of supervised child welfare experience in residential care.

(4) A combination of advanced education in the behavioral sciences and experience equal to six years.

b. A casework supervisor shall have either a master's degree in social work with one year of supervised experience after the master's degree or a master's degree in psychology or counseling with two years of experience beyond the master's degree, one of which was under supervision. The experience shall be in the area of child welfare services.

c. Child care workers shall be at least 18 years of age.

d. Any licensed facility having persons in employment in positions prior to 2023 for which present rules require higher qualifications will be considered to meet the requirements of present staff. Any staff who were hired after 2023 will need to meet the requirements of these rules as stated in this chapter.

e. A person who has a record of a criminal conviction or founded child or dependent adult abuse report shall not be employed unless an evaluation of the crime or founded child or dependent adult abuse has been made by the department that concludes that the crime or founded child or dependent adult abuse does not merit prohibition of employment. If a record of criminal conviction or founded child or dependent adult abuse exists, the person shall be offered the opportunity to complete and submit the Record Check Evaluation form. In its evaluation, the department will consider the nature and seriousness of the crime or founded child or dependent adult abuse in relation to the position sought, the time elapsed since the commission of the crime or founded child or dependent adult abuse, the circumstances under which the crime or founded child or dependent adult abuse was committed, the degree of rehabilitation, the likelihood that the person will commit a crime or founded child or dependent adult abuse again, and the number of crimes or founded child or dependent adult abuses committed by the person involved.

114.7(2) *Number of staff.*

a. Children shall be provided with 24-hour awake supervision. There shall be at least one awake and readily accessible staff person on duty for each occupied living unit. The staff person shall make regular visual checks at least every hour throughout the night. A log shall be kept of all checks, including the time of the check and any significant observations. Policies for nighttime checks shall be in writing.

b. Each facility shall have the services of a casework supervisor and a caseworker adequate to fulfill the staff duties.

c. There shall be an on-call system operational 24 hours a day to provide supervisory consultation. There shall be a written plan documenting this system.

d. The number and qualifications of the staff will vary depending on the needs of the children. There shall be at least a one-to-eight staff-to-client ratio during all times children are awake and present in the facility and during supervised outings.

114.7(3) *Staff duties.*

a. The casework supervisor shall provide in-person case specific supervision at the site of the facility for one hour per month per caseworker and be available for consultation in case of emergency.

b. Caseworkers shall:

(1) Develop a service plan for each child containing goals and objectives with projected dates of accomplishment and shall involve the client, referral agency, and family whenever possible.

(2) Develop a specific plan relating to the involvement of a child's parents or guardians unless documented by the caseworker that the child's parents' or guardians' involvement would be counterproductive.

c. The facility staff shall be responsible for the following:

(1) Documenting case reassessments quarterly, involving staff in the same role as previously involved in service plan development.
(2) Documenting the implementation of the service plan.
(3) Scheduling in-person conferences with each resident.
(4) Providing a supportive atmosphere for each child.
(5) Coordinating internal and external activities of each child.
(6) Providing for liaison with the referring agency.
(7) Providing leadership and guidance to the children.
(8) Providing a mechanism for dealing with day-to-day program operations.
(9) Being responsible for overseeing and maintaining general health and well-being of children.
(10) Supervising the living activities of the children.
(11) Monitoring and recording behavior on a daily basis.
(12) At all times, knowing where the children are and where they are supposed to be to assure ongoing safety.

114.7(4) *Staff development.* Staff development shall be appropriate to the size and nature of the facility. There shall be a written format for staff training that includes:

a. Orientation for all new employees to acquaint them with the philosophy, organization, program practices, and goals of the facility.

b. Training of new employees in areas related to their job assignments.

c. Provisions for all staff members to improve their competency. This may be accomplished through such means as:
(1) Attending staff meetings.
(2) Attending seminars, conferences, workshops and institutes.
(3) Visiting other facilities.
(4) Access to consultants.
(5) Access to current information and evidence-based practices relevant to the facility's services.

d. An individual designated responsible for staff development and training, who will complete a written staff development plan which shall be updated annually.

114.7(5) *Volunteers.* A facility that utilizes volunteers to work directly with a particular child or group of children shall have a written plan for using volunteers. This plan shall be given to all volunteers. The plan shall indicate that all volunteers shall:

a. Be directly supervised by a paid staff member.

b. Be oriented and trained in the philosophy of the facility and the needs of children in care, and methods of meeting those needs.

c. Be subject to reference and record check requirements.

441—114.8(237) Intake procedures.

114.8(1) *Intake policies.* The agency shall have written intake policies specific to the licensed facility.

114.8(2) *Basis of acceptance.* Children shall be accepted for care only after the following criteria have been met:

a. An assessment of the child's need for service and supervision has been agreed upon by the staff of the facility and the referring agency worker. The child, the child's family, legal guardian, and any other significant people shall be invited to participate in this process to the fullest extent possible.

b. The assessment indicates that the child requires the care offered by this type of facility and is likely to benefit from the program the facility offers.

114.8(3) *Referral information.* The following information shall be made available by the referral worker prior to any decision being made regarding the acceptance of a child. The following information shall be requested by the facility if not yet received.

a. A current social history.

b. A copy of the child's physical assessment including immunization history completed within one year prior to application, when available.

c. Where indicated, or when available, psychological testing completed no more than one year prior to referral.

d. Current educational data.

e. When indicated or available, a psychiatric report completed no more than one year prior to referral.

f. Referring agency's case plan that includes goals and objectives to be achieved during placement with a time frame for the achievement of these goals and objectives.

g. Documentation of the legal status of the child that includes any court orders or statements of custody and guardianship.

114.8(4) *Admission requirements.*

a. The following items shall be secured upon admission of the child to the facility:

(1) A placement agreement for the child signed by the person having legal responsibility for the child and the agency where the child is being placed. When this is not available at the time of placement, it shall be furnished within 48 hours of placement in the facility.

(2) Emergency medical authorization from the court, the parents, the guardian, or custodian.

b. The following items shall be provided to the child, the child's family or guardian, and the referring worker at the time of placement:

(1) A description of the services provided.

(2) Written policies regarding children's rights.

(3) Written policies regarding religion, work or vocational experiences, family involvement, and discipline.

114.8(5) *Personal assessment.* At the time of intake, individual needs will be identified by staff based on written and verbal information from referral sources, observable behavior at intake and the initial interview with youth or family, school contacts, physical examinations, and other relevant material. The individual assessment shall provide the basis for development of a service plan for each child.

114.8(6) *Educational assessment.* A plan for the child's educational needs shall be developed by the staff and the referring worker. Involvement of the parents or guardian, area education agency, and public schools may be included when appropriate.

114.8(7) *Person responsible.* Each agency shall designate a person or persons who have the authority to do intake.

114.8(8) *Intake sheet.* An intake sheet shall be completed on each child containing, at a minimum, the information specified in subrule 114.10(1).

441—114.9(237) Program services.

114.9(1) *Evaluation services.*

a. When evaluation services are provided by staff of the facility, the services shall be clearly defined so that referral sources are clear about the components of the service.

b. Evaluations shall be based on behavioral observations, social history, educational assessments and shall include an assessment of vocational needs, recreational skills, and physical therapy, speech, language, vision and hearing needs to assist in planning and placement for the child. The need for providing all of these evaluative services will be determined on the basis of the specific child being referred.

114.9(2) *Service plan.* There shall be a written service plan for each child. The service plan shall be based on the individual needs determined through the assessment of each resident, provide for consultation with the family, and shall include the following:

a. Identification of special needs.

b. Description of planned services including measurable goals and objectives which indicate which staff person will be responsible for the specific services in the plan.

c. Indication of where the services are to occur and note the frequency of activities or services.

d. A discharge summary.

114.9(3) *Daily routine.* Each facility shall provide a daily routine for the children in residence that is directed toward developing healthful habits in eating, sleeping, exercising, personal care, hygiene, and grooming according to the needs of the individual child and the living group.

114.9(4) *Daily log.* The facility shall maintain a daily log to generally record noteworthy occurrences regarding the children in care. Problem areas or unusual behavior for specific children shall be recorded in individual children's records.

114.9(5) *Educational services.* An educational program shall be available for each child in accordance with abilities and needs. The educational and teaching standards established by the state department of education shall be met when an educational program is provided within an institution.

114.9(6) *Health care.*

a. There shall be 24-hour emergency and routine medical and dental services available and provided when prescribed. Provisions for these services shall be documented.

b. The facility shall arrange a physical assessment including vision and hearing tests for each child in care within one week of admission unless the child has received an examination within the past year and the results of this examination are available to the facility.

c. A facility shall not require medical treatment when the parent(s) or guardian of the child or the child objects to treatment on the grounds that it conflicts with the tenets and practices of a recognized church or religious denomination of which the parent(s), guardian or child is an adherent. In potentially life-threatening situations, the facility shall refer the child's care to appropriate medical and legal authorities.

d. A facility shall have and staff shall follow written procedures in case of a medical emergency.

e. A facility shall schedule a dental examination for each child within 14 days of admission unless the child has been examined within six months prior to admission and the facility has the results of that examination.

f. A facility shall provide or secure medical treatment for a child's illnesses and injuries that come to the facility's attention during the child's stay.

114.9(7) *Dietary program.* The facility shall provide properly planned, nutritious and inviting food and take into consideration the dietary and documented health needs of children. The facility shall follow all dietary recommendations prescribed by medical personnel or a dietitian licensed in the state of Iowa.

114.9(8) *Recreation and leisure programs.*

a. The facility shall provide adequately designed and maintained indoor and outdoor activity areas, equipment, and equipment storage facilities appropriate for the residents it serves. There shall be a variety of activity areas and equipment so that all children can be active participants in different types of individual and group sports and other motor activities.

b. Games, toys, equipment, and arts and crafts material shall be selected according to the ages and number of children with consideration to the needs of the children to engage in active and quiet play.

c. The facility shall plan and carry out efforts to establish and maintain workable relationships with community recreational resources so these resources may provide opportunities for children to participate in community recreational activities.

114.9(9) *Casework services.* A facility shall provide or obtain casework services in the form of counseling in accordance with the needs of each child's individual service plan. Casework services include crisis intervention, daily living skills, interpersonal relationships, future planning and preparation for placement as required by the child.

114.9(10) *Optional psychiatric and psychological services.*

a. When the diagnostic evaluation of a child indicates need for care by a psychiatrist and under psychiatric guidance, the specialized treatment or consultation shall be provided or arranged by the facility.

b. Psychologists, whose services are used on behalf of children, shall be licensed as a psychologist in the state of Iowa or be certified by the department of education.

114.9(11) *Liability.* Licensed group living foster care facilities that apply the reasonable and prudent parent standard reasonably and in good faith in regard to a child in foster care shall have immunity from civil or criminal liability that might otherwise be incurred or imposed. This subrule shall not remove or limit any existing liability protection afforded under any other law.

441—114.10(237) Case files. All facilities shall establish and maintain case files on each child. The case files shall include the following.

114.10(1) *Face sheet.* The face sheet shall contain the following information:

a. Full name, birth place and date of birth.

b. Parents' full name.

c. Parents' address and telephone numbers.

d. Religious preference of parents and child.

e. Statement of who has legal custody and guardianship.

f. Name of the referring worker and agency making the referral.

g. Telephone number and address of the agency or court making the referral and contact information of the child's attorney or guardian ad litem.

114.10(2) *Referral packet.* All of the information required in the referral packet shall be contained in the case record including a social history on the child, a copy of the child's physical assessment and immunization history, psychological testing, when available, current educational information, psychiatric report, when available, and the referring agency's case plan.

114.10(3) *Legal documents.*

a. Placement agreement signed by parent(s) or custodian of the child.

b. Petitions and orders of the court regarding adjudication, custody, or guardianship.

114.10(4) *Psychiatric and psychological.* Psychiatric and psychological reports, when available.

114.10(5) *Correspondence.* Correspondence regarding the child.

114.10(6) *Medical records.*

a. Medical and surgical authorizations signed by the parent(s), guardian, or contained in the court order.

b. Record of medical care received while in the facility.

c. Information on past medical history.

114.10(7) *School.*

a. Name of school currently attended.

b. Grade placement.

c. Any specific educational problem.

d. Remedial action recommended.

114.10(8) *Service plan.* The service plan shall be updated quarterly or any time upon receipt of a new case permanency plan or juvenile court services plan or as otherwise needed to address the changing needs of the child. Discharge summary completing the service plan information shall be completed upon a child's discharge from placement.

114.10(9) *Documentation.* The following information shall be documented in each child's record:

a. Appropriate notes, all significant contacts with parents, referring worker and other collateral contracts, as well as staff counseling with child and notations on behavior.

b. A summary related to discharge, including:

(1) The name, address and relationship of the person or agency to whom the child was released.

(2) The discharge summary (as included in the service plan).

(3) Final disposition of a child's medications as applicable.

(4) Identification of who transported the child, if different than in subparagraph 114.10(9)*"b"*(1), and name of the facility or address of the destination after discharge.

114.10(10) *Electronic records.* An authorized representative of the department shall be provided unrestricted access to electronic records pertaining to the care provided to the children who are served as a result of a contract with the department.

a. If access to an electronic record is requested by the authorized representative of the department, the facility may provide a tutorial on how to use its particular electronic system or may designate an individual who will, when requested, access the system, respond to any questions or assist the authorized representative as needed in accessing electronic information in a timely fashion.

b. The facility shall provide the authorized representative access to the records.

c. If the facility is unable to provide direct print capability to the authorized representative, the facility shall make available a printout of any record or part of a record on request in a time frame that does not intentionally prevent or interfere with the department's survey or investigation.

441—114.11(237) Drug utilization and control. The agency shall have and follow written policies and procedures governing the methods of handling prescription drugs and over-the-counter drugs within the facility. No prescription or narcotic drugs are to be allowed in the facility without the authorization of a licensed physician or authorized prescriber.

114.11(1) *Approved drugs.* Only drugs that have been approved by the federal Food and Drug Administration for use in the United States may be used. No experimental drugs may be used.

114.11(2) *Prescribed by physician or other authorized prescriber.* Drugs shall be prescribed by a physician licensed to practice in the state of Iowa or the state in which the physician is currently practicing, or by an advanced registered nurse practitioner or physician associate as permitted by Iowa law, and may be prescribed only for use in accordance with dosage ranges and indications approved by the federal Food and Drug Administration.

114.11(3) *Dispensed from a licensed pharmacy.* Drugs provided to residents shall be dispensed only from a licensed pharmacy in the state of Iowa in accordance with the Iowa Code, from a licensed pharmacy in another state according to the laws of that state, or by a licensed physician.

114.11(4) *Locked cabinet.* All drugs shall be maintained in a locked cabinet. Schedule II medications shall be maintained in a locked box within the locked cabinet. The cabinet key shall be in the possession of a staff person. A bathroom shall not be used for drug storage. A documented exception can be made by persons identified in these rules who may allow self-administered drugs as discussed in subrule 114.11(17).

114.11(5) *Medications requiring refrigeration.* Medications requiring refrigeration shall be kept in a locked box in the refrigerator and separated from food and other items.

114.11(6) *Poisonous or caustic drugs.* All potent poisonous or caustic drugs shall be plainly labeled, stored separately from other drugs in a specific well-illuminated cabinet, closet, or storeroom, and made accessible only to authorized persons.

114.11(7) *Prescribed medications.* All prescribed medications shall be clearly labeled indicating the child's full name, physician's name, prescription number, name and strength of the drug, dosage, directions for use, and date of issuing the drug. Medications shall be packaged and labeled according to state and federal guidelines.

114.11(8) *Medication containers.* Medication containers having soiled, damaged, illegible or makeshift labels shall be returned to the issuing pharmacist.

114.11(9) *Medication for discharged residents.* When a resident is discharged or leaves the facility, the facility shall turn over to a responsible agent Schedule II medications and prescription medications currently being administered. The facility may send nonprescription medications with the child as needed. The facility shall document in the child's file:

a. The name, strength, dosage form, and quantity of each medication.

b. The signature of the facility staff person who turned over the medications to the responsible agent.

c. The signature of the responsible agent receiving the medications.

114.11(10) *Unused prescription drugs.* Unused prescription drugs prescribed for residents may not be kept at the facility for more than 15 days after the resident has left the facility. The unused prescription drugs shall be destroyed by the facility executive director or the executive director's designee in the presence of at least one witness. Outdated, discontinued, or unusable nonprescription medications shall also be destroyed in a similar manner. The person destroying the medication shall document:

a. The resident's name.

b. The name, strength, dosage form, and quantity of each medication.

c. The date the medication was destroyed.

d. The names and signatures of the witness and staff person who destroyed the medication.

114.11(11) *Refills.* Prescriptions shall be refilled only with the permission of the prescriber authorized under Iowa law.

114.11(12) *Use of medications.* No prescription medications prescribed for one resident may be administered to or allowed in the possession of another resident.

114.11(13) *Order of authorized prescriber.* No prescription medication may be administered to a resident without the order of an authorized prescriber.

114.11(14) *Patient reaction.* Any unusual patient reaction to a drug shall be reported to the attending physician or prescriber immediately.

114.11(15) *Dilution or reconstitution of drugs.* Dilution or reconstitution of drugs and their labeling shall be done only by a licensed pharmacist.

114.11(16) *Administration of drugs.* Medications shall be administered only in accordance with the instructions of the attending physician or authorized prescriber. Medications shall be administered only by staff who have completed a medication management course. The type and amount of the medication, the time and date, and the staff member administering the medication shall be documented in the child's record.

114.11(17) *Self-administration of drugs.* There shall be written policy and procedures relative to self-administration of prescription medications by residents and only when:

a. Medications are prescribed by a physician or other authorized prescriber.

b. The physician or authorized prescriber provides written approval that the patient is capable of participating and can self-administer the drug.

c. What is taken and when is documented in the record of the child.

114.11(18) *Obtaining nonprescription medications.* Facilities shall maintain a supply of standard nonprescription medications for use for children residing at the facility. Examples of standard nonprescription medications include cough drops and cough syrups, aspirin substitutes and other pain control medication, poison antidote, and diarrhea control medication.

a. All nonprescription medications kept on the premises for the use of residents shall be pre-approved annually by a licensed pharmacist or an authorized prescriber.

b. Facilities shall maintain a list of all pre-approved nonprescription medications. The list shall indicate standard uses, standard dosages, contraindications, side effects, and common drug interaction warnings. The facility administrator or the administrator's designee shall be responsible for determining the scope of the list and brands and types of medications included.

c. Only nonprescription medications on the preapproved list shall be available for use. However, the facility administrator or the administrator's designee, in consultation with an authorized prescriber or licensed pharmacist, may approve use of a nonprescription medication that is not on the preapproved list for a specific child.

441—114.12(237) Children's rights.

114.12(1) *Policies in writing.* All policies and procedures covered in this rule shall be provided to the child and parents or guardian upon the child's admission to the facility. The rationale and circumstances of any deviation from these policies shall be discussed with the child's parents or guardian and the referring worker, documented, and placed in the child's case record.

114.12(2) *Confidentiality.* Information regarding children and their families shall be kept confidential and released only with proper written authority.

114.12(3) *Communication.*

a. Visitation shall be allowed with members of the child's immediate family unless otherwise regulated by the court.

b. Visits shall be allowed with other significant persons.

c. Consideration shall be given to privacy for family visits.

d. The child shall be permitted to communicate with legal counsel and the referring worker.

e. The child shall be allowed to conduct private telephone conversations with family members. Incoming calls may be screened by staff to verify the identity of the caller before approval is given.

f. The child shall be allowed to send and receive mail unopened unless contraindicated. Contraindications, except those listed below, should be documented in the child's file. The facility may require the child to open incoming mail in the presence of a staff member when it is suspected to contain contraband articles, or when there is money that should be receipted and deposited.

g. When limitations on visitation, calls or other communications are indicated, they shall be determined with the participation or knowledge of the child, family or guardian, and the referring worker. All restrictions shall have specific bases which shall be made explicit to the child and family and documented in the child's case record.

114.12(4) *Privacy.* Reasonable provisions shall be made for the privacy of children.

441—114.13(237) Personal possessions.

114.13(1) *Belongings.* A facility shall allow a child in care to bring personal belongings and to acquire belongings in accordance with the child's service plan. However, the facility shall, as necessary, limit or supervise the use of these items while the child is in care.

114.13(2) *Clothing.* A facility shall ensure that each child in care has adequate, clean, well-fitting, and seasonable clothing as required for health, comfort, and physical well-being. The clothes should be appropriate to age and individual needs.

441—114.14(237) Religion—culture.

114.14(1) *Facility orientation.* A facility shall have a written description of its religious orientation, particular religious practices that are observed, and any religious restrictions. This description shall be provided to the child, the parent(s) or guardian, and the placing agency at the time of admission.

114.14(2) *Child participation.* When a facility accepts a child, the child shall have the opportunity to participate in religious activities and services in accordance with the child's own faith or that of the child's parent(s) or guardian. The facility shall, when necessary and reasonable, arrange transportation for religious activities. Wherever feasible, the child shall be permitted to attend religious activities and services in the community.

441—114.15(237) Work or vocational experiences.

114.15(1) *Written description.* The facility shall have a written statement of any work and vocational experiences available to children.

114.15(2) *Program component.* Work as part of the program shall be identified in the child's case plan.

114.15(3) *Self-care.* Ordinary self-care and self-sufficiency tasks are not considered work.

114.15(4) *Purpose.* Work shall be in the child's interest, within the child's ability, with payment where appropriate, and never solely in the interest of the facility's goals or needs.

441—114.16(237) Family involvement. There shall be written policies and procedures for family involvement that shall encourage continued involvement of the family with the child.

441—114.17(237) Children's money.

114.17(1) *Treatment of funds.* Money earned, received as a gift, or as an allowance by a child in care shall be deemed to be that child's personal property.

114.17(2) *Limitations.* The facility shall have a written policy on limitations on the child's use of funds.

114.17(3) *Records.* The facility shall maintain a separate accounting system for children's money.

441—114.18(237) Child abuse. Written policies shall prohibit mistreatment, neglect, or abuse of children and specify reporting and enforcement procedures for the facility. Alleged violations shall be reported immediately to the director of the facility and the centralized abuse hotline. Any employee found to be in violation of Iowa Code chapter 232, as substantiated by the department's investigation, shall be subject to the agency's policies concerning dismissal.

441—114.19(237) Discipline.

114.19(1) *Generally.* The facility shall have written policies regarding methods used for control and discipline of children that shall be available to all staff and to the child's family. Agency staff shall be in control of and responsible for discipline at all times. Discipline shall not include the withholding of basic necessities, such as food, clothing, or sleep. Discipline shall not be used for anyone other than a child whose actions resulted in consequences. Group discipline shall not be used because of actions of an individual child or other children.

114.19(2) *Corporal punishment prohibited.* The facility shall have a policy that clearly prohibits staff or the children from utilizing corporal punishment as a method of disciplining or correcting children. This policy is to be communicated in writing to all staff of the facility.

114.19(3) *Physical restraint.* The use of physical restraint shall be employed only to prevent the child from injury to self, to others, or to property. Physical restraint must be conducted with the child in a standing position whenever possible. Each child has the right to be free from restraint and seclusion, of any form, used as a means of coercion, discipline, convenience, or retaliation.

a. No staff person shall use any restraint that obstructs the airway of a child.

b. Prone restraint is prohibited. Staff persons who find themselves involved in the use of a prone restraint when responding to an emergency must take immediate steps to end the prone restraint.

c. If a staff person physically restrains a child who uses sign language or an augmentative mode of communication as the child's primary mode of communication, the child shall be permitted to have the child's hands free of restraint for brief periods unless the staff person determines that such freedom appears likely to result in harm to the child, others, or property.

d. The rationale and authorization for the use of physical restraint and staff action and procedures carried out to protect the child's rights and to ensure safety shall be clearly documented in the child's record by the responsible staff persons no later than the end of the shift in which the restraint was used.

e. Documentation of restraint use shall include, but need not be limited to, the following:

(1) Each use of restraint or control room.

(2) The time the intervention began and ended.

(3) The reason that required the resident to be restrained or put in a control room.

(4) The name of staff involved in the intervention.

114.19(4) *Other restraints and control room.* Only comprehensive residential facilities may use a control room, locked cottages, or mechanical restraints.

114.19(5) *Behavior expectations.* The facility shall make available to the child and the child's parents or guardian written policies regarding the following areas:

a. The general expectation of behavior including the facility's rules and practices.

b. The range of reasonable consequences that may be used to deal with inappropriate behavior.

114.19(6) *Time out.*

a. A resident in time out must never be physically prevented from leaving the time out area.

b. Time out may take place away from the area of activity or from other residents, such as in the resident's room, or in the area of activity of other residents.

c. Staff must monitor the resident while the resident is in time out.

441—114.20(237) Illness, accident, death, or unauthorized absence from the facility.

114.20(1) *Notification of illness, injury or elopement.* A facility shall notify the child's parent(s), guardian and responsible agency of any serious illness, incident involving serious bodily injury, circumstances causing removal of the child from the facility, or elopement.

114.20(2) *Notification of death.* In the event of the death of a child, a facility shall notify immediately the physician, the child's parent(s) or guardian, the placing agency, and the appropriate state authority. The agency shall cooperate in arrangements made for examination, autopsy, and burial.

441—114.21(237) Records. In the event of closure of a facility, children's records shall be sent to the department for retention according to the department's records retention policy or the period defined in the department's contract for services, whichever is longer.

441—114.22(237) Unannounced licensing visits from the department of inspections, appeals, and licensing.

114.22(1) Frequency.

a. *Time.* At least one annual unannounced visit will occur during periods of the day when the child would normally be in the facility and awake.

b. *Activities.* The visit will include an assessment of but not be limited to the following areas:

(1) Interaction between the staff and child.

(2) Interaction between the children.

(3) Discussion with the child about experiences in the facility.

(4) A check on any previously cited deficiencies.

(5) Overall impression of the facility.

(6) Staff record checks.

c. *Recommendation.* The department's licensing staff will recommend follow-up actions when needed.

114.22(2) Visits at other times may occur as a result of a self-reported incident or specific complaint.

441—114.23(237) Record check information. Record checks are required for any entity being considered for licensure or employment by a licensee on a facility campus where children reside to determine whether any founded child or dependent adult abuse reports or criminal convictions exist or whether the entity has been placed on a sex offender registry. The facility shall not employ any person who has been convicted of a crime involving the mistreatment or exploitation of a child. The facility shall not employ any person who has a record of a criminal conviction or founded child or dependent adult abuse report unless the department has evaluated the crime or child or dependent adult abuse and determined that the crime or child or dependent adult abuse does not merit prohibition of licensure, volunteering or employment.

114.23(1) *Procedure.* Each entity being considered for licensure or employment shall be checked for all of the following:

a. Records with the Iowa central abuse registry, using the request for child and dependent adult abuse information form;

b. Records with the Iowa division of criminal investigation, using the department's criminal history record check form;

c. Records with the Iowa sex offender registry;

d. Records with the child abuse registry of any state where the person has lived during the past five years; and *e.* Fingerprints provided to the department of public safety for submission through the state criminal history repository to the United States Department of Justice, Federal Bureau of Investigation, for a national criminal history check. Fingerprinting, for the purpose of a national criminal history check, is required for all entities considered for licensure or employment by a licensee on a facility campus where children reside.

114.23(2) *Evaluation of record.* If an entity for which a background check is required has a record of founded child or dependent adult abuse, a criminal conviction, or placement on a sex offender registry, the department will prohibit licensure or employment unless an evaluation determines that the child or dependent adult abuse, criminal conviction, or placement on a sex offender registry does not warrant prohibition.

a. *Scope.* The evaluation will consider the nature and seriousness of the founded child or dependent adult abuse or criminal conviction in relation to:

(1) The position sought or held,

(2) The time elapsed since the abuse or crime was committed,

(3) The circumstances under which the abuse or crime was committed,

(4) The degree of rehabilitation,

(5) The likelihood that the person will commit the abuse or crime again, and

(6) The number of abuses or crimes committed by the person.

b. *Evaluation form.* The person with the founded child or dependent adult abuse or criminal conviction report shall complete and return the department's record check evaluation form within ten calendar days of the date of receipt.

114.23(3) *Evaluation decision.*

a. The department will conduct the evaluation and make the decision of whether or not the founded child or dependent adult abuse or criminal conviction warrants prohibition of licensure or employment by a licensee. 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 in accordance with the facility's employment procedures. Record check evaluations are valid for 30 days from the date the notice of decision is issued.

b. 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 2506.

These rules are intended to implement Iowa Code section 237.3.

RA 26-294

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 118
"Child Care Quality Rating System"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.6 and 237A

State or federal law(s) implemented by the rulemaking: Iowa Code section 237A.30 as amended by 2026 Iowa Acts, Senate File 2488, section 27

Public Hearing

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

October 6, 2026 10 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX

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
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

Purpose and Summary

This chapter was reviewed as part of the Red Tape Review process laid out by Executive Order 10. As a result of this review, restrictive terms were removed, areas that were duplicative were combined or eliminated, and editorial updates were made to processes and procedures to ensure they reflect current policies and procedures. This proposed rulemaking implements 2026 Iowa Acts, Senate File 2488, section 27, by establishing rules for a voluntary child care quality rating system, which is designed for child care programs that primarily serve children between birth and the age of 12.

The reference to Iowa Code section 237A.30 is to that section as amended by 2026 Iowa Acts, Senate File 2488, section 27.

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:**

Children and families seeking affordable, high-quality child care will benefit from the ratings criteria established in this proposed chapter.

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

- **Quantitative description of impact:**

During SFY 2026, there were 317 child care providers with a quality rating and improvement system (QRIS) Level 1 rating, 125 child care providers with a QRIS Level 2 rating, 182 child care providers with a QRIS Level 3 rating, 78 child care providers with a QRIS Level 4 rating, and 13 child care providers with a QRIS Level 5 rating. During that same fiscal year, 3,112 child care providers decided not to participate in the IQ4K rating system.

- **Qualitative description of impact:**

Children and families seeking affordable, high-quality child care will benefit from the ratings criteria established in this proposed chapter.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

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

The rules set forth in this proposed chapter are appropriate under Iowa Code section 237A.12.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

Small Business Impact

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

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

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

This rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 118 and adopt the following **new** chapter in lieu thereof:

CHAPTER 118
CHILD CARE QUALITY RATING SYSTEM

441—118.1(237A) Definitions.

"All staff" means program administrator or director, assistant program administrator or assistant director, on-site supervisor, lead teacher, and staff counted as part of the staff-to-child ratio.

"Assessment tool" means a tool approved by the department used to gather and provide critical information about a child's educational growth and development to educators, parents, guardians, and caretakers.

"Assistant program administrator" or *"assistant director"* means the staff member working directly under the administrator or director and assisting with program planning and managing, marketing, and directing the child care facility.

"Child and Adult Care Food Program" or *"CACFP"* means a federal United States Department of Agriculture (USDA) program that provides a subsidy for serving nutritious meals and snacks to eligible children and adults who are enrolled at participating child care centers, homes, and adult day care centers. CACFP also provides reimbursements for meals served to children and youth participating in after-school care programs, children residing in emergency shelters, and adults over the age of 60 or living with a disability and enrolled in adult day care facilities.

"Child care experience" means knowledge and skills learned through employment in a licensed child care center, a school-aged only program, a preschool, a registered child development home or as a child care home provider.

"Child care facility" means the same as defined in Iowa Code section 237A.1.

"Child care resource and referral" or *"CCR&R"* means the statewide agency focused on supporting quality child care throughout the state of Iowa. CCR&R serves as the starting point for all IQ4K applications and provides free technical assistance and consultation to providers throughout the IQ4K application process.

"Child development associate credential" or *"CDA"* means a nationally recognized credential earned by individuals working in the early child care and education field.

"Child development home" means the same as defined in Iowa Code section 237A.1.

"ChildNet certification" means verified completion of the ChildNet training series.

"ChildNet training" means the training series offered through CCR&R focused on areas specifically designed for child development home providers.

"Child nutrition programs" or *"CNPs"* means federally funded programs administered by the federal Food and Nutrition Administration (FNA).

"Classroom assessment scoring system" or *"CLASS"* means an observation instrument that assesses the quality of teacher-child interactions in center-based classrooms.

"Co-provider" means a second approved provider in a Category C registered child development home as described in Iowa Code section 237A.3A(3)*"a."*

"Curriculum" means a written plan that outlines how students shall be taught. The curriculum consists of the plans for the learning experiences through which children acquire knowledge, skills, abilities, and understanding. The curriculum may include lessons, instructional materials, teaching techniques, or activities.

"Developmental screening tool" means a research-based questionnaire or checklist that asks questions about a child's development, including, at a minimum, movement, thinking, behavior and emotions.

"Early childhood-positive behavioral interventions and supports" or *"EC-PBIS"* means a framework of evidence-based practices that adults can use to build strong relationships with children and families, improve the predictability within the adults' classrooms and respond appropriately and effectively to challenging behaviors.

"EC-PBIS leadership team" means a team of facility staff, including, at minimum, the program administrator, teacher(s) and a coach, that is responsible for guiding the programwide process and making decisions on how to support implementation of the EC-PBIS practices.

"EC-PBIS module training" means a department-approved training series for staff working directly with young children on universal practices, targeted strategies and individualized interventions to reduce challenging behavior.

"Environment rating scale" or *"ERS"* means a set of early childhood tools or scales developed through the Frank Porter Graham Child Development Institute of the University of North Carolina at Chapel Hill.

"ERS assessment" means an evaluation conducted through an on-site observation of an early childhood care and education classroom or program using one of the environmental rating scales. The assessment is completed by a trained assessor and administered by entities approved by the department.

"ERS improvement plan" or *"improvement plan"* means the approved action plan created by a program or classroom to lay out ideas for improving program quality.

"ERS scoresheet" means the form used to evaluate and score a program or classroom based on the ERS items and indicators.

"Facility" means a licensed child care center, a preschool, a program operating under the authority of an accredited school district or nonpublic school, or a registered child development home.

"Full-time child care experience" means knowledge and skills learned through employment or volunteer work, at least 30 hours per week or 130 hours per month, in a licensed child care center, a school-aged only program, a preschool, or a registered child development home or as a child care home provider.

"Health and safety checklist for early care and education programs" or *"ECE"* means the nationally recognized quality assessment tool, conducted by a child care nurse consultant or another designee as approved by the department.

"Iowa early care and education program administrator roles career pathway" means the statewide professional development tool available on the department's website that assists early childhood center administrators or other early childhood leaders develop a personal professional development plan as an early childhood educator.

"Iowa early learning standards" or *"IELS"* means a comprehensive resource tool developed to support and enhance children's learning and development.

"i-PoWeR" means Iowa's early childhood and school age care professional workforce registry. It is a web-based workforce registry that houses information including completed professional development.

"IQ4K" or *"Iowa Quality for Kids"* or *"IQ4K QRIS"* means Iowa's voluntary quality rating and improvement system (QRIS) for licensed child care centers and preschools, registered child development homes and programs operating under an accredited school district or nonpublic school.

"IQ4K application" means the online application for IQ4K found on the department website.

"IQ4K teaching staff qualifications worksheet" means the tool used to calculate an average score in the area of teaching staff qualification using a combination of the educational background and related work experience of identified teaching staff members.

"Lead teacher" means the staff member responsible for providing a safe and developmentally appropriate classroom that complies with legislation, policies, and procedures.

"Meals" means any breakfasts, lunches, snacks and suppers the child care program serves to children while in care.

"National administrator credential" or *"NAC"* means the 40-hour comprehensive training for child care and education administrators and successful completion of the certification process offered through the National Early Childhood Program Accreditation (NECPA) Commission.

"National School Lunch Program" or *"NSLP"* means a federal CNP operating in public and nonprofit private schools and residential child care institutions.

"On-site supervisor" means the individual responsible for the daily supervision of the program who must be on site daily, either during the hours of operation that children are present or at a minimum of eight hours of the program's hours of operation.

"Practitioner coach" means the staff member, identified by the program administrator, responsible for coaching classroom teachers on implementation of the EC-PBIS policies and practices.

"Professional development" means continuing education and career training offered by a department-approved training organization to child care and education providers to help the child care and education providers develop new skills, stay up to date on current trends, and advance the child care and education providers' careers.

"Professional development plan" means the individualized plan used to improve knowledge and skills.

"Program" refers to the complete operation of an eligible facility applying for an IQ4K rating.

"Program administrator or director" means a department-approved staff member responsible for overseeing the day-to-day operations of a child care program.

"Programwide PBIS training" or *"PW PBIS training"* means the training for leadership teams of classroom-based early childhood programs.

"Provider" means the person or program that applies for registration to provide child care and is approved as a child development home.

"School-aged only program" means an eligible facility providing care to children aged 5 through 12 when school is not in session, including before school, after school, out-of-school days during the school year, and summer break.

"Self-assessment" means an evaluation of current program policies, practices, and procedures in comparison to best-practice standards based on the most up-to-date research.

"Specialized track" means a modified IQ4K application for eligible applicants who have successfully provided adequate documentation of current verification and certification in one of the department's preapproved specialized track areas.

"Staff" means any individual employed by and working at the facility.

"Teacher" means any staff member working under the supervision of a lead teacher or other licensed personnel who has the ultimate responsibility for the design and implementation of education and related service programs. Other terms used may include paraprofessional, educational aide, associate, or instructional aide.

"Teaching staff" means all staff members who are considered persons counted as a part of the minimum ratio of staff to children as outlined in 441—subrule 109.8(2).

441—118.2(237A) IQ4K rating. Applicants shall apply for an IQ4K rating by completing the appropriate application and submitting all required supporting documentation.

118.2(1) *Eligibility.* All programs must meet and maintain all regulatory requirements in order to be eligible to apply for IQ4K. All programs must have, at minimum, one child regularly and actively enrolled in order to be eligible to apply for IQ4K.

118.2(2) *Application for IQ4K.* All applications must be accessed, completed, and submitted to the applicant's designated CCR&R representative through the IQ4K application located on the department's website.

441—118.3(237A) Application effective date. The effective date of an approved IQ4K application will be determined as listed in these subrules.

118.3(1) *New or nonrated applicant, levels 1 through 4.* The application effective date will be the day the department certifies the application is complete and makes the appropriate award determination.

118.3(2) *New or nonrated applicant, level 5.* The application effective date will be the day the department confirms the program's scores on the ERS and subsequently makes the appropriate award determination.

118.3(3) *Currently rated applicant, levels 1 through 4.* If the program's new application is submitted and approved prior to the IQ4K expiration date, the new application's effective date will be the first day of the month following the program's current expiration date.

118.3(4) *Currently rated applicant, level 5.* If the program's new application is submitted and approved 30 calendar days prior to the IQ4K expiration date, the new application's effective date will be the first day of the month following the program's current expiration date.

a. If the program's new application is not submitted 30 calendar days prior to the IQ4K expiration date, the new application effective date will be the day the department confirms the program's scores on the ERS and subsequently makes the appropriate award determination.

b. If the ERS process is not complete by the time of the program's IQ4K expiration date, the program's IQ4K rating will expire and the program will not have an IQ4K rating until the ERS process is complete and the program applies for a new IQ4K rating.

118.3(5) *Currently rated applicant, mid-rating increase to levels 2 through 4.* The application effective date will be the day the department certifies the application is complete and makes the appropriate award determination.

118.3(6) *Currently rated applicant, mid-rating increase to level 5.* The application effective date will be the day the department confirms the program's scores on the ERS and subsequently makes the appropriate award determination.

118.3(7) *Forfeited applications.* The effective date of a program whose assessment opportunity has been forfeited will be the date the department determined the assessment opportunity was forfeited.

441—118.4(237A) Approved program's expiration date. An approved program's IQ4K expiration date will be the last day of the month, two years from the application's effective date.

441—118.5(237A) Renewal application submission, levels 1 through 4. Eligible applicants may submit an application for IQ4K renewal up to 45 calendar days in advance of the current IQ4K expiration date.

441—118.6(237A) Renewal application submission, level 5. Eligible applicants may submit an application for IQ4K renewal up to 60 calendar days in advance of the current IQ4K expiration date.

441—118.7(237A) Increased rating. Currently rated IQ4K programs may submit an application for a higher quality rating no sooner than 12 months after the effective date of the current IQ4K certificate.

441—118.8(237A) Change in location of facility. If the location of a rated program changes, the program must notify the department. The program's current IQ4K rating will be invalid, and the program must submit a new application. The department will make a new determination of the appropriate rating for the new location.

441—118.9(237A) Ongoing eligibility. All applicants awarded an IQ4K certification level must continue to meet all eligibility requirements of the awarded level throughout the entire certification period. Noncompliance with regulatory requirements or with IQ4K criteria can result in revocation of rating and not being eligible to apply for or renew the program's rating. Provisionally licensed programs are not eligible to apply for IQ4K participation.

441—118.10(237A) Monitoring. Programs awarded an IQ4K rating shall agree to scheduled on-site and virtual program monitoring by the department or the department's designee to confirm and review compliance with criteria of awarded IQ4K rating.

441—118.11(237A) Professional development training. Only training taken from a department-approved training organization will be accepted toward professional training requirements. Secondary education credits will count as one secondary education credit equaling 15 training hours based on ages of the children served in the program. Approved training must be verified in i-PoWeR to count toward professional development training requirements.

441—118.12(237A) Rating standards for a child care center, a preschool, or a program operating under the authority of an accredited school district or nonpublic school. To participate in IQ4K QRIS, a child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school shall certify that the accredited school district's or nonpublic school's facility meets the applicable criteria as defined in these rules.

118.12(1) An eligible applicant providing adequate documentation of current verification or certification in one of the preapproved specialized track areas shall only be required to satisfy the criteria outlined in the application consistent with the eligible applicant's specialized track.

118.12(2) A program with more than one classroom shall not be eligible to apply using a specialized track application unless over 50 percent of the program's eligible classrooms meet the specialized track requirements.

118.12(3) An eligible applicant shall be able to earn credit for participation in more than one of the specialized track areas.

441—118.13(237A) Criteria for IQ4K—level 1 child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school. To be rated at a level 1, an eligible facility must be in full compliance with department regulations and satisfy all the criteria in each of the seven designated categories listed in level 1 or complete all of the criteria designated in the eligible facility's respective specialized tracks.

118.13(1) *Nutrition and physical activity.*

a. All staff members who prepare meals shall complete one of the department-approved food safety trainings.

b. A department-approved self-assessment and action plan in the area of nutrition shall be completed for an eligible facility.

c. A department-approved self-assessment and action plan in the area of physical activity shall be completed for an eligible facility.

118.13(2) *Professional development.*

a. All staff shall complete a professional development plan within six months of each person's hiring date and shall update the plan annually.

b. All staff shall complete one of the department-identified new staff orientation courses and must provide a valid certificate of completion. Newly hired staff shall have nine months from date of hire to complete this requirement.

118.13(3) *Family and community partnerships.*

a. The program shall provide an orientation meeting for new families that meets department criteria.

b. The program shall complete one annual activity that promotes partnerships from the department's approved list.

118.13(4) *Teaching staff qualifications.* All lead teachers shall show participation in the Iowa early care and education teaching roles career pathway tier 1 within six months of starting employment.

118.13(5) *Teaching and learning.*

a. The program administrator and at least one lead teacher shall complete two hours of department-approved training on the Iowa early learning standards.

b. The program shall develop and implement a comprehensive discipline and behavior policy that promotes positive relationships that meet department criteria.

118.13(6) *Environment.*

a. The program shall develop and implement, as applicable to ages served, policies that meet department criteria for the following areas:

(1) Supervision.

(2) Safe sleep.

(3) Playground equipment stability and fall surfacing and inspection.

(4) Missing child.

(5) Sign in and out tracking system for children and visitors.

b. The program shall submit to the department one of the following annually:

(1) IQ4K Interaction and Relationship Self-Assessment form, which shall be completed by teaching staff.

(2) CLASS assessment form prescribed by the department for the age level being served, which shall be completed for each classroom by a trained observer.

(3) Teaching pyramid observation tool form prescribed by the department or teacher pyramid infant toddler observation scale assessment tools for infants and toddlers, which shall be completed for each classroom by a trained observer.

118.13(7) *Leadership and administration.*

a. All staff shall complete the IQ4K staff self-assessment annually.

b. The program administrator shall complete the IQ4K program assessment annually.

441—118.14(237A) Criteria for IQ4K—level 2 child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school. To be rated at a level 2, an eligible facility must be in full compliance with department regulations and satisfy all of the criteria in each of the seven designated categories listed in levels 1 and 2 or complete all of the criteria designated in the eligible facility's respective specialized tracks for levels 1 and 2.

118.14(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP, or another department-approved CNP.

(2) The program shall complete all of the following as applicable to ages served:

1. Program staff and their supervisor planning the menu shall complete the CACFP Steps to Success module 2 lessons as identified by the department that cover the CACFP meal pattern.

2. Infant lead teachers and their supervisor shall review the video "CACFP Child Care Center Infant Staff Training" or "Iowa CACFP Infant Training—Steps to Success module 15" as provided by the department.

3. All lead teachers and their supervisors responsible for mealtime supervision shall complete the CACFP child care center staff training or the Iowa CACFP wellness module—meaningful mealtimes.

b. The program shall identify and implement one physical activity goal from the completed action plan in level 1.

118.14(2) *Professional development.*

a. All staff who administer medication shall complete the medication administration skills competency course or other training as approved by the department and hold a valid certification of completion.

b. All staff who administer medication shall also successfully complete a competency skills evaluation assessment checklist or department-approved equivalent and hold a valid certification of completion. There shall be one person who meets these criteria present on site in the program at all times.

c. All teaching staff shall complete ten annual training hours of professional development.

118.14(3) *Family and community partnerships.*

a. The program shall offer one conference with each family per year to discuss each child's progress, strengths, and needs in all developmental areas and to share child assessment information with the child's family.

b. The program shall complete one additional department-approved activity annually that promotes partnerships.

118.14(4) *Teaching staff qualifications.* All lead teachers shall complete approved trainings toward a CDA or shall meet a higher tier qualification on the Iowa early care and education teaching roles career pathway.

118.14(5) *Teaching and learning.*

a. The program shall use a curriculum that is aligned with the Iowa early learning standards, addresses the multiple domain areas, and is specific to the ages of the children the program serves.

b. The program shall develop and implement a department-approved policy that eliminates or severely limits expulsion, suspension, and punitive or other exclusionary discipline.

c. The program shall develop and implement policies meeting department criteria regarding the use of an approved developmental screening tool for all children within 60 days of enrollment and at least annually to identify children who may need additional evaluation and intervention strategies.

118.14(6) *Environment.*

a. The program administrator shall complete one ERS training and provide a certificate of completion, choosing among:

(1) Compass—a guide to quality infant/toddler environments;

(2) Compass—a guide to quality preschool environments; or

(3) Compass—a guide to quality school age environments.

b. The program shall provide a welcoming environment to all children and families.

c. The program shall develop and implement a tobacco-free and nicotine-free policy that meets department criteria.

118.14(7) *Leadership and administration.*

a. The program administrator shall complete and annually update the IQ4K quality improvement action plan.

b. All staff shall receive a written evaluation at least once a year.

c. The program administrator shall have at least two years of full-time experience working in the field.

441—118.15(237A) Criteria for IQ4K—level 3 child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school. To be rated at a level 3, an eligible facility must be in full compliance with department regulations and satisfy all of the criteria in each of the seven designated categories listed in levels 1, 2 and 3 or complete all of the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2 and 3.

118.15(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP, or another department-approved CNP.

(2) If exempt from CACFP or NSLP, the program shall identify and implement two nutrition goals from the completed department-approved action plan in level 1.

1. Programs providing adequate documentation that the programs provide care for four hours a day or less are exempt from the CACFP or NSLP participation requirement.

2. Nonprofit programs shall qualify for an exemption from the CACFP or NSLP requirement if the programs provide adequate documentation that meets one of the following criteria:

- The percentage of children enrolled in the program qualifying for free or reduced meals is 5 percent or less.
- The program's licensed capacity is 30 or less.
- The program serves two or fewer meals or snacks per day.

- The program is open and operating three days a week or less.

3. For-profit programs shall qualify for an exemption from the CACFP or NSLP requirement if the for-profit programs are able to provide adequate documentation that the percentage of children enrolled in the program qualifying for free or reduced meals is 25 percent or less.

b. The program shall identify and implement two physical activity goals from the completed action plan in level 1.

118.15(2) *Professional development.*

a. All teaching staff shall complete ten annual training hours of professional development.

b. Sixty percent or more of all lead teachers shall complete the universal practices EC-PBIS module trainings based on the age groups served.

118.15(3) *Family and community partnerships.*

a. The program shall promote culturally sensitive practices and procedures.

b. The program shall complete one additional activity annually that promotes partnerships from the approved department list.

118.15(4) *Teaching staff qualifications.* The average score for all lead teachers shall be three points or more on the IQ4K teaching staff qualifications worksheet.

118.15(5) *Teaching and learning.*

a. The program shall utilize an appropriate department-approved assessment tool throughout the year that aligns with the curriculum to gather information on each child's strengths, progress, and needs.

b. The program shall share community resources with families as needed based on the information gathered from the child's assessment.

c. The program shall develop and implement policies and procedures meeting department criteria for inclusive practices for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral needs, or specialized health needs.

118.15(6) *Environment.*

a. Thirty percent or more of lead teachers shall complete an appropriate ERS training as applicable to ages served and provide a certificate of completion, choosing among:

(1) Compass—a guide to quality infant/toddler environments;

(2) Compass—a guide to quality preschool environments; or

(3) Compass—a guide to quality school age environments.

b. The program shall participate in the completion of the health and safety checklist for early care and education programs.

c. The program shall develop and implement a departmentally approved policy regarding oral health.

118.15(7) *Leadership and administration.*

a. The program administrator shall complete one of the following:

(1) NAC or another department-approved credential.

(2) A minimum of 30 training hours in early childhood and 10 training hours or more in leadership, administration, or management.

b. The program administrator shall have one of the following:

(1) Three years or more of full-time experience working in the field; or

(2) One year or more of full-time experience as a program administrator.

441—118.16(237A) Criteria for IQ4K—level 4 child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school. To be rated at a level 4, an eligible facility must be in full compliance with department regulations and satisfy all of the criteria in each of the seven designated categories listed in levels 1, 2, 3 and 4 or complete all of the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2, 3 and 4.

118.16(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP, or another department-approved CNP and shall identify and implement one nutrition goal from the completed action plan in level 1.

(2) If exempt from CACFP or NSLP, the program shall identify and implement three nutrition goals from the completed action plan in level 1.

b. The program shall identify and implement three physical activity goals from the completed action plan in level 1.

118.16(2) *Professional development.*

a. All teaching staff shall complete 12 annual hours or more of professional development.

b. Sixty percent or more of all lead teachers shall complete the targeted strategies and individualized interventions EC-PBIS training modules based on the age groups served.

118.16(3) *Family and community partnerships.* The program shall complete one additional department-approved activity annually that promotes partnerships.

118.16(4) *Teaching staff qualifications.* The average score for all teaching staff shall be four points or more on the IQ4K teaching staff qualification worksheet.

118.16(5) *Teaching and learning.*

a. The teaching staff shall use assessment data and information gathered about children and families to make changes to further support the children's learning environment and activities.

b. The teaching staff shall participate in planning with families and outside experts, as needed, for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral needs, and specialized health needs.

118.16(6) *Environment.*

a. Sixty percent or more of lead teachers shall complete an appropriate ERS training as applicable to ages served and provide a certificate of completion, choosing among:

(1) Compass—a guide to quality infant/toddler environments;

(2) Compass—a guide to quality preschool environments; or

(3) Compass—a guide to quality school age environments.

b. One-third of all classrooms shall complete the ERS scoresheet with self-assessment and improvement plan using a minimum of one classroom per scale, if applicable.

c. The program shall score an average of 2.5 or higher on the health and safety checklist for early care and education.

118.16(7) *Leadership and administration.*

a. The program administrator shall meet the Iowa early care and education program administrator roles career pathway tier 1 or higher.

b. The program administrator shall have two or more years of full-time experience as a program administrator.

441—118.17(237A) Criteria for IQ4K—level 5 child care center, preschool, or program operating under the authority of an accredited school district or nonpublic school.

118.17(1) *Criteria for each category.* To be rated at level 5, an eligible facility must be in full compliance with department regulations and satisfy all of the criteria in each of the seven designated categories listed in levels 1, 2, 3, 4 and 5 or complete all the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2, 3, 4 and 5. To be rated at a level 5, an eligible facility must also meet the following criteria:

a. *Minimum score.* The facility must earn a minimum score of 5.0 in each assessed classroom on the appropriate ERS.

b. *Approved assessor.* An assessor approved by the department must perform an environment rating assessment.

c. *Number of classrooms assessed.* At least one-third of the facility's classrooms must be assessed, including at least one classroom in each age group served by the facility.

d. Time frame for assessment. Programs eligible for ERS assessment must undergo their assessment within 90 days of department approval unless an extension is requested and approved by the department.

e. Assessments not done timely. Programs that do not undergo their assessment within 90 days of approval by the department or do not receive an approved extension from the department will forfeit their opportunity for an assessment.

118.17(2) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP, or another department-approved CNP and shall identify and implement two nutrition goals from the completed action plan in level 1.

(2) If exempt from CACFP or NSLP, the program shall identify and implement four nutrition goals from the completed action plan in level 1.

b. The program shall identify and implement four physical activity goals from the completed action plan in level 1.

118.17(3) *Professional development.* All teaching staff shall complete 12 annual hours or more of professional development.

118.17(4) *Family and community partnerships.*

a. The program shall complete one additional department-approved activity annually that promotes partnerships.

b. The program shall offer one additional conference with each family of preschool age children in care, per year, to discuss each child's progress, strengths, and needs in all developmental areas. Assessment information shall be shared with the family.

118.17(5) *Teaching staff qualifications.* The average score for all teaching staff shall be eight points or more on the IQ4K teaching staff qualification worksheet.

118.17(6) *Teaching and learning.*

a. The teaching staff shall work with families and other experts to implement instructional and environmental adaptations that support learning for each child, including those with diverse needs, identified disabilities, language barriers, identified behavioral health needs and specialized health needs.

b. The leadership team shall complete PW PBIS training. A leadership team must include an administrator, practitioner, coach, and teacher.

118.17(7) *Environment.*

a. Eighty percent or more of lead teachers shall complete an appropriate ERS training, as applicable to ages served, and provide a certificate of completion to the department, by choosing among:

(1) Compass—a guide to quality infant/toddler environments;

(2) Compass—a guide to quality preschool environments; or

(3) Compass—a guide to quality school age environments.

b. One-third of all classrooms shall receive an overall score of five or higher on each classroom's ERS assessment when using a minimum of one classroom per scale, if applicable.

c. The program shall score an average of 2.75 or higher on the health and safety checklist for early care and education.

118.17(8) *Leadership and administration.*

a. The program administrator shall meet the Iowa early care and education program administrator roles career pathway tier 2 or higher.

b. The program administrator shall have three or more years of full-time experience as a program administrator.

441—118.18(237A) Rating standards for school-aged only programs.

118.18(1) To participate in IQ4K QRIS, a school-aged only program shall certify that its facility meets the applicable criteria as defined in these rules.

118.18(2) The following program requirements apply:

a. Eligible applicants providing adequate documentation of current verification or certification in one of the preapproved specialized track areas shall only be required to satisfy the criteria outlined in the application consistent with the eligible applicants' specialized track.

b. Programs with more than one classroom shall not be eligible to apply using a specialized track application unless over 50 percent of their eligible classrooms meet the specialized track requirements.

c. Eligible applicants are able to earn credit for participation in more than one of the specialized track areas.

441—118.19(237A) Criteria for IQ4K—level 1 school-aged only programs. To be rated at a level 1, an eligible facility must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in level 1 or complete all of the criteria designated in the eligible facility's respective specialized tracks.

118.19(1) *Nutrition and physical activity.*

a. The program administrator and any staff members who prepare meals shall complete one of the department-approved food safety trainings.

b. A department-approved self-assessment and action plan in the area of nutrition shall be completed for an eligible facility.

c. A department-approved self-assessment and action plan in the area of physical activity shall be completed for an eligible facility.

118.19(2) *Professional development.*

a. All staff shall complete a professional development plan within six months of each person's hiring date and update the plan annually.

b. All staff shall complete one of the department-identified new staff orientation courses and must provide a valid certificate of completion. Newly hired staff shall have nine months from date of hire to complete this requirement.

118.19(3) *Family and community partnerships.*

a. The program shall provide an orientation for new families meeting department criteria.

b. The program shall complete one annual activity that promotes partnerships from the department-approved list.

118.19(4) *Teaching and learning.*

a. The program shall provide assistance or access to tutors to support homework or students' learning needs.

b. The program shall develop and implement a comprehensive discipline and behavior policy that meets department criteria for promoting positive relationships.

c. The program shall develop and implement a comprehensive and age-appropriate schedule of activities.

118.19(5) *Environment.*

a. The program shall develop and implement policies that meet department criteria for the following areas:

(1) Supervision.

(2) Bullying prevention.

(3) Playground equipment stability and fall surfacing and inspection.

(4) Missing child.

(5) Sign in and out tracking system for children and visitors.

(6) Technology.

b. The program shall submit to the department one of the following annually:

(1) The IQ4K interaction and relationship self-assessment that shall be completed by teaching staff.

(2) CLASS assessment for the age level being served that shall be completed for each classroom by a trained observer.

118.19(6) *Leadership and administration.*

a. All staff shall complete the IQ4K staff self-assessment annually.

b. The program administrator shall complete the IQ4K program assessment annually.

c. Meetings for all staff shall be conducted two or more times per year.

441—118.20(237A) Criteria for IQ4K—level 2 school-aged only programs. To be rated at a level 2, an eligible facility must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1 and 2 or complete all the criteria designated in the eligible facility's respective specialized tracks for levels 1 and 2.

118.20(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP or another department-approved CNP.

(2) The program shall complete all of the following as applicable to ages served:

1. Program staff planning the meals and the program staff's supervisor shall complete the CACFP steps to success lessons as identified by the department that cover the CACFP meal pattern.

2. All lead staff and their supervisors responsible for mealtime supervision shall complete the CACFP school-age program staff training.

b. The program shall identify and implement one physical activity goal from the completed action plan in level 1.

118.20(2) *Professional development.*

a. All staff who administer medication shall complete the medication administration skills competency course or other training as approved by the department and hold a valid certification of completion.

b. All staff who administer medication shall also successfully complete a competency skills evaluation assessment checklist or department-approved equivalent and hold a valid certification of completion. There shall be one person who meets these criteria present on site in the program at all times.

c. All staff shall complete ten annual training hours of professional development.

118.20(3) *Family and community partnerships.*

a. The program shall offer one conference with each family per year to discuss each child's progress, strengths, and needs in all developmental areas.

b. The program shall complete one additional department-approved activity annually that promotes partnerships.

118.20(4) *Teaching and learning.*

a. The program shall develop and implement a curriculum that includes all of the following opportunities each day:

(1) Physical activity.

(2) Creative expression.

(3) Cooperative games.

(4) Free choice with a variety of materials.

(5) Academic support.

b. The program shall develop and implement a department-approved policy that eliminates or severely limits expulsion, suspension, and punitive or other exclusionary discipline.

118.20(5) *Environment.*

a. The program administrator or assistant administrator shall complete the compass—a guide to quality school age environments training and provide a certificate of completion.

b. The program shall provide a welcoming environment to all children and families.

c. The program shall develop and implement a tobacco-free and nicotine-free policy meeting department criteria.

118.20(6) *Leadership and administration.*

a. The program administrator shall complete and annually update the IQ4K quality improvement action plan.

b. All staff shall receive a written evaluation at least once a year.

c. The program administrator shall have two or more years of full-time experience working in the field.

441—118.21(237A) Criteria for IQ4K—level 3 school-aged only programs. To be rated at a level 3, an eligible facility must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1, 2 and 3 or complete all the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2 and 3.

118.21(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP or another department-approved CNP.

(2) If exempt from CACFP or NSLP, the program shall identify and implement two nutrition goals from the completed action plan in level 1.

1. Programs providing adequate documentation that the programs provide care for four hours a day or less are exempt from the CACFP or NSLP participation requirement.

2. Nonprofit programs shall qualify for an exemption from the CACFP or NSLP requirement if the nonprofit programs provide adequate documentation that meets one of the following criteria:

- The percentage of children enrolled in the program qualifying for free or reduced meals is 5 percent or less.
- The program's licensed capacity is 30 children or fewer.
- The program serves two or fewer meals or snacks per day.
- The program is open and operating three days a week or less.

3. For-profit programs shall qualify for an exemption from the CACFP or NSLP requirement if the for-profit programs are able to provide adequate documentation that the percentage of children enrolled in the program qualifying for free or reduced meals is 25 percent or less.

b. The program shall identify and implement two department-approved physical activity goals from the completed action plan in level 1.

118.21(2) *Professional development.* All staff shall complete ten or more annual training hours of professional development.

118.21(3) *Family and community partnerships.*

a. The program shall promote culturally sensitive practices and procedures.

b. The program shall complete one additional department-approved activity annually that promotes partnerships.

118.21(4) *Teaching and learning.*

a. Program staff shall utilize an appropriate tool throughout the year to gather information about children's strengths, progress, and needs.

b. The program shall share community resources with families as needed based on the information gathered.

c. The program shall develop and implement department-approved policies and procedures for inclusive practices for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral needs, or specialized health needs.

118.21(5) *Environment.*

a. The on-site supervisor shall complete the compass—a guide to quality school age environments training series and provide a certificate of completion.

b. The program shall participate in the completion of the health and safety checklist for early care and education programs.

118.21(6) *Leadership and administration.*

a. The program administrator shall complete:

(1) NAC or another department-approved credential; or

(2) Thirty training hours or more in a related field and ten training hours or more in leadership.

b. The program administrator shall have three years or more of full-time experience working in the field or one year or more of full-time experience as a program administrator.

c. The on-site supervisor shall have 30 training hours or more in a related field and two years or more of full-time experience working in the field.

441—118.22(237A) Criteria for IQ4K—level 4 school-aged only programs. To be rated at a level 4, an eligible facility must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1, 2, 3 and 4 or complete all the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2, 3 and 4.

118.22(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP or another department-approved CNP and shall identify and implement one nutrition goal from the completed action plan in level 1.

(2) If exempt from CACFP or NSLP, the program shall identify and implement three nutrition goals from the completed action plan in level 1.

b. The program shall identify and implement three physical activity goals from the completed action plan in level 1.

118.22(2) *Professional development.*

a. All staff shall complete 12 or more annual training hours of professional development.

b. Thirty percent or more of all staff shall complete six or more hours of department or IQ4K-approved training in the areas of social, emotional, behavior and mental health.

118.22(3) *Family and community partnerships.* The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.22(4) *Teaching and learning.*

a. Staff shall use information gathered about children and families to enhance the children's and family's learning environment and activities.

b. Staff shall participate in planning with families and outside experts as needed for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral needs, or specialized health needs.

118.22(5) *Environment.*

a. One additional staff member or more, not including the on-site supervisor, shall complete the compass—a guide to quality school age environments training series and provide a certificate of completion.

b. One-third of classrooms shall complete the scoresheet with self-assessment and an improvement plan with a minimum of one classroom per scale if applicable.

c. The program shall score an average of 2.5 or higher on the health and safety checklist for early care and education.

118.22(6) *Leadership and administration.*

a. The program administrator shall have 120 training hours or more in a related field and 10 training hours or more in leadership, administration, or management.

b. The program administrator shall have two years or more of full-time experience as a program administrator.

c. The on-site supervisor shall have 90 training hours or more in a related field and one year or more of full-time experience as an on-site supervisor.

441—118.23(237A) Criteria for IQ4K—level 5 school-aged only programs.

118.23(1) *Criteria for each category.* To be rated at a level 5, an eligible facility must be in full compliance with department regulations and satisfy all of the criteria in each of the six designated categories listed in levels 1, 2, 3, 4 and 5 or complete all the criteria designated in the eligible facility's respective specialized tracks for levels 1, 2, 3, 4 and 5. To be rated at a level 5, an eligible facility must also meet the following criteria:

a. *Minimum score.* The facility must earn a minimum score of 5.0 in each assessed classroom on the assessment.

b. *Approved assessor.* An assessor approved by the department must perform the ERS assessment.

c. *Number of classrooms assessed.* At least one-third of the facility's classrooms must be assessed, including at least one classroom in each age group served by the facility.

d. *Time frame for assessment.* Programs eligible for an ERS assessment must undergo their assessment within 90 days of department approval unless an extension is requested and approved by the department.

e. *Assessments not done timely.* Programs that do not undergo their assessment within 90 days of approval by the department or do not receive an approved extension from the department will forfeit their opportunity for an assessment.

118.23(2) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP, NSLP or another department-approved CNP and shall identify and implement two nutrition goals from the completed action plan in level 1.

(2) If exempt from CACFP or NSLP, the program shall identify and implement four nutrition goals from the completed action plan in level 1.

b. The program shall identify and implement four physical activity goals from the completed action plan in level 1.

118.23(3) *Professional development.*

a. All staff shall complete 12 or more annual training hours of professional development.

b. Sixty percent or more of all staff shall complete six or more hours of department-approved or IQ4K-approved training in the areas of social, emotional, behavior, and mental health.

118.23(4) *Family and community partnerships.* The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.23(5) *Teaching and learning.* The teaching staff shall work with families and other experts to implement instructional and environmental adaptations that support the learning for each child, including those with diverse needs, language barriers, identified behavioral needs, or specialized health needs.

118.23(6) *Environment.*

a. Eighty percent or more of lead teachers shall complete the compass—a guide to quality school age environments training series and provide a certificate of completion.

b. One-third of classrooms shall receive an overall score of 5.0 or higher on the assessment with a minimum of one classroom per scale if applicable.

c. The program shall score an average of 2.75 or higher on the health and safety checklist for early care and education.

118.23(7) *Leadership and administration.*

a. The program administrator shall have nine or more credit hours in a related field and 12 or more training hours in leadership, administration or management.

b. The program administrator shall have three or more years of full-time experience as a program administrator.

c. The on-site supervisor shall have six or more credit hours in a related field and two or more years of full-time experience as an on-site supervisor.

441—118.24(237A) Rating standards for registered child development homes. To participate in IQ4K QRIS, a registered child development home shall be in full compliance with department regulations and certify that the registered child development home meets the applicable criteria. In addition, the following program requirements apply:

1. For category C homes operating with an approved co-provider, both providers must satisfy the applicable criteria where designated.

2. Eligible applicants shall be able to earn credit for participation in more than one of the specialized track areas.

441—118.25(237A) Criteria for IQ4K—level 1 rating standards for registered child development homes. To be rated at level 1, an eligible registered child development home must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in level 1 or complete all of the criteria designated in the eligible registered child development home's respective specialized tracks for levels 1 and 2.

118.25(1) *Nutrition and physical activity.*

a. The provider and co-provider, where applicable, shall each complete one of the department-approved food safety trainings.

b. The program shall complete a department-approved self-assessment and create an action plan in the area of nutrition.

c. The program shall complete a department-approved self-assessment and create an action plan in the area of physical activity.

118.25(2) *Professional development.* The provider and co-provider, where applicable, shall complete a professional development plan annually.

118.25(3) *Family and community partnerships.*

a. The program shall provide an orientation for new families meeting department criteria.

b. The program shall complete one annual activity that promotes partnerships from the department's approved list.

118.25(4) *Provider qualifications.* The provider and co-provider, where applicable, shall have one year or more of full-time child care experience.

118.25(5) *Teaching and learning.*

a. The provider and co-provider, where applicable, shall complete two hours of department-approved training on the Iowa early learning standards.

b. The program shall develop and implement a department-approved comprehensive discipline and behavior policy that promotes positive relationships.

118.25(6) *Environment.*

a. The program shall develop and implement, as applicable to ages served, policies for the following areas that meet department criteria:

(1) Supervision.

(2) Safe sleep.

(3) Missing child.

(4) Sign in and out tracking system for children and visitors.

b. The provider and co-provider, where applicable, shall complete the IQ4K Interaction and Relationship Self-Assessment form.

c. The program shall annually complete the IQ4K Program Assessment form.

441—118.26(237A) Criteria for IQ4K—level 2 rating standards for registered child development homes. To be rated at a level 2, an eligible registered child development home must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1 and 2 or complete all the criteria designated in the eligible registered child development home's respective specialized tracks.

118.26(1) *Nutrition and physical activity.*

a. The program shall choose one of the following:

(1) The program shall actively participate in CACFP; or

(2) The provider and co-provider, where applicable, shall complete all of the following as applicable to ages served:

1. Iowa CACFP steps to success lessons as identified by the department that cover the CACFP meal pattern.
2. Iowa CACFP infant training—steps to success.
3. Iowa CACFP wellness module—meaningful mealtimes.

b. The program shall identify and implement one physical activity goal from the completed action plan in level 1.

118.26(2) *Professional development.* There shall be one person who meets the following criteria present on site in the program at all times.

a. The provider and co-provider, where applicable, shall complete ChildNet training.

b. The provider and co-provider, where applicable, shall complete 15 hours or more of annual training hours of professional development.

c. The provider and co-provider, where applicable, shall complete the medication administration skills competency course or other department-approved training and hold a valid certification of completion.

d. The provider and co-provider, where applicable, shall also successfully complete a competency skills evaluation assessment checklist or department-approved equivalent and hold a valid certification of completion.

118.26(3) *Family and community partnerships.*

a. The program shall offer one conference with each family annually to discuss each child's progress, strengths and needs in all developmental areas. Programs shall share child assessment information with the child's family.

b. The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.26(4) *Provider qualifications.* The provider and co-provider, where applicable, shall meet one of the following:

a. Two years or more of full-time experience in child care; or

b. Six college credit hours or more in education specific to the age group for whom care is provided.

118.26(5) *Teaching and learning.*

a. The program shall develop and implement a daily schedule with predictable routines that are developmentally appropriate for all ages served.

b. The program shall develop and implement a department-approved policy that eliminates or severely limits expulsion, suspension, and punitive or other exclusionary discipline.

c. The program shall develop and implement department-approved policies regarding the use of an approved developmental screening tool for all children in care within 60 days of enrollment and at least annually to identify children who may need additional evaluation and intervention strategies.

118.26(6) *Environment.*

a. The program shall provide a welcoming environment to all children and families.

b. The program shall develop and implement a department-approved policy for playground equipment stability and fall surfacing and inspection.

c. The program shall develop and implement a department-approved tobacco-free and nicotine-free policy.

d. The program shall annually complete and update the IQ4K quality improvement action plan.

441—118.27(237A) Criteria for IQ4K—level 3 rating standards for registered child development homes. To be rated at a level 3, an eligible registered child development home must be in full compliance with department regulations and satisfy all of the criteria in each of the six designated categories listed in levels 1, 2 and 3 or complete all of the criteria designated in the eligible registered child development home's respective specialized tracks for levels 1, 2 and 3.

118.27(1) *Nutrition and physical activity.*

a. The program shall actively participate in CACFP.

b. The program shall identify and implement two physical activity goals from the completed action plan in level 1.

118.27(2) *Professional development.*

a. The provider and co-provider, where applicable, shall complete ChildNet certification.

b. The provider and co-provider, where applicable, shall choose one of the following trainings to complete their initial IQ4K rating:

(1) Complete one module of the program for infant and toddler care.

(2) Complete the universal practices EC-PBIS for family child care modules.

(3) Complete school age matters training.

c. The provider and co-provider, where applicable, shall choose one of the other trainings listed above for the provider's and co-provider's, where applicable, subsequent IQ4K ratings until all the trainings applicable per ages served have been completed.

d. Once the provider and co-provider, where applicable, have completed all the age-applicable trainings, the provider and co-provider, where applicable, shall complete 18 annual hours of approved professional development training on all subsequent IQ4K applications.

118.27(3) *Family and community partnerships.*

a. The program shall promote culturally sensitive practices and procedures.

b. The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.27(4) *Provider qualifications.* The provider and co-provider, where applicable, shall meet one of the following:

a. Three years or more of child care experience; or

b. Nine or more college credit hours in education, specific to the age group for whom care is provided.

118.27(5) *Teaching and learning.*

a. The program shall utilize a department-approved assessment tool throughout the year that aligns with the curriculum to gather information on each child's strengths, progress, and needs.

b. The program shall share community resources with families as needed, based on the information gathered from the child's assessment.

c. The program shall develop and implement department-approved policies and procedures for inclusive practices for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral needs, and specialized health needs.

118.27(6) *Environment.* The provider shall complete the compass—a guide to quality family child care environments training and provide a certificate of completion.

441—118.28(237A) Criteria for IQ4K—level 4 rating standards for registered child development homes. To be rated at level 4, an eligible registered child development home must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1, 2, 3 and 4 or complete all the criteria designated in the eligible registered child development home's respective specialized tracks for levels 1, 2, 3 and 4.

118.28(1) *Nutrition and physical activity.*

a. The program shall actively participate in CACFP.

b. The program shall implement one nutrition goal from the completed action plan in level 1.

c. The program shall identify and implement three physical activity goals from the completed action plan in level 1.

118.28(2) *Professional development.*

a. The provider and co-provider, where applicable, shall choose one of the following trainings to complete for the provider's and co-provider's, where applicable, initial IQ4K rating:

(1) Complete two additional modules of the program for infant and toddler care.

(2) Complete the targeted strategies and individualized interventions EC-PBIS for family child care modules.

b. The provider and co-provider, where applicable, shall choose one of the other department-approved trainings for the provider's and co-provider's, where applicable, subsequent IQ4K ratings until all the trainings applicable per ages served have been completed.

c. Once the provider and co-provider, where applicable, have completed all the age-applicable trainings, the provider and co-provider, where applicable, shall complete 20 annual hours of approved professional development training on all subsequent IQ4K applications.

118.28(3) *Family and community partnerships.* The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.28(4) *Provider qualifications.* The provider and co-provider, where applicable, shall meet one of the following:

a. The provider shall meet the Iowa early care and education teaching roles career pathway tier 2 or higher.

b. The provider shall have three or more years of full-time child care experience.

118.28(5) *Teaching and learning.*

a. The program shall use information gathered about children and families to make changes in the children's learning environment and activities.

b. The program shall participate in planning with families and other experts, as needed, for children with diverse needs, including those with identified disabilities, language barriers, identified behavioral health needs, and specialized health needs.

118.28(6) *Environment.*

a. The program shall complete the scoresheet with self-assessment and improvement plan.

b. The program shall score an average of 2.5 or higher on the health and safety checklist for early care and education programs.

441—118.29(237A) Criteria for IQ4K—level 5 rating standards for registered child development homes.

118.29(1) *Criteria for each category.* To be rated at a level 5, an eligible registered child development home must be in full compliance with department regulations and satisfy all the criteria in each of the six designated categories listed in levels 1, 2, 3, 4 and 5 or complete all the criteria designated in the eligible registered child development home's respective specialized tracks for levels 1, 2, 3, 4 and 5. To be rated at a level 5, the following criteria must also be met:

a. Minimum score. The program must earn a minimum score of 5.0 on the assessment.

b. Approved assessor. An assessor approved by the department must perform the ERS assessment.

c. Time frame for assessment. Programs eligible for an ERS assessment must undergo their assessment within 90 days of department approval unless an extension is requested and approved by the department.

d. Assessments not done timely. Programs that do not undergo their assessment within 90 days of approval by the department or that do not receive an approved extension from the department will forfeit their opportunity for an assessment.

118.29(2) *Nutrition and physical activity.*

a. The program shall actively participate in CACFP.

b. The program shall identify and implement two nutrition goals from the completed action plan in level 1.

c. The program shall identify and implement four physical activity goals from the completed action plan in level 1.

118.29(3) *Professional development.*

a. The provider and co-provider, where applicable, shall complete one additional module of the program for infant and toddler care.

b. The provider and co-provider, where applicable, shall choose one of the department-approved trainings for the subsequent IQ4K ratings until all the trainings applicable per ages served have been completed.

c. Once the provider and co-provider, where applicable, have completed all the age-applicable trainings, the provider and co-provider, where applicable, shall complete 22 annual hours of approved professional development training on all subsequent IQ4K applications.

118.29(4) *Family and community partnerships.* The program shall complete one additional department-approved activity annually that promotes family and community partnerships.

118.29(5) *Provider qualifications.*

a. The provider and co-provider, where applicable, shall meet the Iowa early care and education teaching roles career pathway tier 2 or higher.

b. The provider and co-provider, where applicable, shall have four or more years of full-time child care experience.

118.29(6) *Teaching and learning.*

a. The program shall work with families and other experts to implement instructional and environmental adaptations that support the learning for each child, including those with diverse needs, identified disabilities, language barriers, identified behavioral health needs, and specialized health needs.

b. The provider shall complete programwide EC-PBIS training.

118.29(7) *Environment.*

a. The program shall achieve a score of 5.0 or higher on the assessment.

b. The program shall score an average of 2.75 or higher on the health and safety checklist for early care and education programs.

441—118.30(237A) Award of quality rating.

118.30(1) The facility shall display the IQ4K QRIS rating certificate in a conspicuous place within the facility.

118.30(2) Achievement bonuses may be awarded as funds are available at the discretion of the department.

441—118.31(237A) Adverse actions.

118.31(1) An eligible applicant will be notified of the right to appeal the rating decision in accordance with 441—Chapter 2506.

118.31(2) A participant's quality rating will be revoked if the facility no longer meets the definition of eligible applicant.

These rules are intended to implement Iowa Code section 237A.30.

RA 26-295

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapters 390 and 391
"Boiler and Pressure Vessel Board—Adoption by Reference"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 89.14
State or federal law(s) implemented by the rulemaking: Iowa Code section 89.14

Public Hearing

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

October 6, 2026 11 to 11:15 a.m.	Geode Conference Room 6200 Park Avenue, Suite 100 Des Moines, Iowa

Public Comment

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

Mitchell Mahan
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321-1270
Phone: 515.443.1051
Email: mitchell.mahan@dia.iowa.gov

Purpose and Summary

This proposed rulemaking updates the publication dates of codes adopted by reference. It also corrects rule citations.

Analysis of Impact

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

Owners of covered boilers and pressure vessels bear the cost of compliance with adopted codes.
- **Classes of persons that will benefit from the proposed rulemaking:**

Owners of covered boilers and pressure vessels will benefit.

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

There is no known quantitative impact.
- **Qualitative description of impact:**

The boiler and pressure vessel industry expects enforcement under recent standards, which this rulemaking accomplishes.

3. **Costs to the State:**

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

The agency has no additional costs associated with these updates.

- **Anticipated effect on State revenues:**

The rulemaking has no anticipated fiscal impact.

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

The benefits of safe boilers and pressure vessels outweigh any costs.

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

The Department has not identified any less costly or less intrusive methods.

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

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

No alternative methods were seriously considered.

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

This rulemaking updates adopted codes of proven effectiveness.

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 updated rules do not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend subrule 390.5(1) as follows:

390.5(1) *General.* All boilers and unfired steam pressure vessels covered by Iowa Code chapter 89 are inspected according to the requirements of the National Board Inspection Code (~~2021~~ 2025), which is hereby adopted by reference. A department inspector or special inspector must perform the inspections.

ITEM 2. Amend rule 481—390.14(89) as follows:

481—390.14(89) Conversion of a power boiler to a low-pressure boiler. The following requirements apply to the conversion of a power boiler to a low-pressure boiler. The owner shall comply with the requirements of subrule ~~390.15(1)~~ 390.14(1) for each conversion. In addition, the owner shall comply with the requirements of subrule ~~390.15(2)~~ 390.14(2) if the converted object will be located outside of a place of public assembly or with the requirements of subrule ~~390.15(3)~~ 390.14(3) if the converted object will be located in a place of public assembly.

390.14(1) to **390.14(3)** No change.

ITEM 3. Amend rule 481—391.1(89) as follows:

481—391.1(89) Codes and code cases adopted by reference.

391.1(1) *ASME boiler and pressure vessel codes adopted by reference.* The ASME Boiler and Pressure Vessel Code (~~2021~~ 2025), including Code Cases, is adopted by reference. Regulated objects shall be designed and constructed in accordance with the ASME Boiler and Pressure Vessel Code (~~2021~~ 2025) except for objects that meet one of the following criteria:

a. to *d.* No change.

391.1(2) *Inspection code adopted by reference.* The National Board Inspection Code (~~2021~~ 2025) is adopted by reference, and installations, alterations, and repairs after February 16, 2022, shall comply with it.

391.1(3) *Electric code adopted by reference.* The National Electrical Code, NFPA 70 (~~2020~~ 2026), is adopted by reference, and installations after April 15, 2020, shall comply with it.

391.1(4) *Piping codes adopted by reference.* The Power Piping Code, ASME B31.1 (~~2020~~ 2024), and the Building Services Piping Code, ASME B31.9 (~~2020~~ 2025), are adopted by reference, and installations after February 16, 2022, shall comply with them up to and including the first valve.

391.1(5) *Control and safety device code adopted by reference.* Controls and Safety Devices for Automatically Fired Boilers (CSD-1) (~~2021~~ 2024) is adopted by reference, and installations after December 1, 2022, shall comply with it. Reporting requirements concerning CSD-1 are set forth at rule 481—390.11(89).

391.1(6) *Mechanical code adopted by reference.* Excluding Section 701.1, Chapters 2 and 7 of the International Mechanical Code (IMC) (~~2021~~ 2024) are adopted by reference, and installations after February 16, 2022, shall comply with them.

391.1(7) *Oil burning equipment code adopted by reference.* National Fire Protection Association Standard for the Installation of Oil Burning Equipment, NFPA 31 (~~2020~~ 2024), is adopted by reference, and installations after February 16, 2022, shall comply with it.

391.1(8) *Fuel gas code adopted by reference.* National Fire Protection Association National Fuel Gas Code, NFPA 54 (~~2021~~ 2024), is adopted by reference, and installations after February 16, 2022, shall comply with it.

391.1(9) *Liquefied petroleum gas code adopted by reference.* National Fire Protection Association Liquefied Petroleum Gas Code, NFPA 58 (~~2020~~ 2024), is adopted by reference, and installations after April 15, 2020, shall comply with it.

391.1(10) *Boiler and combustion systems hazards code adopted by reference.* National Fire Protection Association Boiler and Combustion Systems Hazards Code, NFPA 85 (~~2019~~ 2023), is adopted by reference, and installations after April 15, 2020, shall comply with it.

ITEM 4. Amend subrule 391.10(3) as follows:

391.10(3) *National combustion air standards.*

a. *Installations.* Installations will comply with the edition of NFPA 31, NFPA 54, NFPA 58, NFPA 85, or IMC currently adopted at rule 481—391.1(89) or with the Iowa combustion air standard in subrule ~~391.13(4)~~ 391.10(4). However, compliance with one of the listed NFPA codes constitutes compliance with this rule only if the object burns the fuel covered by the NFPA.

b. *Existing objects.* An adequate supply of combustion air will be maintained for all objects while in operation. Compliance with the current edition of NFPA 31, NFPA 54, NFPA 58, NFPA 85, or IMC as adopted at rule 481—391.1(89) or with subrule ~~391.13(4)~~ 391.10(4) constitutes compliance with this rule. Compliance with an earlier edition of NFPA 31, NFPA 54, NFPA 58, NFPA 85, or IMC constitutes compliance with this rule. However, compliance with one of the listed NFPA codes constitutes compliance with this rule only if the object burns the fuel covered by the NFPA. Compliance with an earlier version of Iowa's combustion air rule constitutes compliance with this rule. Earlier versions of Iowa's combustion air rule are available from the board's staff upon request.

RA 26-296

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 782.3(2)
"Continuing Education for Physician Associates"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 147.36, 147.76, 148C.3, 148C.5, 272C.3, and 272C.4

State or federal law(s) implemented by the rulemaking: 2026 Iowa Acts, House File 2676

Public Hearing

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

October 7, 2026 9 a.m.	6200 Park Avenue Des Moines, Iowa

Public Comment

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

Michele Christiansen
6200 Park Avenue
Des Moines, Iowa 50321
Email: michele.christiansen@dia.iowa.gov

Purpose and Summary

This proposed rulemaking sets a requirement for license holders in health-related professions to complete a minimum of one hour of continuing education on nutrition and metabolic health every four years as a condition of license renewal. This rulemaking implements the changes enacted in 2026 Iowa Acts, House File 2676.

Analysis of Impact

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

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

Licensed physician associates have to pay for the costs of completing the continuing education course. Staff at the Board of Physician Associates' office will have to verify completion of the required continuing education course. Licensing fees are paid into the Licensing and Regulation Fund to cover the costs of staff.

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

The public and professionals benefit from the proposed amendment. Establishing minimum continuing education requirements ensures that practitioners are competent to practice. Without having an established threshold for ongoing education, individuals who are not appropriately trained could cause serious harm to the public during their practice. Physician associates are medical providers who require certain skills and training to effectively help and treat their patients.

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:**

Educational institutions provide the academic training for physician associates to obtain their license in the State of Iowa. Because the cost of education is so variable depending on the institution the person attends, the Board is unable to put an exact cost on the cost of educational requirements.

- **Qualitative description of impact:**

Establishing minimum requirements for licensure ensures safety for the licensee and consumer. The cost of inaction would be an increase to the potential for injury to the public by a licensee who is not qualified to perform the work in the field.

3. **Costs to the State:**

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

Costs to the agency are for the staff time needed to manage Board activities, which include managing applications for initial licenses, renewals, and reinstatements. Staff salaries to support the work of the Board are covered by the Licensing and Regulation Fund. Licensing fees go to the fund to cover the operations of the regulated professional licensing boards.

- **Anticipated effect on State revenues:**

Costs associated with implementing this rule are paid by individual licensees or establishments, not the State. There is no anticipated impact on this rule to State revenues. Staff salaries to support the work of the Board are covered by the Licensing and Regulation Fund. Licensing fees go to the fund to cover the operations of the regulated professional licensing boards.

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

Establishing minimum licensing requirements ensures that practitioners are competent to practice.

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

Licensed physician associates in Iowa are already required to have ongoing continuing education. This amendment affects just one of those hours every four years. This is now required under 2026 Iowa Acts, House File 2676.

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

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

The Board believes all current requirements ensure public safety and that a minimum competency of care is provided to Iowans. Licensure requirements could be reduced or eliminated for the purpose of lowering the bar of entry into the profession; however, the Board would be concerned about the public safety of Iowans in that scenario.

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

The Board believes all current requirements ensure public safety and that a minimum competency of care is provided to Iowans. Licensure requirements could be reduced or eliminated for the purpose of lowering the bar of entry into the profession; however, the Board would be concerned about the public safety of Iowans in that scenario.

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 amendment relates to high-stakes public safety concerns that are present whether the business is a small business or a large organization. The amendment is meant to ensure public safety in terms of licensing requirements for physician associates. While some physician associates may be running a small business of their own, some also work for large corporations and hospitals. To exempt a small business from adhering to this rule would jeopardize any member of the public who sought services from that small business. The risk to the public is greater than the potential harm or cost to the small business.

Text of Proposed Rulemaking

ITEM 1. Amend subrule 782.3(2) as follows:

782.3(2) *Specific criteria.* Continuing education requirements are as follows:

a. and *b.* No change.

c. A licensee shall complete a minimum of one hour of continuing education on nutrition and metabolic health every four years.

~~*c.*~~ *d.* Licensees who maintain certification by the NCCPA may show proof of meeting the board's CME requirements by providing proof of current certification by the NCCPA for the time period being reviewed or audited.

~~*d.*~~ *e.* A licensee who has prescribed opioids to a patient during the renewal cycle will complete a minimum of two hours of continuing education regarding the guidelines for prescribing opioids for chronic pain, as issued by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services, including recommendations on limitations on dosages and the length of prescriptions, risk factors for abuse, and nonopioid and nonpharmacologic therapy options, as a condition of license renewal. These hours may count toward the 100 hours of continuing education required for license renewal. The licensee will maintain documentation of these hours, which may be subject to audit.

RA 26-297

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapters 1062 and 1065
"Architects—Licensing, Exceptions"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 544A.29 and 272C
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 544A and 272C

Public Hearing

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

October 6, 2026 4 p.m.	6200 Park Avenue Des Moines, Iowa

Public Comment

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

Lori SchraderBachar
6200 Park Avenue
Des Moines, Iowa
Phone: 515.725.9030
Email: lori.schraderbachar@dia.iowa.gov

Purpose and Summary

This proposed rulemaking updates publication dates for guidelines incorporated by reference, refines parameters governing licensure status, promulgates necessary regulatory definitions, and removes matrices that conflict with the Iowa Code.

Analysis of Impact

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

There are no anticipated costs related to this proposed rulemaking other than the costs already incurred by the Board to enforce the rules. Licensed architects will not incur any additional costs other than the cost of licensing.

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

This proposed rulemaking provides clarity for licensure candidates, architects, and building code officials as to the correct version of referenced guidelines. This rulemaking will also remove rules that are not in alignment with Iowa Code section 544A.18.

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:**

Members of the public would incur no costs other than fees paid to an architect or architectural firm for projects that are not exempt; the costs vary depending on the size and complexity of the project. Changed guidelines are available online.

- **Qualitative description of impact:**

The Board believes that the benefits achieved justify the costs because these rules provide clarity with regard to referenced publications, license statuses and guidelines for the types of projects where architectural services are needed to provide for the health and safety of those who occupy buildings and interact in the built environment.

3. **Costs to the State:**

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

Costs to the agency are for the staff time needed to manage Board activities, which include oversight of practice standards and requirements. The Board will purchase updated building code books for public inspection. The time needed to manage this provision is generally in the form of responding to questions related to practice standards. Staff salaries to support the work of the Board are covered by the Licensing and Regulation Fund established in 2023 Iowa Acts, Senate File 557.

- **Anticipated effect on State revenues:**

This rulemaking has no anticipated impact on State revenues. Staff salaries to support the work of the Board are covered by the fund.

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

The Board believes the costs and benefits are worth establishing requirements for architectural services to ensure public safety.

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

The Board does not believe there is a less costly or less intrusive method to achieve the purpose of this rulemaking.

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

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

The Board has not identified any alternative methods to carry out this rulemaking.

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

The Board has not identified any alternative methods to carry out this 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?

The proposed amendments relate to public safety concerns that are present whether the business is a small business or a large organization. The rulemaking is meant to ensure public safety in terms of practice standards for architects. While some architects likely are running a small business of their own, some also work for large organizations. To exempt a small business from adhering to this chapter would jeopardize any member of the public who sought services from that small business. The risk to the public is greater than the potential harm or cost to the small business.

Text of Proposed Rulemaking

ITEM 1. Amend rule **481—1062.1(544A,17A)**, definitions of "Inactive" and "NCARB Architect Registration Examination (ARE) Guidelines," as follows:

"Inactive" means that an architect is not engaged in Iowa in any practice for which a certificate of licensure is required~~, including architects who have retired from active practice~~.

"NCARB Architect Registration Examination (ARE) Guidelines" means the edition of a document by the same title published by the National Council of Architectural Registration Boards in ~~April~~ June 2026. The document outlines the requirements for examination.

ITEM 2. Adopt the following **new** definition of "Retired" in rule **481—1062.1(544A,17A)**:

"Retired" means that an architect is not engaged in the practice of architecture or earning monetary compensation by providing professional architectural services in any licensing jurisdiction of the United States or a foreign country.

ITEM 3. Amend subrule 1062.3(2) as follows:

1062.3(2) *Inactive status.* This subrule establishes a procedure under which a person issued a certificate of licensure as an architect may apply to the board to be licensed as inactive. Licensure under this subrule is available to a license holder who is not engaged in Iowa in any practice for which licensure as an architect is required. A person eligible to be licensed as inactive may, as an alternative to such licensure, allow the certificate of licensure to lapse. During any period of inactive status, a person may use the title "inactive architect" ~~or "retired architect,"~~ but may not use the sole title of "architect" or any other title that might imply that the person is offering services as an architect by such an action in violation of Iowa Code section 544A.15. The board will continue to maintain a database of persons licensed as inactive, including information that is not routinely maintained after a certificate has lapsed through the person's failure to renew. A person who is licensed as inactive will accordingly receive renewal applications, board newsletters and other mass communications from the board.

a. and *b.* No change.

c. *Permitted practices.* A person may, while licensed as inactive, perform for a client, business, employer, government body, or other entity those services that may lawfully be provided by a person to whom a certificate of licensure has never been issued. Such services may be performed as long as the person does not in connection with such services use the title "architect" or any other title restricted for use only by architects pursuant to Iowa Code section 544A.15 (without additional designations such as "inactive" ~~or "retired"~~). Restricted titles may be used only by active architects who are subject to continuing education requirements to ensure that the use of such titles is consistently associated with the maintenance of competency through continuing education.

d. and *e.* No change.

ITEM 4. Adopt the following **new** subrule 1062.3(3):

1062.3(3) *Retired status.* A person who held a license as an architect and who does not reasonably expect to return to the workforce in any capacity for which a certificate of licensure is required due to bona fide retirement or disability may apply to the board for retired status and, if granted, may use the title "architect retired" in the context of non-income-producing personal activities. If the board determines an applicant is eligible, the retired status would become effective on the first scheduled license renewal date. Applicants do not need to reinstate an expired license to be eligible for retired status. Applicants may apply for retired status on forms provided by the board. The board will not provide a refund of biennial license fees if an application for retired status is granted in a biennium in which the applicant has previously paid the biennial fees for either active or inactive status. Persons licensed in retired status are exempt from the renewal requirement.

a. Affirmation. The retired status application form shall contain a statement in which the applicant affirms that the applicant will not engage in any of the practices in Iowa that are listed in Iowa Code section 544A.16 without first complying with all rules governing reinstatement to active status. A person in retired status may reinstate to active status at any time pursuant to subrule 1062.3(3).

b. Permitted practices. Persons licensed in retired status may engage in the practices identified in paragraph 1062.3(2)*"c."* Such persons may also provide services as technical experts before a court, including prelitigation preparation, discovery, and testimony, on matters directly related to architectural services provided by such persons prior to being licensed with the board in retired status.

c. Exemption. A person whose license as an architect has been placed on probation, suspended, revoked, or voluntarily surrendered in connection with a disciplinary investigation or proceeding shall not be eligible for retired status unless, upon appropriate application, the board first reinstates the license to good standing.

ITEM 5. Amend rule 481—1062.5(544A) as follows:

481—1062.5(544A) Reinstatement from inactive status or retired status to active status.

1062.5(1) An individual may reinstate an inactive license to an active license as follows:

a. Pay one-half of the current active license fee.

b. Submit documented evidence of completion of 24 continuing education hours in compliance with requirements in 481—Chapter 1063. All continuing education hours must be completed in health, safety, and welfare subjects acquired in structured educational activities. The hours reported shall not have been earned more than four years prior to the date of the application to reinstate to active status. The hours used to reinstate to active status cannot again be used to renew.

(1) At the first biennial renewal date of July 1 that is less than 12 months from the date of the filing of the application to restore the certificate of licensure to active status, the person shall not be required to report continuing education hours.

(2) At the first biennial renewal date of July 1 that is 12 months or more, but less than 24 months, from the date of the filing of the application to restore the certificate of licensure to active status, the person shall report 12 hours of previously unreported continuing education hours.

c. Provide a written statement in which the applicant affirms that the applicant has not engaged in any of the practices in Iowa that are listed in Iowa Code section 544A.16 during the period of inactive licensure.

~~**1062.5(1)** Pay one-half of the current active license fee.~~

~~**1062.5(2)** Submit documented evidence of completion of 24 continuing education hours in compliance with requirements in 481—Chapter 1063. All continuing education hours must be completed in health, safety, and welfare subjects acquired in structured educational activities. The hours reported shall not have been earned more than four years prior to the date of the application to reinstate to active status. The hours used to reinstate to active status cannot again be used to renew.~~

~~*a.* At the first biennial renewal date of July 1 that is less than 12 months from the date of the filing of the application to restore the certificate of licensure to active status, the person shall not be required to report continuing education hours.~~

~~*b.* At the first biennial renewal date of July 1 that is 12 months or more, but less than 24 months, from the date of the filing of the application to restore the certificate of licensure to active status, the person shall report 12 hours of previously unreported continuing education hours.~~

~~**1062.5(3)** Provide a written statement in which the applicant affirms that the applicant has not engaged in any of the practices in Iowa that are listed in Iowa Code section 544A.16 during the period of inactive licensure.~~

1062.5(2) An individual may reinstate a retired license to an active license as follows:

a. Pay the current active license fee. If the individual is reinstating to active status at a date that is less than 12 months from the next biennial renewal date, one-half of the current active license fee shall be paid.

b. Submit documented evidence of completion of 24 continuing education hours in compliance with requirements in 481—Chapter 1063. All continuing education hours must be completed in health, safety, and welfare subjects acquired in structured educational activities. The hours used to reinstate to active status cannot again be used to renew.

(1) At the first biennial renewal date of July 1 that is less than 12 months from the date of the filing of the application to restore the certificate of licensure to active status, the person shall not be required to report continuing education hours.

(2) At the first biennial renewal date of July 1 that is 12 months or more, but less than 24 months, from the date of the filing of the application to restore the certificate of licensure to active status, the person shall report 12 hours of previously unreported continuing education hours.

c. Provide a written statement in which the applicant affirms that the applicant has not engaged in any of the practices in Iowa that are listed in Iowa Code section 544A.16 during the period of retired licensure.

ITEM 6. Amend rule 481—1062.9(544A,17A) as follows:

481—1062.9(544A,17A) Fee schedule. Under the authority provided in Iowa Code chapter 544A, the following fees are hereby adopted:

Examination fees:	
Fees for examination subjects shall be paid directly to the testing service selected by NCARB.	
Initial license fee	$50
(plus $5 per month until renewal)	
Reciprocal application and license fee	$200
Verification application and license fee	$200
Biennial renewal fee	$200
Biennial renewal fee (inactive)	$100
Retired status	None
Reinstatement of lapsed individual license	$100 + renewal fee + $25 per month or partial month of expired license
Reinstatement of inactive individual license	$100
Duplicate wall certificate fee	$50
License predetermination fee	$25
Fee for return of payment	$30
All fees are nonrefundable.	

ITEM 7. Amend rule **481—1065.1(544A)**, definitions of "Accessory buildings," "Commercial," "Educational use," "Hazardous use," "Industrial use," "International Building Code," "Place of assembly of people or public gathering," "Residential use" and "Warehouses," as follows:

"Accessory buildings" means a building or structure of an accessory character and miscellaneous structures not classified in any specific occupancy or use. "Accessory buildings" are constructed, equipped and maintained to conform to the requirements corresponding to the fire and life hazard incidental to the buildings' occupancy. "Accessory buildings" is intended to encompass the uses listed in Group U of the ~~2015~~ 2024 International Building Code®.

"Commercial" or *"commercial use"* means the following:

1. The use of a building or structure, or a portion thereof, for office, professional, or service-type transactions, including storage of records and accounts,

2. The use of a building or structure, or a portion thereof, for the display and sale of merchandise, and involves stocks of goods, including wares or merchandise incidental to such purposes and accessible to the public.

"Commercial use" is intended to encompass the uses listed in Group B and Group M of the ~~2015~~ 2024 International Building Code®.

"Educational use" means the use of a building or structure, or a portion thereof used (1) by six or more persons at any one time for education purposes through twelfth grade; or (2) by six or more children for day care purposes. Rooms and spaces within places of religious worship providing such day care during religious functions and day cares serving five or fewer children are classified as part of the primary occupancy. "Educational use" is intended to encompass the uses listed in Group E of the ~~2015~~ 2024 International Building Code®.

"Hazardous use" means the use of a building or structure, or a portion thereof, that involves the manufacturing, processing, generation or storage of materials that constitute a physical or health hazard. "Hazardous use" is intended to encompass the uses listed in Group H of the ~~2015~~ 2024 International Building Code®.

"Industrial use" means the use of a building or structure, or a portion thereof, for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair, or processing operations that are not classified as hazardous use. "Industrial use" is intended to encompass the uses listed in Group F of the ~~2015~~ 2024 International Building Code®.

"International Building Code" is a model building code developed by the International Code Council. The ~~2015~~ 2024 International Building Code® is available from the state library of Iowa or the board or online at codes.iccsafe.org.

"Place of assembly of people or public gathering" means the use of a building or structure, or a portion thereof, for the gathering of persons such as for civic, social, or religious functions; recreation, food or drink consumption; or awaiting transportation. "Place of assembly of people or public gathering" is intended to encompass the uses listed in Group A of the ~~2015~~ 2024 International Building Code®. Places of assembly with occupancy of fewer than 50 people are considered part of the primary occupancy.

"Residential use" means the use of a building or structure, or a portion thereof, for sleeping purposes when not classified as an institutional use. "Residential use" is intended to encompass the uses listed in Group R of the ~~2015~~ 2024 International Building Code®.

"Warehouses" or *"warehouse use"* means the use of a building or structure, or portion thereof, for storage that is not classified as a hazardous use. "Warehouse use" is intended to encompass the uses listed in Group S of the ~~2015~~ 2024 International Building Code®.

ITEM 8. Adopt the following **new** definitions of "Building" and "Building area," in rule **481—1065.1(544A)**:

"Building" means any structure utilized or intended for support or sheltering any occupancy.

"Building area" means the area included within surrounding exterior walls, or exterior walls and fire walls, exclusive of vent shafts and courts. Areas of a building not provided with surrounding walls shall be included in the building area if such areas are included within the horizontal projection of the roof or floor above.

ITEM 9. Rescind and reserve rule **481—1065.4(544A)**.

RA 26-298

INSPECTIONS AND APPEALS DEPARTMENT[481]

Regulatory Analysis

Notice of Intended Action to be published: 481—Chapter 2060
"Licensure of Hearing Aid Specialists"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 147, 154A and 272C
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 154A and section 272C.3

Public Hearing

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

October 6, 2026	6200 Park Avenue
9 a.m.	Des Moines, Iowa

Public Comment

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

Sheri Howard
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: sheri.howard@dia.iowa.gov

Purpose and Summary

This proposed rulemaking implements Iowa Code chapter 154A and sets forth requirements for the hours of weekly supervision required by licensees supervising a temporary hearing aid specialist permit holder preparing for examination and full licensure. The rulemaking seeks to restore language to an incomplete sentence created inadvertently during the most recent rule review. This rulemaking publicly illustrates the process that will be used to reactivate the license for a hearing aid specialist to ensure public safety through review of the integrity and competence of the practitioner. This rulemaking also updates the licensure reactivation rules providing alternatives to completion of continuing education credits for licensees who were actively practicing in another state.

Analysis of Impact

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

There is no direct cost to the general public, but there is a cost to the applicant because complying with the minimum requirements for initial entry and reentry into the profession are at the expense of the licensee.
- **Classes of persons that will benefit from the proposed rulemaking:**

The costs are justified by the benefits to the public, applicants, and employers of establishing clear minimum requirements to ensure that practitioners are competent to practice.

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:**

Reinstating the missing language provides guidance to licensees on the number of supervision hours required.

- **Qualitative description of impact:**

This rulemaking establishes parameters for licensees who are planning to be supervisors or reactivate their license.

3. **Costs to the State:**

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

Costs to the agency are the staff time needed to review and process temporary permit and reactivation applications.

- **Anticipated effect on State revenues:**

Cost savings will result from implementing this rulemaking by providing the public with clear guidance. There is no anticipated impact on State revenues.

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

This rulemaking provides needed guidance for supervision that was inadvertently omitted during the Red Tape Review. Alternative ways to demonstrate competence during the reactivation process are provided. Licensure requirements could be reduced or eliminated for the purpose of lowering the bar of entry into the profession, but that scenario raises concerns about the public safety of Iowans. The cost of inaction would be an increase in the potential for injury to the public that would remain unchecked without review prior to initial licensure, periodic compliance audits and complaint investigation. In addition, this rulemaking provides consistency related to the licensure of hearing aid specialists in other states, which makes obtaining licensure in multiple states simpler for applicants.

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

This process is the most cost-effective method to correct the omitted language. DIAL believes all current requirements ensure public safety and that a minimum competency of care is provided to Iowans. Licensure requirements could be reduced or eliminated for the purpose of lowering the bar of entry into the profession, but DIAL would be concerned about the public safety of Iowans in that scenario.

In addition, the rulemaking attempts to provide consistency related to the licensure of hearing aid specialists across the United States, which makes obtaining licensure in multiple states simpler for applicants.

The DIAL Licensing Division continues to assess and implement opportunities to increase efficiencies and standardize licensure processes across all professions. These amendments support this effort. DIAL is actively pursuing a single licensing platform to assist in standardizing licensing.

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

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

DIAL has not identified a more cost-effective alternative to this rulemaking.

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

DIAL has not identified a more cost-effective alternative to this 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?

The proposed amendments relate to public safety concerns that are present whether the business is a small business or a large organization. These amendments are meant to ensure public safety in terms of supervision requirements for temporary hearing aid specialist permit holders preparing for examination and full licensure. To exempt a small business from adhering to this rulemaking would jeopardize any member of the public who sought services from that small business. The risk to the public is greater than the potential harm or cost to the small business.

Text of Proposed Rulemaking

ITEM 1. Amend subrule 2060.3(1) as follows:

2060.3(1) The supervisor(s) of temporary permit holders will:

a. and *b.* No change.

c. Supervise no more than three trainees <u>with temporary permits</u> at the same time;

d. No change.

e. For the first 90 days, provide a minimum of 20 hours of direct supervision <u>per week in the physical presence of the trainee</u>;

f. to *j.* No change.

ITEM 2. Amend rule 481—2060.8(17A,147,272C) as follows:

481—2060.8(17A,147,272C) License reactivation. To apply for reactivation of an inactive license, a licensee will:

2060.8(1) Submit a completed online reactivation application ~~and payment of the nonrefundable application fee~~.

<u>**2060.8(2)** Submit payment of the nonrefundable application fee as specified in 481—subrule 507.7(5).</u>

~~**2060.8(2)**~~ <u>**2060.8(3)**</u> Provide verification of current competence to practice as a hearing aid specialist by satisfying one of the following criteria:

a. If the license has been on inactive status for five years or less, an applicant will provide the following:

(1) Verification of the license(s) from the jurisdiction in which the applicant has most recently been ~~licensed showing the licensee's name, date of initial licensure, current licensure status and any disciplinary action taken against the license; and~~ <u>practicing during the time period the Iowa license was inactive, sent directly from the jurisdiction to the licensing office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification from a jurisdiction's licensure office if the verification includes:</u>

<u>1. Licensee's name;</u>

<u>2. Date of initial licensure;</u>

<u>3. Current licensure status; and</u>

<u>4. Any disciplinary action taken against the license; and</u>

(2) Verification of completion of 24 hours of continuing education within two years of application for reactivation <u>or verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation</u>.

b. If the license has been on inactive status for more than five years, an applicant must provide the following:

(1) Verification of the license(s) from the jurisdiction in which the applicant has most recently been ~~licensed showing the licensee's name, date of initial licensure, current licensure status and any disciplinary action taken against the license; and~~ <u>practicing during the time period the Iowa license was inactive, sent directly from the jurisdiction to the licensing office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification from a jurisdiction's licensure office if the verification includes:</u>

<u>1. Licensee's name;</u>

<u>2. Date of initial licensure;</u>

<u>3. Current licensure status; and</u>

<u>4. Any disciplinary action taken against the license; and</u>

(2) Verification of completion of 48 hours of continuing education within two years of application for reactivation<u>; verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation; or evidence of successful completion of the professional examination required for initial licensure completed within one year prior to the submission of an application for reactivation</u>.

RA 26-299

IOWA FINANCE AUTHORITY[265]

Regulatory Analysis

Notice of Intended Action to be published: 265—Chapter 48
"Iowa Rural Infrastructure Bank Revolving Loan Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 16.5(1)"r" and 16.240
State or federal law(s) implemented by the rulemaking: Iowa Code section 16.240

Public Hearing

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

October 6, 2026 9:45 to 10 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-finance-authority/ifa-red-tape-review

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Finance Authority (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 48 to implement Iowa Code section 16.240 as enacted by 2026 Iowa Acts, House File 2771. Chapter 48 describes the policies and procedures applicable to the Iowa Rural Infrastructure Bank Revolving Loan Program. The program provides loans to small or medium sized communities to upgrade water or wastewater infrastructure.

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, not to exceed 1 percent. Recipients will also pay a one-time fee at the time of closing of the loan in an amount equal to 2 percent of the amount of the loan.

- **Qualitative description of impact:**

The program provides loans for water and wastewater infrastructure projects.

3. **Costs to the State:**

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

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

- **Anticipated effect on State revenues:**

The proposed chapter has no anticipated impact on State revenues beyond that of 2026 Iowa Acts, House File 2771.

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 48:

CHAPTER 48
IOWA RURAL INFRASTRUCTURE BANK REVOLVING LOAN PROGRAM

265—48.1(16) Definitions.

"Authority" means the Iowa finance authority created in Iowa Code section 16.1A.

"Director" means the director of the authority.

"Net revenues" means the same as defined in Iowa Code section 384.80.

"Program" means the rural Iowa infrastructure bank revolving loan program established pursuant to Iowa Code section 16.240 as enacted by 2026 Iowa Acts, House File 2771.

"Project" means a vertical infrastructure project to upgrade water or wastewater infrastructure for which the loan is requested, including a project that is a phase or phases of an upgrade.

"Recipient" means the city receiving funds from the program.

"Small or medium sized community" means the same as defined in Iowa Code section 16.240 as enacted by 2026 Iowa Acts, House File 2771.

"Vertical infrastructure" means the same as defined in Iowa Code section 8.57.

265—48.2(16) Eligibility, application, and approval.

48.2(1) *Eligibility.*

a. Only cities with a population of 11,000 or less are eligible to apply for loans through the program. For the purposes of determining the population of a city, the authority will establish population at the time an application for a loan is submitted based on the most recent population estimate produced by the United States Census Bureau or the most recent decennial census. A project that will serve a population in excess of the population of the applicant city may be eligible for the program if the applicant city or cities are eligible applicants pursuant to this subrule.

b. An applicant that proposes a project that has received funding from any source of funds that initiates from the federal government shall not be eligible for the program. Such funding sources include but are not limited to funds provided by the United States Environmental Protection Agency, the United States Department of Agriculture, Community Development Block Grants, or funds appropriated directly to a project by the United States Congress.

48.2(2) *Application.* Applications for loans shall be submitted to the authority in the form and content established by the authority. Applications will be accepted only during the annual application periods established on the authority's website. 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 48.3(2)*"c"*;

g. Documentation that technical review has been completed and all applicable permits have been secured for the proposed project;

h. An opinion from the applicant's counsel documenting that public procurement procedures have been followed, including but not limited to Iowa Code chapters 26 and 26A; and

i. Any other information reasonably requested by the authority.

48.2(3) *Project segments.* A project that is a subsequent phase of a previously funded project will receive priority over new projects. Loans made for separate phases will be administered separately.

48.2(4) *Loan amount.* Requested loan amounts may be adjusted to reflect costs directly related to the project.

48.2(5) *Board approval.* Complete and eligible loan applications that are recommended for approval based on the criteria in subrule 48.2(6) will be considered by the authority board. The board may approve, deny, or defer an application for a loan.

48.2(6) *Evaluation criteria.* The authority will evaluate each complete and eligible application based on the following criteria:

a. The authority will prioritize projects necessary to achieve or maintain compliance with federal or state drinking water or wastewater requirements, particularly projects involving treatment facilities or processes necessary to protect public health and environmental quality. Distribution, storage, collection, and similar infrastructure projects will receive lower priority unless direct compliance benefits are demonstrated.

b. The authority will prioritize projects that provide the most benefit for residential ratepayers, including but not limited to reduction of utility rates or mitigation of utility rate increases.

c. The authority will prioritize projects demonstrating a high degree of readiness for construction. Readiness may be determined through completion of planning requirements, engineering documentation, environmental reviews, permitting, and other activities necessary to initiate construction.

d. The authority will prioritize projects that demonstrate sufficient financial resources to complete the proposed project and repay the loan. Preference may be given to projects for which all project financing has been secured or is reasonably expected to be secured.

e. The authority will prioritize projects that propose consolidation, interconnection, or sharing of wastewater or drinking water services among multiple systems or communities to provide service on a broader regional basis.

f. In determining whether to award a loan and loan amounts, the authority will also consider the following:

(1) The total amount of moneys available in the fund;

(2) The geographic diversity of awarded projects; and

(3) Whether an application 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.

265—48.3(16) Loans.

48.3(1) *Loan agreements.* The authority will prepare a loan agreement after an application has been approved by the authority board. Prior to execution of the agreement, the recipient shall provide an enforceability opinion and, if applicable, a bond counsel opinion as to the status of interest on the obligation in forms acceptable to the authority.

48.3(2) *Loan terms.*

a. *Interest rates.* As provided in Iowa Code section 16.240, interest rates for loans under the program shall not exceed 1 percent.

b. *Fees.* Recipients shall pay a one-time fee at the time of closing of the loan in an amount equal to 2 percent of the amount of the loan.

c. *Revenue pledge.* The 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 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 of the amount necessary to pay all revenue obligations. 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 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 net revenues of the recipient's system. Loans secured by net revenues of a system 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 recipient's other outstanding revenue obligations.

(2) A loan may be secured by a general obligation of the recipient, and the 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 recipient.

48.3(3) *Loan commitments.* Loan funds are considered a binding commitment at the time a loan agreement is executed.

48.3(4) *Costs.* The recipient shall use the program loan proceeds solely for the purpose of costs directly related to the approved project. The recipient must document all costs directly related to the project to the satisfaction of the authority before loan proceeds are disbursed.

48.3(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.

48.3(6) *Prepayment.* A recipient may prepay a loan, in whole or in part, on any date with the prior written consent of the authority.

265—48.4(16) Administration.

48.4(1) The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority, the auditor of the state of Iowa, or the agents or designees thereof upon request. The 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.

48.4(2) The recipient shall provide the authority or its 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.

48.4(3) The recipient's accounting procedures shall conform to generally accepted government accounting standards.

48.4(4) The authority may, for cause, find that a recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of or return of loan funds. Findings of noncompliance may include but are not limited to the use of loan funds for activities not described in the application for the loan; 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.

48.4(5) A recipient 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 16.240 as enacted by 2026 Iowa Acts, House File 2771.

RA 26-300

TRANSPORTATION DEPARTMENT[761]

Regulatory Analysis

Notice of Intended Action to be published: 761—Chapter 425
"Motor Vehicle and Towable Recreational Vehicle Dealers,
Manufacturers, Distributors and Wholesalers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 322.13

State or federal law(s) implemented by the rulemaking: Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2, and section 322.13

Public Hearing

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

October 6, 2026 9 to 9:30 a.m.	Microsoft Teams Or dial: 515.817.6093 Conference ID: 597 994 217#

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 proposed amendments are intended to align the rules with 2026 Iowa Acts, House File 2485, section 2. This legislation authorizes a motor vehicle dealer to store records at the dealer's parent company location, provided the location is within the United States. Current administrative rules only contemplate record storage at another licensed location of the dealer and only if the dealer has multiple licensed locations. The amendments update the rules to clarify storage at the dealer's parent company location is permissible in accordance with the new statutory authority and require dealers to provide parent company information as part of the dealer license application.

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 the proposed amendments beyond those of the underlying statute. The amendments align with the new statutory authority for dealers to store records at a parent company location.

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

Dealers may benefit from having more options to store records in a manner that aligns with its business model.

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 beyond those of the underlying statute.

- **Qualitative description of impact:**

There are no qualitative impacts beyond those of the underlying statute.

3. **Costs to the State:**

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

There are no implementation or enforcement costs beyond those of the underlying statute.

- **Anticipated effect on State revenues:**

There are no anticipated effects on State revenues beyond those of the underlying statute.

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 amendments conform with statutory changes.

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

There are no less costly or less intrusive methods to achieve the purpose of the proposed amendments, which are authorized by statute.

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

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

The Department did not consider alternatives for the proposed 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 impact on small business from the proposed rule amendments beyond those of the underlying statute.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** paragraph **425.4(1)"g"**:

g. Parent company information. If the dealer stores records at the place of business of an entity having direct ownership or control over the dealer pursuant to Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2, the application shall include the legal name, bona fide address and telephone number of said entity.

ITEM 2. Amend rule 761—425.7(321,322) as follows:

761—425.7(321,322) Business records of a motor vehicle dealer with multiple licenses.

425.7(1) *Applicability.* A motor vehicle dealer licensed under Iowa Code chapter 322 and this chapter who holds more than one motor vehicle dealer license may maintain the dealer's collective business records together at any of the dealer's licensed locations or at a location identified in Iowa Code section 321.63(3) as enacted by 2026 Iowa Acts, House File 2485, section 2.

425.7(2) *Separation of records.* Business records of licensed motor vehicle dealers kept at a single ~~licensed~~ location under this rule shall:

a. and *b.* No change.

425.7(3) No change.

This rule is intended to implement Iowa Code ~~sections~~ section 321.63 as amended by 2026 Iowa Acts, House File 2485, section 3, and sections 322.2 through 322.15.

RA 26-301

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

Regulatory Analysis

Notice of Intended Action to be published: 801—Chapter 10
"Iowa Veterans Home"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 35A.5 and 35D.3
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 35A and 35D

Public Hearing

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

October 9, 2026 10 a.m.	Video call link: meet.google.com/sbv-jbxu-pby Or dial: 234.759.5136 Conference ID: 591081712

Public Comment

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

Mike Olson
Iowa Department of Veterans Affairs
Legislative Liaison
1301 Summit Street
Marshalltown, Iowa 50158
Phone: 641.750.6185
Email: michael.olson@ivh.state.ia.us

Purpose and Summary

The Department is proposing a revised Chapter 10 to update procedures and reduce unnecessary text pursuant to Executive Order 10. Relevant content will be streamlined to provide greater clarity for applicants and members of the Iowa Veterans Home.

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

Veterans and their families will benefit from having the most up-to-date criteria for admission to and residence at the Iowa Veterans Home, as will the staff.

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 rulemaking will have little impact and no cost since the changes are minimal.

- **Qualitative description of impact:**

This rulemaking will have little impact and no cost since the changes are minimal.

3. **Costs to the State:**

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

No costs are expected.

- **Anticipated effect on State revenues:**

No effect on State revenues is expected.

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

The benefit will be an updated chapter revised in compliance with Executive Order 10.

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

Not applicable.

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

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

Not applicable.

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

There are no alternatives because this revision is required by Executive Order 10.

Small Business Impact

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

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

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

The rulemaking is not anticipated to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 801—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10
IOWA VETERANS HOME
PREAMBLE

The Iowa Veterans Home is a long-term health care facility located in Marshalltown, Iowa, with oversight provided by the commission of veterans affairs.

801—10.1(35D) Definitions. The following definitions are unique to rules pertaining to the Iowa Veterans Home.

"Acute alcoholic" means any disturbance of emotional equilibrium caused by the consumption of alcohol resulting in behavior not currently controllable.

"Acutely mentally ill" means any disturbance of emotional equilibrium manifested in maladaptive behavior and impaired functioning caused by genetic, physical, chemical, biological, psychological, social or cultural factors that requires hospitalization.

"Addicted to drugs" means a state of dependency as medically determined resulting from excessive or prolonged use of drugs as defined in Iowa Code chapter 124.

"Admissions committee" means the committee appointed by the commandant to review applications to determine eligibility for admission and appropriate level and category of care.

"Admissions coordinator" means the individual responsible for the coordination of the admissions process.

"Applicant" means a person who is applying for admission into the Iowa Veterans Home.

"Assets" means items of value held by, or on behalf of, an applicant or member. Assets include but are not limited to cash, savings and checking accounts; stocks; bonds; contracts for sale of property; and homestead or nonhomestead property. Nonrecurring windfall payments such as but not limited to inheritances, death benefits, insurance or tort claim settlements, and cash payments received from the conversion of a nonliquid asset to cash shall be considered assets upon receipt.

"At once" or *"timely"* means within ten calendar days.

"Collaborative care plan" means the plan of care developed for a member by the resident care committee.

"Commandant" means the chief executive officer of the Iowa Veterans Home.

"Commission" means the Iowa commission of veterans affairs.

"Continuously disruptive" means any behavior, on a recurring basis, which has been documented by Iowa Veterans Home staff, that causes harm to a member or staff or conflicts with the member responsibilities set forth in subrule 10.12(1).

"Countable asset" means an asset to be considered in calculation of member support obligation.

"Dangerous to self or others" means any activity by a member that would result in injury to the member or others.

"Dependent" means a person for whose financial support an applicant or member is legally responsible or obligated.

"Diversion" means income that is transferred to a spouse before the member's support is determined.

"DVA" means the U.S. Department of Veterans Affairs.

"Expedited admission" means requests for readmission by former residents who were discharged from the Iowa Veterans Home solely due to the need for a temporary level of care that is not provided by IVH and who fully intend to immediately return to IVH upon no longer needing those services.

"Free time" means 12 days of leave time each calendar year for which the member is not charged for care during absence.

"Full support rate" means the maximum daily rate of support times the billable days of care received in any month less any offsets.

"Gold Star parent" means a parent of a deceased member of the United States armed forces who died while serving on active duty during a time of military conflict or who died as a result of such service.

"Honorable discharge" means separation or retirement from active military service. The veteran must be eligible for medical care in the DVA system (excluding financial eligibility). Honorable discharge includes general discharges under honorable conditions.

"Income" means money gained by labor or service or money paid periodically to an applicant or member. Income includes but is not limited to disability, retirement pensions or benefits; interest, dividends, payments from long-term care insurance, or other income received from investments; income from property rentals; certain moneys related to real estate contracts; earnings from regular employment or self-employment enterprises.

"IVH" means the Iowa Veterans Home.

"Legal representative" for purposes of applicant or member personal and care decisions means durable power of attorney for health care, guardian, or next of kin (spouse, adult children, parents, adult siblings). For applicant or member financial decisions, "legal representative" means conservator, power of attorney, fiduciary, representative payee or next of kin (spouse, adult children, parents, adult siblings).

"Licensed nursing home administrator" means a duly licensed nursing home administrator pursuant to Iowa Code chapter 147.

"Medical provider" means a doctor of medicine or osteopathic medicine who is licensed to practice in the state of Iowa. Except as defined by Iowa law, "medical provider" also means an advanced registered nurse practitioner or physician associate who is licensed to practice in the state of Iowa.

"Member" means a resident of IVH.

"Member support" means the dollar amount that is billed monthly to the member or legal representative for the member's care.

"PASRR" means preadmission screening and resident review.

"Personal needs allowance" is the nonbillable amount in which a member is allowed to retain for personal expenditures. This amount is comprised of a portion determined by the state of Iowa pursuant to rules 441—81.18(249A), 441—82.19(249A), and 441—85.47(249A) and a portion determined by the DVA pursuant to 38 U.S.C. Section 5503(d)(2) as effective on [effective date of this rulemaking].

"Resident care committee" or *"RCC"* means the member, family or legal representative, a social worker, a registered nurse, a clinical dietitian, a medical provider, a therapeutic recreation specialist and a unit resident treatment worker who are involved in reviewing a member's assessment data and developing a collaborative care plan for the individual member. For a member receiving mental health services, the RCC will also include the mental health provider.

"Resource" means assets and income.

"Spouse" means a person who is the legal or common law wife or husband of a veteran.

"Surviving spouse" means a person who is the legal or common law widow or widower of a veteran.

"Therapeutic activity" means an activity that is considered as treatment. A therapist shall determine that a particular activity is beneficial to the well-being of a member and shall include this determination in the member's plan of care.

"Veteran" means a person who served in the active military and who was discharged or released therefrom under honorable conditions. Honorable and general discharges qualify a person as a veteran. The veteran must be eligible for medical care in the DVA system (excluding financial eligibility). In addition, veteran includes a person who served in the merchant marine or as a civil service crew member between December 7, 1941, and August 15, 1945.

"Visitation" is considered part of the individual's therapeutic program. Visits are expected to benefit the individual's treatment goals while meeting the security needs of the facility and ensuring the safety of the individual and the visitor.

"Voluntary discharge" means a member wishes to terminate the member's association with IVH on a permanent basis. This includes discharge for medical reasons that have been approved by a qualified medical provider. All other discharges are involuntary.

801—10.2(35D) Eligibility requirements. Veterans, spouses, and Gold Star parents shall be eligible for admission to IVH in accordance with the following conditions:

10.2(1) Veterans.

a. The individual is disabled by reason of disease, injury or old age and meets the qualifications for nursing or residential level of care available at IVH.

b. The individual cannot be competitively employed on the day of admission or throughout the individual's residency.

c. The individual met the residency requirements of the state of Iowa on the date of admission to IVH.

d. An individual who has been diagnosed by a qualified health care professional as acutely mentally ill, as an acute alcoholic, as addicted to drugs, as continuously disruptive, or as dangerous to self or others shall not be admitted to or retained at IVH.

e. The individual is eligible for care and treatment at a DVA medical center (excluding financial eligibility).

f. When admitted to the domiciliary level of care, the individual met DVA criteria stated in Veterans Health Administration Directive 1601SH.01(1) as effective on [effective date of this rulemaking].

g. Homelessness does not disqualify persons otherwise eligible for admission to IVH.

10.2(2) Spouses and surviving spouses.

a. The spouse or surviving spouse was married to a veteran for at least one year preceding the date of application or date of death of the veteran.

b. The spouse is eligible only if the veteran is admitted.

c. The surviving spouse is eligible only if the deceased veteran would also be eligible if still living.

d. Spouses, surviving spouses and Gold Star parents admitted to IVH shall not exceed more than 25 percent of the total number of members at IVH as provided in U.S.C. Title 38.

10.2(3) Gold Star parents.

a. The parent's child died while serving on active duty in the armed forces of the United States during a time of military conflict or died as a result of such service.

b. The individual is disabled by reason of disease, injury or old age and meets the qualifications for nursing or residential level of care available at IVH.

c. The individual cannot be competitively employed on the day of admission or throughout the individual's residency.

d. The individual met the residency requirements of the state of Iowa on the date of admission to IVH.

e. An individual who has been diagnosed by a qualified health care professional as acutely mentally ill, as an acute alcoholic, as addicted to drugs, as continuously disruptive, or as dangerous to self or others shall not be admitted to or retained at IVH.

10.2(4) Gold Star parents, spouses and surviving spouses admitted to IVH shall not exceed more than 25 percent of the total number of members at IVH as provided in U.S.C. Title 38.

10.2(5) An individual who was not a member of the United States armed forces, in accordance with the limitations described in subrule 10.2(1), if the following conditions are met:

a. The individual was a member of the armed services of a nation with which the United States was allied during a time of conflict.

b. The individual is eligible for admission to a DVA medical center in accordance with U.S.C. Title 38, Part 17, Medical Care, Subchapter 2, Section 1710, as effective on [effective date of this rulemaking].

801—10.3(35D) Application. All applicants shall apply for admission to IVH in accordance with the following:

10.3(1) Application shall be made:

a. Through the county commission of veterans affairs in the applicant's county of residence.

b. On the appropriate Iowa Veterans Home Application for Admission form. An application may be obtained at:

(1) The county commission of veterans affairs office.

(2) DVA medical centers located in or serving veterans in the state of Iowa.

(3) IVH.

(4) Website: dva.iowa.gov.

10.3(2) The applicant shall provide a copy of the veteran's honorable discharge (DD-214) along with all other requested information to allow the determination of level of care and cost for care with the completed application.

10.3(3) The admissions committee shall determine which additional information it needs provided for an expedited admission with the completed application.

10.3(4) Once the requirements of subrules 10.3(1) through 10.3(3) have been met, the county commission of veterans affairs shall forward the completed application to the admissions office at IVH.

10.3(5) Eligibility determinations are subject to approval by the commandant or designee.

801—10.4(35D) Application processing.

10.4(1) Applications received by the admissions office shall be reviewed for completeness. Additional information shall be requested, if needed.

10.4(2) The admissions committee shall assign the level of care needed by the applicant. If there is a question regarding the level of care for which the applicant qualifies, one or more of the following will be completed in order to make an informed decision regarding appropriate level of care:

a. Prescreening call.

b. Preadmission visit to IVH.

c. Site visit.

10.4(3) Regardless of whether the applicant can be immediately admitted, the applicant and the county shall be notified of the applicant's acceptance based on the information provided at the time of review. The applicant's care needs will be reviewed prior to scheduling an admission date to ensure continued eligibility and appropriate placement.

10.4(4) When space is not immediately available, the applicant's name shall be placed on the appropriate waiting list for that level of care or special care unit in the order of the date the application was received. Expedited admissions shall move to the top of the list of the level of care assigned.

10.4(5) When space is available at time of application, or when space becomes available in accordance with the designated waiting list, the applicant shall be scheduled for admittance to IVH as follows:

a. An applicant whose physical examination or personal functional assessment was completed more than three months prior to the scheduled date of admittance may be required to obtain another physical examination by a medical provider or complete a current personal functional assessment, or both if applicable. This information shall be reviewed to determine that the applicant's previously determined level of care remains appropriate.

b. An applicant who requires a different level of care than previously determined shall be admitted to the level of care required, if a bed is available, or shall have the applicant's name placed on the waiting list for the appropriate level of care in accordance with the date the original application was received.

c. Prior to an applicant's admission to a nursing care unit, the PASRR shall be received.

801—10.5(35D) Applicant's responsibilities. Prior to admission to IVH, the applicant or a person acting on the applicant's behalf shall:

10.5(1) Report any change in the applicant's condition that could affect the previously determined level of care.

10.5(2) Report changes in mailing address, county or state of residency.

10.5(3) Provide additional information, verification or authorization for verification concerning the applicant's circumstances, condition of health, and financial resources, if requested.

10.5(4) Participate in a preadmission evaluation for level of care, if requested.

801—10.6(35D) Admission to IVH.

10.6(1) The applicant shall be notified by the admissions coordinator to appear for admission to IVH.

10.6(2) An applicant becomes a member at that point in time when the applicant or legal representative, and the commandant or designee, sign and date the Contractual Agreement, Form 475-1833, or otherwise authorize, in writing, acceptance of the terms of admittance specified in the Contractual Agreement.

10.6(3) Each member shall be placed on a unit providing the appropriate level of care based on individual needs.

a. A member requiring a subsequent change in placement based on individual care needs shall be transferred to a unit that provides the appropriate level of care within the scope of its licensure.

b. Members shall have priority over new admissions for placement on a unit when a vacant bed becomes available.

10.6(4) Care at IVH shall be provided in accordance with Iowa Code chapter 135C; 481—Chapter 57, Residential Care Facilities; 481—Chapter 58, Nursing Facilities; and DVA State Veterans Homes, Veterans Health Administration, M-5, Part 8, Chapter 2, Procedure for Obtaining Recognition of a State Veterans Home and Applicable Standards, 2.07, Standards for Nursing Care, and 2.08, Standards for Domiciliary Care, November 4, 1992.

801—10.7 to **10.10** Reserved.

801—10.11(35D) Member rights.

10.11(1) Member rights shall be in accordance with those listed in 481—Chapter 57 for members residing in the residential care facility level of care, those listed in 481—Chapter 58 for members residing in the nursing facility level of care, and those noted in Department of Veterans Affairs, State Veterans Homes, Veterans Health Administration, pertaining to residents of state veterans homes.

10.11(2) A member has the right to share a room with the member's spouse when both members consent to the arrangement.

10.11(3) If a member is incompetent and not restored to legal capacity, or if the medical provider determines that a member is incapable of understanding and exercising these rights, the rights devolve to the member's legal representative.

10.11(4) In some cases, a member may be determined to be in need of an agent by the DVA, the Social Security Administration or a similar funding source. In these cases, the commandant or designee may serve as agent subject to Iowa Code section 35D.11. All rights and responsibilities regarding the financial awards shall devolve to the commandant or designee.

801—10.12(35D) Member responsibilities.

10.12(1) The member or legal representative has the responsibility:

a. To timely report the existence of or changes in the member's income, spouse's income, assets or marital status, including the conversion of nonliquid assets to liquid assets.

b. To apply for all benefits due (e.g., Medicaid, DVA pension, DVA compensation, Social Security, private pension programs, or any combination) and accept the available billing programs offered at IVH.

c. To provide information concerning the physical condition and, to the best of the member's knowledge, accurate and complete information concerning present physical complaints, past illnesses, hospitalizations, medications and other matters related to the member's health.

d. To report unexpected changes in the member's condition to the attending medical provider or other clinician.

e. To participate in treatment planning, cooperate with the treatment team in carrying out the treatment plan, and participate in the evaluation of the member's care.

f. To be considerate of the rights of other members and staff and control behavior in respect to smoking, noise, and number of visitors.

g. To treat other members and staff with dignity and respect.

h. To respect the property of other members, staff, and IVH. A member or legal representative may be held financially responsible for any property damaged or destroyed by the member.

i. To ask questions about anything that the member may not understand about the member's care or IVH.

j. To accept the consequences of the member's actions if the member refuses treatment or fails to follow prescribed care.

k. To follow the rules and regulations of IVH regarding member care and conduct as set out in subrule 10.40(1).

l. To keep scheduled appointments with staff and, if unable to do so, to notify appropriate staff.

m. To maintain personal hygiene, including clothing, and maintain personal living area based on the member's physical and mental capabilities.

n. To follow all fire, safety and sanitation regulations as established by IVH and applicable regulatory agencies.

o. To provide information and verification of resources. A member or legal representative must fulfill the member support obligation for member health care.

p. To carry Medicare Part B and Medicare Part D insurance, if eligible. If the member is not eligible to receive Medicare under social security, IVH shall pay the medical insurance premiums for Medicare Part B and Medicare Part D.

q. To delegate to IVH the authorization to enroll the member in Medicare Part B and Medicare Part D. The premium shall be deducted from the member's social security or paid monthly with the member's funds.

r. To assign the benefits of Medicare Part B, Medicare Part D and other medical insurances to IVH. The cost of Medicare Part B, Medicare Part D and other medical insurances shall be used as an offset to the aggregate semiannual per diem rate calculation according to the level of care as calculated in January and July of each year for the preceding six months and effective March 1 and September 1.

10.12(2) The member or legal representative is responsible for the full payment of the member's support charges within the calendar month that the monthly support bill is received. Failure to pay a monthly support bill within 30 days of issuance may result in discharge from IVH unless prior arrangements have been made.

10.12(3) In those instances when a legal representative is responsible for the handling of the member's resources, the legal representative shall keep any records necessary and provide all information or verification required for the computation of member support as set out in rule 801—10.14(35D). Failure of the legal representative to do so may result in the discharge of the member. In some cases, IVH may act to have the commandant or designee established as the member's fiduciary or agent as set out in subrule 10.11(4). In those cases when a guardian or conservator of a member fails to keep necessary records or provide needed information or verification or to meet the member support obligation, IVH may notify the court of problems and request to establish another individual as guardian or conservator. The conservator of a member shall submit a copy of the annual conservatorship report to IVH.

10.12(4) When a member temporarily needs a level of care that is not offered by IVH, the member shall be referred by IVH medical staff to a DVA medical center or other medical facility.

a. If a member who is treated at a DVA medical center has coinsurance to supplement Medicare, this coinsurance shall be used for the DVA medical center charges. IVH shall be responsible for all DVA medical center charges if the member does not carry coinsurance supplement.

b. If a member chooses a medical facility other than a DVA medical center or other medical facility as referred by IVH medical staff, the member is responsible for costs resulting from care at the medical facility chosen.

801—10.13 Reserved.

801—10.14(35D) Computation of member support. As a condition of admittance to and residency in IVH, each member is required to contribute toward the cost of that member's care based on that member's resources and ability to pay.

10.14(1) A monthly member support bill shall be sent to the member or legal representative charging the member for care in the previous month with any necessary adjustment for prior months. A member shall be required to pay member support charges from the member's liquid assets, long-term care insurance benefits and income. The monthly member support charge shall be the billable days, as set out in subrule 10.14(3), multiplied by the appropriate per diem from rule 801—10.15(35D). This amount shall be reduced by any offsets as set out in subrules 10.15(2) and 10.15(3). The member or legal representative shall pay an amount not to exceed the amount calculated based on the resources available for the cost of care as set out in this chapter.

10.14(2) Medicaid residents. If a member is certified as eligible and participating in the Medicaid program, the amount of payment shall be determined by the department of health and human services income maintenance worker.

10.14(3) Billable days (non-Medicaid). Billable days for members not participating in the Medicaid program shall be counted as follows:

a. All days in the month for which the member received care (in-house).

b. All leave days in excess of the 12 credit days up through the fifty-ninth leave day. Any leave days in excess of 59 days shall be considered billable, and the member must pay the full support rate, not the amount determined by resources.

c. The first ten days of each hospitalization. After ten days, IVH assumes the authority to discharge the resident but reserves the right to negotiate an extension to the bed hold, if warranted, in the best interest of the resident and family, at the discretion of the commandant or designee. A hospital stay may occur more than once in a calendar year.

801—10.15(35D) Per diems.

10.15(1) For members not participating in the Medicaid program, the per diem by which the billable days shall be multiplied shall be established as follows:

a. Nursing level of care.

(1) The charge for care is the per diem rate calculated in January and July of each year for the preceding six-month period and is submitted by IVH to the Iowa Medicaid enterprise of the department of health and human services.

(2) The updated per diem rate shall be effective semiannually on March 1 and September 1 of each year.

(3) Members or financial legal representatives shall be sent a notice one month in advance of the rate change.

b. Domiciliary level of care.

(1) The total cost of care per member shall be determined in January and July of each year for the preceding six-month period and calculated in a manner similar to the nursing level of care. This cost shall be the updated per diem rate.

(2) The per diem rate shall be adjusted semiannually on March 1 and September 1 of each year.

(3) Members or financial legal representatives shall be sent a notice one month in advance of the rate change.

10.15(2) Veteran members for whom IVH receives a per diem from the DVA (under Title 38). IVH shall consider this per diem as a third-party reimbursement to the charge for care and shall be an offset to the member support bill. The offset of the per diem received (billed to DVA) shall be shown as an offset for the month billed. The provisions of 38 U.S.C. 1745(a), which were established by Section 211 of the Veterans Benefits, Health Care, and Information Technology Act of 2006 (Public Law 109-461), set forth a mechanism for paying a higher per diem rate for certain veterans who have service-connected disabilities and are receiving nursing home care in state homes. Except as otherwise provided in statute or regulation, if IVH receives this higher per diem rate from the DVA, the member will not have a support charge from IVH.

10.15(3) The daily per diem charge shall be reduced by an amount equal to the appropriate Medicare Part B and Medicare Part D premiums paid by the enrolled member.

10.15(4) For members carrying other medical insurance upon admission and continuing to carry other medical insurance after admission, the member support charge shall be reduced by an amount equal to the other medical insurance premium.

10.15(5) For members not eligible for Medicaid medical assistance, the member support charge shall be reduced in accordance with subrules 10.15(2), 10.15(3) and 10.15(4), if applicable. The member shall then contribute all remaining available resources up to the charge for care. Members receiving DVA pension and aid and attendance shall be considered as having used the amount equal to aid and attendance first in payment for their care at IVH.

10.15(6) Payment of support is due within ten business days after the monthly support bill is received or ten business days after the member's last income deposit for that month.

a. If payment is not received by IVH within 30 days following the due date, a notice of discharge may be issued.

b. If there are extenuating circumstances, the member or legal representative should meet with the commandant or designee to work out a schedule of payments.

801—10.16(35D) Assets. The following rules specify the treatment of assets, as defined in rule 801—10.1(35D), in the payment of member support as described in rule 801—10.14(35D). Only liquid assets shall be considered in the payment of member support.

10.16(1) For members who have applied for and are eligible to receive Medicaid facility assistance, rule 441—75.82(249A) shall apply. Financial eligibility for Medicaid shall be determined by the department of health and human services income maintenance worker.

10.16(2) For members not eligible for Medicaid medical assistance, the following rules apply.

a. *Assets considered.* The assets considered shall include all assets owned by the member or if married, both the member and the spouse living in the community, except for the following:

(1) The homestead. The exempt homestead is defined as the house, used as a home, and may contain one or more contiguous lots or tracts of land, including buildings and appurtenances. Contiguous means that portions of the homestead cannot be separated from the home by intervening property owned by others. However, the homestead is considered contiguous if portions of it are separated from the home only because of roads or other public rights-of-way. Property that is not exempt as part of the homestead shall be treated in accordance with this chapter. The homestead, as defined, can retain its exempt status for a period of time not to exceed 36 months, while the member, spouse and dependents are temporarily absent, provided the following conditions are met:

1. There is a specific purpose for the absence.
2. The member, spouse or dependents intend to return to the homestead when the reason for the absence has been accomplished.
3. The member, spouse or dependents can reasonably be expected to return to the home during the 36-month time limitation.
4. If a person is an applicant at the time the homestead becomes vacant due to the absence of the applicant, spouse or dependents, the first month of the 36-month period is the month of admission to IVH.
5. If a person is a member when the homestead becomes vacant due to the absence of the member, spouse or dependents, the first month of the 36-month period is the month following the month in which the homestead is vacated.
6. Any homestead that does not qualify for this exemption or any homestead that is vacant for a period of time exceeding the 36-month limit shall be treated in accordance with subrule 10.16(3).

(2) Household goods, personal effects and one motor vehicle.

(3) The value of any burial spaces held for the purpose of providing a place for the burial of the member, spouse or any other member of the immediate family.

(4) Exempt income-producing property includes but is not limited to tools, equipment, livestock, inventory and supplies, and grain held in storage.

(5) Other property essential to the means of self-support of either the member or spouse as to warrant its exclusion under the Supplemental Security Income program.

(6) Assets of a blind or disabled person who has a plan for achieving self-support as determined by the division of vocational rehabilitation or the department of health and human services.

(7) Assets of Native Americans belonging to certain tribes arising from judgment funds and payments from certain land and subsurface mineral rights. This does not include per capita payments from casino proceeds.

(8) Any amounts arising from Public Law 101-239, which provides assistance to veterans under the Agent Orange product liability litigation.

(9) Assistance under the Disaster Relief Act and Emergency Assistance Act or other assistance provided pursuant to federal statute as a result of a presidential disaster declaration and interest earned on these funds for the nine-month period beginning on the date these funds are received or for a longer period where good cause is shown.

(10) An amount that is irrevocable and separately identifiable, having a principal amount not in excess of a predetermined amount set by the department of health and human services, without an itemized billing, for the member or spouse to meet the burial and related expenses of that person.

(11) Federal assistance paid for housing occupied by the spouse living in the community.

(12) Assistance from a fund established by a state to aid victims of crime for nine months from receipt when the client demonstrates that the amount was paid as compensation for expenses incurred or losses suffered as a result of a crime.

(13) Relocation assistance provided by a state or local government to a member or spouse comparable to assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which is subject to the treatment required by Section 216 of the Act.

(14) Any other asset excluded by statute.

b. *Assets of a single member.* When liquid assets not exempted in paragraph 10.16(2)*"a"* are equal to or exceed $2,000, those liquid assets shall be considered an available resource for the payment of member support. These assets shall be considered available for payment of member support until such time that the remaining liquid assets total less than $500, but leaving at least the personal needs allowance.

c. *Assets of a married member with spouse in a care facility.* If a member's spouse is residing in a nursing facility, the member shall be treated as a single member for asset determination purposes. If the member and the spouse become members of IVH on the same day, all resources of both members shall be added together and split one-half to each member for asset determination purposes. If the spouse is residing in a residential care facility, the rules pertaining to a spouse living in the community apply.

d. *Assets of a married member with a spouse living in the community.* When liquid assets not exempted in paragraph 10.16(2)*"a"* are equal to or exceed $2,000, those liquid assets shall be considered an available resource for the payment of member support. The assets attributed to the member shall be determined from the documented assets of both the member and spouse living in the community as of the first day of admission to IVH. All resources of both the member and the spouse shall be added together. If the total resources are less than the predetermined amount set by the department of health and human services, then that amount is awarded to the community spouse. The amount in excess of this predetermined figure, up to an equal amount, if applicable, shall be awarded to the member. Any resources over this combined amount shall be split one-half to the member and one-half to the spouse up to a predetermined maximum set by the department of health and human services. All resources over the predetermined amount shall be awarded to the member. These assets shall be considered available for payment of member support until such time that the remaining liquid assets total less than $500, but leaving at least the personal needs allowance.

(1) If the member has transferred assets to the spouse living in the community under a court order for the support of the spouse, the amount transferred shall be the amount attributed to the spouse to the extent it exceeds the specified limits above.

(2) After the month in which the member is admitted, no attributed resources of the spouse living in the community shall be deemed available to the member during the continuous period in which the member is at IVH. Resources that are owned wholly or in part by the member and that are not transferred to the spouse living in the community shall be counted in determining member support. The assets of the member shall not count for member support to the extent that the member intends to transfer and does transfer the assets to the spouse living in the community within 90 days.

(3) Report of results. The department of health and human services shall provide the member and spouse and legal representative, if applicable, a report of the results of the attribution. The report shall state that either has a right to appeal the attribution in accordance with rule 801—10.45(35D).

e. *Exception based on estrangement.* When it is established by a disinterested third-party source and confirmed by the commandant or designee that the member is estranged from the spouse living in the community, member support shall be determined on the basis of resources of a single member.

10.16(3) When a member owns an available, nonliquid, nonexempt asset, the value of which would affect the computation of member support as described in rule 801—10.14(35D), the asset shall be liquidated. The value of that asset shall be considered in the computation of member support. The following paragraphs are to be considered when liquidating assets:

a. Net market value, or equity value, is the gross price for which property or an item can be sold on the open market less any legal debts, claims or liens against the property or item. IVH shall consider the condition and location of an item or property and local market conditions in determining the gross sales price of the item or property. In order for a loan or claim to be considered a lien or encumbrance against an asset, the loan or claim must be made under circumstances that result in the creditors having a recorded legal right to satisfy the debt.

b. An asset must be available in order for it to be treated in accordance with this chapter. An asset is considered available when:

(1) The member owns the property in part or in full and has control over it, i.e., it can be occupied, rented, leased, sold or otherwise used and disposed of at the member's discretion; and

(2) The member has a legal interest in a liquidated sum and has the legal ability to make the sum available for member support.

c. A member must take all appropriate action to gain title and control of any asset of which the value would affect the computation of member support.

d. The value of the asset may be adjusted if the member or legal representative:

(1) Advertises the asset for sale, through appropriate methods, on a continual basis.

(2) Lists the asset with a real estate broker or other agent appropriate to the asset.

(3) Asks a reasonable price that is consistent with the asking price of similar items of property in the community.

(4) Does not refuse a reasonable offer.

(5) Does not sell the asset for an unreasonably low price.

e. Cash proceeds from the sale of an asset, conversion of an asset to cash, or receipt of any cash asset as defined in rule 801—10.1(35D) shall be used in the computation of member support beginning with the calendar month of receipt.

801—10.17(35D) Divestment of assets.

10.17(1) "Intentional divestment of assets" means:

a. To knowingly sell, give or transfer by member or legal representative for less than fair market value, any asset, the value of which would affect member support; or *b.* To knowingly and voluntarily place an asset, the value of which would affect member support, under a trust or other legal instrument that ends or limits the availability of that asset.

10.17(2) Transfers of resources shall be presumed to be divestiture unless the individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose. In addition to giving away or selling assets for less than fair market value, examples of transferring resources include but are not limited to establishing a trust, contributing to a charity or other organization, removing a name from a joint bank account, or decreasing the extent of ownership interest in a resource or any other transfer as defined in the Supplemental Security Income program.

a. Convincing evidence to establish that the transaction was not a divestiture may include documents, letters, and contemporaneous writings, as well as other circumstantial evidence.

b. In rebutting the presumption that the transfer was a divestiture, the burden of proof is on the individual to establish:

(1) The fair market value of the compensation;

(2) That the compensation was provided pursuant to an agreement, contract, or expectation in exchange for the resource; and

(3) That the agreement, contract, or expectation was established at the time of transfer.

10.17(3) An applicant or legal representative shall not knowingly and intentionally divest an asset, as set out in subrule 10.17(1), within the period established by Medicaid statute prior to admission, with the intention of reducing the applicant's member support or of obtaining admission to IVH. When it is determined by the commandant or designee that an applicant did intentionally divest an asset, that applicant may be charged member support as if divestment did not occur.

801—10.18(35D) Commencement of civil action. The commandant or designee may file a civil action for money judgment against a member or discharged member or the member's legal representative for support charges when the member or discharged member fails to pay member support in accordance with this chapter.

801—10.19(35D) Income. This rule describes the treatment of income, as defined in rule 801—10.1(35D), in the computation of member support as described in rule 801—10.14(35D).

10.19(1) For members who are eligible for Medicaid medical assistance, rule 441—75.82(249A) shall apply. For those members participating in the Medicaid medical assistance program, the difference between the IVH personal needs allowance and the Medicaid personal needs allowance shall be returned to the member out of individual member participation.

10.19(2) For members who are not eligible for Medicaid, the following shall apply:

a. The following types of income are exempt in the computation of member support:

(1) The earned income of the spouse or dependents.

(2) Unearned income restricted to the needs of the spouse or dependents (social security, DVA, etc.).

(3) Any other income that can be specifically identified as accruing to the spouse or dependents.

(4) Nonrecurring gifts, contributions or winnings, not to exceed $60 in a calendar quarter.

(5) Interest income of less than $20 per month from any one source.

(6) State bonus for military services.

(7) Any earnings received by a member for that member's participation in money-raising activities administered by veterans' organizations or auxiliaries (i.e., poppies).

(8) Any money received by a member from the sale of items resulting from a therapeutic activity (must be documented in the resident's care plan).

(9) The first $150 received by a member in a month for participation in the incentive therapy or other programs as described in rule 801—10.30(35D), for members in the domiciliary level of care. For members in the nursing level of care, the first $75 shall be exempted.

(10) Personal loans.

(11) In-kind contributions to the member.

(12) Medicaid quarterly payments.

(13) Yearly DVA compensation clothing allowance for those who qualify.

(14) Other income as specifically exempted by statute.

(15) Any income similar in its origin to the assets excluded in subparagraphs 10.16(2)*"a"*(6) and *"a"*(7).

(16) Wages from paid community employment for 30 days prior to a resident's planned discharge; however, if during the 30 days the decision is made not to discharge, the resident must terminate the community employment by the end of the 30 days. In that event, moneys earned during the period of employment would be subject to support calculations on the same basis as incentive therapy earnings.

b. Personal needs allowance. All members shall have an amount exempted, determined by the legislature, from their monthly income intended to cover the purchase of clothing and incidentals.

(1) The personal needs allowance shall be subtracted from the member's income prior to determination of money to which the spouse may be entitled.

c. Any type of income not specifically exempted shall be considered for the payment of member support as provided in rule 801—10.14(35D).

d. Determining income from property.

(1) Nontrust property. Where there is nontrust property, income paid in the name of one person shall be available only to that person unless the document providing income specifies differently. If payment of income is in the name of two persons, one-half is attributed to each. If payment is in the name of several persons, the income shall be considered in proportion to their ownership interest. If the member or spouse can establish different ownership by a preponderance of evidence, the income shall be divided in proportion to the ownership.

(2) Trust property. Where there is trust property, the payment of income shall be considered available as provided in the trust. In the absence of specific provisions in the trust, the income shall be considered as stated above for nontrust property.

e. The amount of income to consider in the computation of member support shall be as follows:

(1) Regular monthly pensions and entitlements. The amount of income to be considered is the gross amount of the monthly entitlement or pension received less any medical insurance premium deductions.

(2) Investments or nonrecurring lump sum payments. Net unearned income from investments or nonrecurring lump sum payments shall be determined by deducting income-producing costs from the gross unearned income. Income-producing costs include but are not limited to brokerage fees, property manager's salary, maintenance costs and attorney fees.

(3) Property sold on contract. The amount of income to consider shall be the amount received minus any payments for mortgage, taxes, insurance or assessments still owed on the property and payable by the contract holder.

(4) Earned income from a rental, sole or partnership enterprise. The amount of income to consider shall be the net profit figure as determined for the Internal Revenue Service on the member's income tax return.

EXCEPTION: The deductions of the previous year's state and federal taxes and depreciation on the income tax return are not allowable deductions for the purpose of the computation of member support. If a tax return is not available, the member or legal representative shall provide all information and verification needed in order to correctly compute member support.

(5) Partnership income. The member's share of the net profit shall be determined in the same manner as the partnership percentage as determined for the Internal Revenue Service's purposes.

10.19(3) Member income diversion to dependent spouse not living at IVH. A portion of the member's income shall be diverted to the spouse according to the following:

a. Spouse living in the community. One-half the income in exclusion of an amount equal to aid and attendance and after reduction of personal needs allowance.

b. Spouse permanently in another nursing home. Member shall be treated as single. If the member is in receipt of a DVA pension, the only amount of income provided to the spouse would be the DVA pension dependency amount.

c. Spouses living in a residential care facility. Spouses shall be treated under the same rules as a spouse living in the community in accordance with paragraph 10.19(3)*"a."*

d. All current court order proceedings and guardian/conservatorship appointments regarding financial obligations shall be honored.

10.19(4) Income disbursements.

a. All diversions to spouse or valid court orders shall be mailed or sent electronically as designated or on a monthly basis.

b. All checks or electronic payments shall be sent to the proper recipient no later than the eighth day of any given month or, at IVH's option, five business days after the member's last income deposit for that month.

c. Monthly income disbursements to a community spouse may be delayed or canceled if there is an overdue amount owed for support payments.

801—10.20(35D) Other income.

10.20(1) When a member receives regular monthly payments of unearned income, it shall be included in the calculation of member support.

10.20(2) When a member receives periodic recurring income that is received less frequently than monthly, this countable income, after the deduction of any allowable income-producing expenses, shall be considered in the month received.

10.20(3) When a member receives a nonrecurring retroactive payment from a specific entitlement source for a prior period of time, it shall be considered as income in the month received. The aid and attendance amount of the DVA pension shall be computed as a manual adjustment (only available to members residing in nursing care).

10.20(4) Income from a particular source is considered terminated as of the date the member receives the last income payment from that source or the date that a sole or partnership enterprise ends, whichever is later.

10.20(5) When income from a particular source decreases in a calendar month, the decrease in income shall be considered in the computation of that month's member support. Income from a particular source is considered to be decreased as of the date the member receives the first income payment in the decreased amount.

10.20(6) When income from a particular source increases in a month, the increase in income shall be considered in the computation of that month's member support. Income from a particular source is considered to be increased as of the date the member receives the first income payment in the increased amount.

10.20(7) Recurring lump sum payments shall be treated as income in the month received.

10.20(8) Nonrecurring lump sum payments earned prior to admission, regardless of when received, shall not be counted as income but may be considered as an available liquid asset.

10.20(9) Any income as defined in rule 801—10.20(35D) that exceeds the member support billing for that month shall thereafter be considered a liquid asset available under rule 801—10.16(35D).

10.20(10) A resident who is planning to discharge may take on paid community employment for 30 days prior to discharge and not have the resident's wages subject to IVH support billing; however, if during the 30 days the decision is made not to discharge, the resident must terminate the community employment by the end of the 30 days. In that event, moneys earned during the period of employment would be subject to support calculations on the same basis as incentive therapy earnings.

801—10.21(35D) Fraud. Applicants, members or legal representatives who knowingly conceal the existence of resources may be subject to the billing of full member support, discharge for failure to pay for member's care or denial of admission. Further, members who knowingly conceal liquid assets or income that would have affected member support shall be charged for the amount not previously billed due to the fraudulent act. If upon admission it is determined that medical or other pertinent information provided during the application process was fraudulent, notice of discharge may be issued. In addition, any applicant, member or legal representative suspected of fraud may be referred to the department of inspections, appeals, and licensing division of investigations for possible criminal or civil action. The attorney general's office shall conduct the investigation.

801—10.22(35D) Overcharges. When it is discovered that a member was charged for support in excess of the amount actually due, the member shall receive a refund or credit to the member's account. If the member is discharged or deceased, a refund shall be conveyed to the member or legal representative.

801—10.23(35D) Penalty.

10.23(1) All members who have resources in excess of the full support rate shall be charged the full support rate. If any member does not apply for all benefits due (e.g., Medicaid, DVA pension, DVA compensation, social security, or any combination), fails to report resources accurately in order to not pay full support, or refuses to accept the available billing programs offered at IVH, that member shall be charged up to full support rate as if these responsibilities had been followed. Failure to comply with these rules may result in discharge from IVH.

10.23(2) If a member is required to pay full member support under these rules, the monthly charge shall be calculated as the per diem in paragraph 10.15(1)*"a"* or *"b"* times the billable days less any offsets. If a member is required to pay member support based on additional resources, these figures shall be obtained from the appropriate agencies.

801—10.24 to **10.29** Reserved.

801—10.30(35D) Incentive therapy and nonprofit rehabilitative programs. Members may be offered the opportunity to perform services for IVH through the incentive therapy program as part of their plan of care. Participating members shall be compensated at the state's minimum wage for their involvement in the incentive therapy program. If members enrolled in nonprofit rehabilitative programs receive an income from such programs, that income shall be treated in the same manner as the incentive therapy program or IVH policy.

This rule is intended to implement Iowa Code section 35D.7(3).

801—10.31 to **10.34** Reserved.

801—10.35(35D) Handling of pension money and other funds. Each member who has not been assigned a guardian, conservator, fiduciary or representative payee or has not designated a power of attorney while having adequate decision-making capacity or as otherwise specified may manage that member's own personal financial affairs. Upon the receipt of written authorization from the member or legal representative by the commandant or designee, the commandant or designee may assist the member in the management of the member's financial affairs.

10.35(1) Pension money or other funds deposited with IVH are not assignable, except as specified in subrule 10.19(3) or subparagraph 10.40(2)*"b"*(1).

10.35(2) If authorized by a member, the commandant or designee may act on behalf of that member in receiving, disbursing, and accounting for personal funds of the member received from any source subject to the requirements of Iowa Code section 135C.24. The authorization may be given or withdrawn in writing by the member or legal representative at any time. The authorization shall not be a condition of admission to or retention at IVH.

10.35(3) IVH shall maintain a commercial account with a federally insured bank for the personal deposits of its members. The account shall be known as the IVH membership account/rep payee for social security/VA beneficiaries. The commandant or designee shall record each member's personal deposits individually and shall deposit the funds in the membership account where the members' deposits shall be held in the aggregate. Interest shall accrue on those accounts that are on deposit at the end of each month. IVH may withdraw moneys from the account maintained pursuant to this subrule to establish certificates of deposit for the benefit of all members.

10.35(4) If authorized in writing by the member or legal representative, the commandant or designee may make withdrawals against that member's personal account to pay regular bills and other expenses incurred by the member. The authorization may be given or withdrawn in writing by the member or legal representative at any time. The authorization shall not be a condition of admission to or retention at IVH.

10.35(5) The commandant or designee shall maintain a written record of each member's funds that are received by or deposited with IVH. The member or legal representative shall receive a monthly statement showing deposits, withdrawals, disbursements, interest and current balances. If the commandant or designee is made representative payee or fiduciary for the member's financial transactions, this statement shall be maintained in the member's administrative file.

10.35(6) Except as otherwise specified and unless the commandant or designee has been appointed representative payee or fiduciary, funds deposited with IVH shall be released to the member or legal representative upon request. A statement will be provided showing deposits, disbursements, interest, and the final balance at the time the funds are withdrawn. When the member continues to maintain residency at IVH, the funds shall be released and a statement provided within three working days following the request. When a member is being discharged from IVH, the funds shall be released and a statement provided no later than the tenth day of the month following the month of discharge.

801—10.36(35D) Leave, bed holds and 96-hour passes.

10.36(1) *Non-Medicaid members.*

a. Members are free to leave IVH grounds unless contraindicated by medical determination. In cases where it is determined to be medically contraindicated and a member chooses to leave, the member or legal representative must sign Discharge Against Medical Advice, Form 475-0940.

b. Leaves are required if the member expects to be absent past midnight.

c. All leaves other than free time shall require payment of member support charges as though the member were in residency. Failure to pay regular member support charges may result in discharge of the member. Leave length may be changed by notification from the member or legal representative to the nursing unit social worker or domiciliary office.

d. Hospital leaves. Leaves spent in approved medical facilities away from IVH shall not be counted against the 59-day leave time limit as set out in paragraph 10.14(3)*"b."* Hospital leaves shall be granted and the charges for such leaves shall be as follows:

During the first ten consecutive days of any hospital stay, the member shall pay the regular and usual assessed charge for the member's level of care. Beginning on the eleventh day through the remainder of the hospitalization, the member shall not be charged. Each monthly member support bill shall reflect any adjustments related to hospitalization. Leaves to other medical facilities for the purpose of treatment shall be treated as hospital leaves.

e. General leaves.

(1) Twelve days of leave time each calendar year shall be free time.

(2) The member shall be charged the usual support charge for leave time over 12 days up to and including 59 days.

(3) The member shall be charged the full support rate for the level of care in which the member resides for leave time over 59 days.

(4) Leave time is not cumulative from one calendar year to another calendar year.

(5) Leave time the member has not utilized or cannot utilize shall not be credited toward the member's support.

(6) Support charges for the member on leave who wishes to retain the member's bed shall be due and payable as though the member were in residency as set forth in paragraph 10.36(1)*"c."*

f. When the nursing care member is on leave, the member shall remain on in-house status for the first 12 leave days per calendar year for DVA per diem purposes and IVH shall be financially responsible for medical expenses, which include deductibles, copays and the member's share after all insurance has been filed and paid to the medical facility, unless the medical expenses are assumed by the member or legal representative in relation to choice of medical facility.

g. When a member has used 12 non-hospital leave days, IVH is not financially responsible for any medical charges for the member while on leave.

10.36(2) *Members who are receiving Medicaid benefits.*

a. Members are free to leave IVH grounds unless contraindicated by medical determination. In cases where it is determined to be medically contraindicated and a member chooses to leave, the member or legal representative must sign Discharge Against Medical Advice, Form 475-0940.

b. A leave as set out in paragraph 10.36(1)*"b"* is required if a member expects to be absent past midnight.

c. The member's bed shall be held while the member is visiting away from IVH for a period not to exceed 18 days in any calendar year. There is no restriction as to the amount of days taken in any one month or during any one visit, as long as the days taken in the calendar year do not exceed 18. Additional days shall be allowed if the member's medical provider recommends in the plan of care that additional days would be rehabilitative.

d. A member or a legal representative who wishes to exceed the 18 visitation days and retain the member's bed, but does not have medical provider recommendation for an extension, must make arrangements with the operations division administrator or designee for payment of the rate determined by the department of health and human services income maintenance worker for all days in excess of the 18 visitation days. If prior arrangements and payment are not made, a member may be discharged in accordance with subrule 10.12(2).

e. A bed shall be held for a hospitalized member. The member's client participation shall be paid according to the department of health and human services income maintenance worker for all hospitalized days until member returns or is discharged.

f. While on leave, IVH shall be financially responsible for medical expenses, which include deductibles, copays and the member's share after all insurance has been filed and paid to the medical facility, unless the medical expenses are assumed by the member or legal representative in relation to choice of medical facility.

10.36(3) *Ninety-six-hour passes for domiciliary members.*

a. A pass shall not exceed 96 hours. If a member expects to be gone for more than 96 hours, a leave is required.

b. Upon return from a pass, the member must remain in residence for 24 hours before another pass is issued.

c. When a member is on pass, the member shall remain on in-house status for DVA per diem purposes; IVH shall be financially responsible for medical expenses, which include deductibles, copays and the member's share after all insurance has been filed and paid to the medical facility, unless the medical expenses are assumed by the member or legal representative in relation to choice of medical facility.

801—10.37(35D) Mail.

10.37(1) Each member or legal representative shall be afforded a choice in the methods of handling the member's business mail and in meeting the member's responsibilities for reporting resources for the purpose of computation of member support. A member found to be inadequate at financial decision making shall have that member's business mail handled in a manner as to respect that member's dignity and still meet the needs of IVH for complete information regarding resources.

10.37(2) Each member or legal representative shall be allowed to handle that member's business mail to the degree of responsibility chosen by the member or legal representative. A member may:

a. Elect to receive all business mail personally and provide the resident finance office with financial documentation, or

b. Designate that the member shall receive personal mail items but that business mail received at IVH from entitlement sources or concerning assets shall be routed to the resident finance office, cashier's office, budget office, or purchasing office, whichever is appropriate.

801—10.38 and **10.39** Reserved.

801—10.40(35D) Requirements for member conduct. The commandant or designee shall administer and enforce all requirements for member conduct. Subject to these rules and Iowa Code section 135C.23, the commandant or designee may transfer or discharge any member from IVH when the commandant or designee determines that the health, safety or welfare of the members or staff is in immediate danger and other reasonable alternatives have been exhausted.

10.40(1) In addition to the member responsibilities as set out in rule 801—10.12(35D), each member shall also comply with the following requirements:

a. The use of intoxicants or alcoholic beverages on IVH premises is prohibited unless prescribed by a medical provider.

b. The bringing of alcoholic beverages or illicit substances on IVH premises is prohibited. Any illicit substances or drug paraphernalia or both found in the member's possession shall be grounds for immediate discharge.

c. The use of illegal substances while a member of IVH is prohibited. A urinalysis shall confirm the presence of illegal substances. A member's refusal to submit to a urinalysis in response to a request based on probable cause shall be considered a positive result and is grounds for discharge.

d. Firearms or weapons of any nature shall be turned in to the commandant or designee for safekeeping. The commandant or designee shall decide if an instrument is a weapon. Firearms or weapons in the possession of a member that constitute a hazard to self or others shall be removed and stored in a place provided and controlled by the facility or sent with family members for safekeeping.

e. Smoking in members' rooms is prohibited. Members who smoke shall do so within designated smoking areas so as not to endanger self or others.

f. Continuously disruptive behavior on the part of a member is grounds for transfer or discharge.

g. Members shall comply with legal requests and orders of the commandant or designee.

h. Members shall not violate state and federal statutes.

i. Members shall report to the resident finance supervisor or designee any changes in assets/income and pay support within ten business days after the monthly support bill is received or ten business days after the member's last income deposit for the month.

10.40(2) When a member is found in violation of the requirements of conduct established in subrule 10.40(1), the following steps may be taken:

a. For a first offense, a member is counseled by an appropriate staff person and options for correcting the behavior are considered. Options may include but are not limited to:

(1) Funds restriction.

(2) Substance use treatment.

(3) Mental health services.

b. IVH control of the member's personal funds as follows:

(1) The pension money and other incomes and available liquid assets shall be deposited by the commandant or designee in a separate account for and on behalf of the member. The commandant or designee shall, under the procedures established in subrules 10.35(3) and 10.35(4), make withdrawals and disbursements to meet the regular bills and other expenses of the member.

(2) If, after a period of up to six months, the member's behavior is deemed appropriate by the facility, the handling of funds will be reviewed and funds may be returned to the control of the member.

(3) If the member is discharged from IVH, the balance of the funds in the IVH membership account shall be paid to the member or financial legal representative no later than the tenth day of the month following the month of discharge.

c. For a second offense, a member is offered the services above and is placed on probation that warns a third offense may lead to discharge.

d. For a third offense, discharge from IVH in accordance with subrule 10.40(3).

10.40(3) The steps described in subrule 10.40(2) shall generally be followed in that order. However, if the member's violation is of an extreme nature and the member is not amenable to counseling, the commandant or designee shall choose to discharge the member after the expiration of a 30-day written notification period that begins when the notice is personally delivered. If the RCC, in conjunction with the medical provider and mental health personnel, deems that the member's behavior poses a threat of imminent danger, the commandant or designee may issue notice of an immediate involuntary discharge. In such an emergency situation, a written notice shall be given prior to or within 48 hours following the discharge. The member's county commission of veterans affairs and the legal representative shall be informed in writing of the decision to discharge. Written notification shall also be issued to appropriate governmental agencies including the commission; the department of inspections, appeals, and licensing; and the department on aging's long-term care ombudsman to ensure that the member's health, safety or welfare shall not be in danger upon the member's release.

10.40(4) A member who has been previously discharged under the provisions of subrule 10.40(2) or 10.40(3) shall be readmitted to IVH only upon the approval of the commandant or designee. If not approved, the applicant shall receive written notice of the denial. A copy of the denial notice shall be forwarded to the commission and the appropriate county commission of veterans affairs. Any decision to deny readmittance is subject to the review of the commission.

801—10.41(35D) County of settlement upon discharge. A member does not acquire residency in Marshall County, the county in which IVH is located, unless the member is voluntarily or involuntarily discharged from IVH and the member meets county of residence requirements. For purposes of this rule, "county of residence" means the same as defined in Iowa Code section 331.190.

801—10.42(35D) Disposition of personal property and funds.

10.42(1) A discharged member shall remove all personal property at the time of discharge or within 30 days. Personal property not removed within 30 days after discharge shall become the property of IVH to dispose of as the commandant or designee directs. Personal property may be forwarded at the member's expense to the member's last-known address. When the member is discharged from IVH, the member's funds shall be released to the member or legal representative with a statement provided no later than the tenth day of the month following the month of discharge.

10.42(2) Following written notification to the legal representative or next of kin, a deceased member's personal property remaining at IVH 30 days after written notification shall become the property of IVH to dispose of as the commandant or designee directs. If there is a known legal representative or next of kin, the property may be shipped to the legal representative or next of kin at the expense of the estate, legal representative, or next of kin.

10.42(3) Upon the death of a member with personal funds deposited at IVH, any final funeral expenses must be paid first. If there are no outstanding funeral expenses, then pending account charges and the IVH final bill will be collected. Upon receipt of notification from the estate recovery program that release of funds is approved, IVH shall convey the member's funds along with a final statement to the legal representative administering the member's estate. When an estate is not opened or in cases where no executor is appointed, IVH shall attempt to locate the deceased member's heirs and deliver the funds to the heirs equally or according to the terms of the last will and testament within one year after the date of death.

801—10.43(35D) Rule enforcement—power to suspend and discharge members. The commandant or designee shall administer and enforce all rules adopted by the commission including rules of discipline and, subject to these rules, may immediately suspend the membership of and discharge any member from IVH for infraction of the rules when the commandant or designee determines that the health, safety or welfare of the members of IVH is in immediate danger and other reasonable alternatives have been exhausted. The suspension and discharge are temporary pending action by the commission. Judicial review of the action of the commission may be sought in accordance with Iowa Code chapter 17A.

10.43(1) The commandant or designee shall, with the input and recommendation of the RCC, involuntarily discharge a member for any of the following reasons:

a. The member has been diagnosed with a substance use disorder but continues to abuse alcohol or an illegal drug in violation of the member's conditional or provisional agreement entered into at the time of admission, or at any time thereafter, and all of the following conditions are met:

(1) The member has been provided sufficient notice of any changes in the member's collaborative care plan.

(2) The member has been notified of the member's commission of three offenses and has been given the opportunity to correct the behavior through either of the following options:

1. Being given the opportunity to receive the appropriate level of treatment in accordance with best practices for standards of care.

2. By having been placed on probation by IVH for a second offense. Notwithstanding the member meeting the criteria for discharge under paragraph 10.43(1)*"a,"* if the member has demonstrated progress toward the goals established in the member's collaborative care plan, the RCC and the commandant or designee may exercise discretion regarding the discharge. Notwithstanding any provision to the contrary, the member may be immediately discharged under paragraph 10.43(1)*"a"* if the member's actions or behavior jeopardizes the life or safety of other members or staff.

b. The member refuses to utilize the resources available to address issues identified in the member's collaborative care plan and all of the following conditions are met:

(1) The member has been provided sufficient notice of any changes in the member's collaborative care plan.

(2) The member has been notified of the member's commission of three offenses and the member has been placed on probation by IVH for a second offense. Notwithstanding the member meeting the criteria for discharge under paragraph 10.43(1)*"b,"* if the member has demonstrated progress toward the goals established in the member's collaborative care plan, the RCC and the commandant or designee may exercise discretion regarding the discharge. Notwithstanding any provision to the contrary, the member may be immediately discharged if the member's actions or behavior jeopardizes the life or safety of other members or staff.

c. The member no longer meets the requirements for residential or nursing level of care, as determined by the RCC or medical provider.

d. The member requires a level of licensed care not provided at IVH.

10.43(2) Provisions for members following discharge from IVH.

a. If a member is discharged under this rule, the discharge plan shall include placement in a suitable living situation that may include but is not limited to a transitional living program approved by the commission or a living program provided by DVA.

b. If a member is involuntarily discharged under this rule, the commission shall, to the greatest extent possible, ensure against the member being homeless and ensure that the domicile to which the member is discharged is fit and habitable and offers a safe and clean environment that is free from health hazards and provides appropriate heating, ventilation and protection from the elements.

10.43(3) Discharge notice, including right to appeal. An involuntary discharge of a member under this rule shall be preceded by a written notice to the member. The notice shall state that, unless the discharge is an immediate discharge due to the member's actions or behavior that jeopardizes the life or safety of other members or staff, the effective date of the discharge is 30 calendar days from the date of receipt of the discharge notice and that the member has the right to appeal the discharge. In addition, the discharge notice shall contain:

a. The stated reason for the proposed discharge or transfer.

b. The actual effective date of the proposed discharge or transfer.

c. A statement in not less than 12-point type that reads: "You have a right to appeal the facility's decision to transfer or discharge you. If you think you should not have to leave this facility, you may request a hearing in writing or verbally with the Commission of Veterans Affairs (hereinafter referred to as "Commission") within five (5) calendar days after receiving this notice. You have a right to be represented at the hearing by an attorney or any other individual of your choice at your own expense. If you request a hearing, it will be held, and a decision rendered within ten (10) calendar days of the filing of the appeal. Provision may be made for extension of the ten (10) day requirement upon request to the Commission designee. If you lose the hearing, you will not be discharged or transferred before the expiration of 30 days following receipt of the original notice of the discharge or transfer, or no sooner than five (5) days following final decision of such hearing. To request a hearing or receive further information, call the Commission or write to the Commission to the attention of: Chairperson, Commission of Veterans Affairs."

10.43(4) Emergency discharge. In the case of an emergency transfer or discharge relating to a threat of imminent harm, the resident must still be given a written notice prior to or within 48 hours following transfer or discharge. A copy of this notice must be placed in the resident's file, and it must contain all the information required by subrule 10.43(3). In addition, the notice must contain a statement in not less than 12-point type (elite) that reads: "You have a right to appeal the facility's decision to transfer or discharge you on an emergency basis. If you think you should not have to leave this facility, you may request a hearing in writing or verbally with the Commission of Veterans Affairs (hereinafter referred to as 'Commission') within 5 calendar days after receiving this notice. If you request a hearing, it will be held and a decision rendered within 10 calendar days of the filing of the appeal no later than 14 days after receipt of your request by the Commission. You may be transferred or discharged before the hearing is held or before a final decision is rendered. If you win the hearing, you have the right to be transferred back into the facility. To request a hearing or receive further information, you may call the Commission or write to the Commission to the attention of: Chairperson, Commission of Veterans Affairs."

10.43(5) Appeal by member.

a. If a member appeals the discharge under this rule, the member shall be provided with the information relating to the appeals process as specified in rule 801—10.47(35D).

b. If a member appeals the discharge under this rule, the involuntary discharge appeal process in rule 801—10.47(35D) shall apply.

10.43(6) By the fourth Monday of each session of the Iowa general assembly, the commandant shall submit a report annually to the senate veterans affairs committee and the house veterans affairs committee specifying the number, circumstances and placement of each member involuntarily discharged from IVH under this rule during the previous calendar year.

10.43(7) Any involuntary discharge by the commandant or designee under this rule shall comply with the rules adopted by the commission and by the department of inspections, appeals, and licensing in accordance with Iowa Code section 35D.15.

801—10.44 Reserved.

APPEAL PROCESS

801—10.45(35A,35D) Applicant appeal process. An applicant who believes that any of the provisions of this chapter have not been upheld, or have been upheld unfairly, may file an appeal directly with the commandant or designee containing a statement of the grievance and requested action. The commandant or designee shall investigate and may hold an informal hearing with the applicant and other involved individuals. Subrules 10.46(4) through 10.46(8) apply subsequently. The commandant or designee shall notify the applicant of the decision in writing within ten working days of receipt of the grievance.

801—10.46(35A,35D) Member appeal process. A member who believes that any of the provisions of this chapter have not been upheld or have been upheld unfairly may file an appeal.

10.46(1) A member shall discuss the problem and action desired with the assigned social worker within five working days of the incident that caused the problem. The social worker shall investigate the situation and attempt to resolve the problem within five working days of the discussion with the member. If the assigned social worker has allegedly caused the grievance, the member may file the grievance directly with the social work supervisor.

10.46(2) If unable to resolve the problem, or if the member is dissatisfied with the solution, the social worker shall assist the member with filing a formal grievance and shall submit a report of the facts and recommendations to the administrator of nursing within five working days of the discussion with the member. The administrator of nursing shall inform the member of the decision in writing within five working days of receipt of the social worker's report.

10.46(3) If the member is not satisfied with the decision of the administrator of nursing, or if no decision is given within the time specified in subrule 10.46(2), the member may appeal to the commandant or designee within ten working days of the decision of the administrator of nursing or, if no decision is given, within ten working days of the time limit specified in subrule 10.46(2). The grievance shall be submitted in writing and contain a statement of the cause of the grievance and requested action. A copy of the decision of the administrator of nursing shall be attached to the grievance statement, if applicable. The commandant or designee shall investigate the grievance and may hold an informal hearing with the member, administrator of nursing, and other involved individuals. The commandant or designee shall notify the member and the administrator of nursing of the decision in writing within ten working days of receipt of the grievance.

10.46(4) If the member is not satisfied with the decision of the commandant, or if no decision is given within the time limits specified in subrule 10.46(3), the member may appeal to the commission within ten working days of the commandant's decision. The member and commandant shall be notified in writing within five working days of the commission's receipt of the appeal. The commission shall schedule a hearing with the member, commandant, and other involved individuals to determine the facts and make a final decision.

10.46(5) The member may appoint any individual to represent the member in the appeal process, at the member's expense.

10.46(6) No reprisals of any kind shall be taken against a member for filing an appeal.

10.46(7) The member may obtain judicial review of the commission's final decision in accordance with Iowa Code chapter 17A.

10.46(8) The time limits specified in the above subrules may be extended when mutually agreed upon by the persons involved in the appeal process.

Rules 801—10.45(35A,35D) and 801—10.46(35A,35D) are intended to implement Iowa Code section 35A.3(4) and chapter 35D.

801—10.47(35D) Involuntary discharge appeal. When a member appeals an involuntary discharge, the following provisions shall apply:

10.47(1) The member shall file the appeal with the commission within five calendar days of receipt of the discharge notice.

10.47(2) The commission shall conduct a contested case proceeding in accordance with the uniform rules on contested case proceedings found in 7—Chapter 2506, adopted by reference with the following amendment: The presiding officer must be a member of the commission and cannot be an administrative law judge with the department of inspections, appeals, and licensing.

10.47(3) The commission shall render a decision on the appeal and notify the member of the decision in writing within ten calendar days of the filing of the appeal.

10.47(4) If the member is not satisfied with the decision of the commission, the member may appeal the commission's decision by filing an appeal with the department of inspections, appeals, and licensing within five calendar days of being notified in writing of the commission's decision.

10.47(5) The department of inspections, appeals, and licensing shall render a decision on the appeal of the commission's decision and notify the member of the decision in writing within 15 calendar days of the filing of the appeal with the department.

10.47(6) The maximum time period that shall elapse between receipt by the member of the discharge notice and actual discharge shall not exceed 55 days, which includes the 30-day discharge notice period and any time during which any appeals to the commission or the department of inspections, appeals, and licensing are pending.

10.47(7) If a member is not satisfied with the decision of the department of inspections, appeals, and licensing, the member may seek judicial review in accordance with Iowa Code chapter 17A. A member's discharge under rule 801—10.43(35D) shall not be stayed while judicial review is pending.

801—10.48 Reserved.

801—10.49(35D) Licensed nursing home administrator. The commandant shall employ a licensed nursing home administrator and convey the authority for compliance with all applicable laws and rules.

This rule is intended to implement Iowa Code chapter 135C.

GROUNDS AND FACILITY ADMINISTRATION

801—10.50(35D) Visitors. Visitors are welcome to IVH subject to the following conditions:

10.50(1) Visitors are subject to the policies and procedures as established by IVH, including the tobacco-free policy.

10.50(2) Tours of IVH may be arranged by contacting the commandant or designee.

10.50(3) Weapons, illegal substances or alcoholic beverages are not permitted on IVH grounds.

10.50(4) Any disruptive behavior on the part of a visitor shall result in modification, denial or termination of visiting privileges.

10.50(5) Trespass. Visitors shall not enter IVH grounds with the intent to commit a public offense, remain upon the grounds or in IVH buildings without justification after being notified or requested to abstain from entering, or to remove or vacate therefrom by any peace officer, magistrate, or public employee whose duty it is to supervise the use or maintenance of IVH and its grounds.

10.50(6) Any visitor violating any of the rules within this chapter may be restricted from IVH for a period of time to be determined by the commandant or designee.

10.50(7) Visitors who bring pets must comply with IVH rules regarding pet health and safety. Pets shall be kept on a leash while on IVH grounds.

801—10.51 Reserved.

801—10.52(35D) Interviews and statements.

10.52(1) Releases to the news media shall be the responsibility of the commandant or designee. Authority for dissemination and release of information shall be designated to other persons at the discretion of the commandant or designee.

10.52(2) Interviews of members within IVH by the news media or other outside groups are permitted only with prior consent of the member to be interviewed or the member's legal representative. At the request of the person or group who wishes to conduct an interview, the commandant or designee shall seek to obtain the required consent from the member or the member's legal representative.

801—10.53(35D) Donations. Donations of money, new clothing, books, games, recreational equipment or other gifts shall be made directly to the commandant or designee. The commandant or designee shall evaluate the donation in terms of the nature of the contribution to the facility program. The commandant or designee shall be responsible for accepting the donation and reporting the gift to the commission. All monetary gifts shall be acknowledged in writing to the donor and reported to the Iowa ethics and campaign disclosure board.

801—10.54(35D) Photographing and recording of members and use of cameras.

10.54(1) Photographs and recordings of members within IVH by news media or other outside groups are permitted only with prior consent of the member to be photographed or recorded or the member's legal representative. At the request of the person or group who wishes to make photographs or recordings, the commandant or designee shall seek to obtain the required consent from the member or the member's legal representative.

10.54(2) Every effort shall be made to preserve the inherent dignity of the member and to preclude exploitation or embarrassment of the member or the family of the member.

801—10.55(35D) Use of grounds and facilities.

10.55(1) Persons wishing to use the facilities and grounds for civic purposes, programs for members, meetings, and similar purposes must contact the commandant or designee at least two weeks in advance of the requested date. The commandant or designee may disapprove a request when the requested facilities are scheduled for use by or for the members or when the activity would disrupt the normal operation of IVH. Previous arrangements to use the facilities or grounds may be canceled by the commandant or designee in the event of an emergency or when changes in the schedule require the use of the facilities or grounds for the members. Persons who use the facilities or grounds shall be held responsible for leaving the facilities or grounds in satisfactory condition and for any damages caused by or resulting from use.

10.55(2) Outside organizations permitted to use facilities or grounds shall observe the same rules as visitors to the facility.

801—10.56(35D) Nonmember use of cottages. Cottages may be made available to IVH staff or to other members of the public with the commandant's or designee's approval and at the established rate.

10.56(1) Expenses incurred as a result of damage or need for exceptional cleaning/sanitizing procedures, or both, may result in additional charges as determined by IVH.

10.56(2) Posted occupancy capacities shall not be exceeded and, if exceeded, may be grounds for denial of use.

10.56(3) Pets are only allowed inside the cottages as outlined in the IVH cottage occupancy policy.

801—10.57(35D) Operating motor vehicles on grounds.

10.57(1) The operator of a motor vehicle shall have a valid license for the type of vehicle being driven upon IVH grounds.

10.57(2) All persons operating a motor vehicle on IVH grounds shall comply with the applicable state and local laws and IVH policies.

10.57(3) No driver of a motor vehicle or motorcycle shall disobey the instructions of any traffic-control device, warning, or sign placed.

10.57(4) No person shall drive any vehicle in such a manner as to indicate either a willful or wanton disregard for the safety of person or property. The person operating the motor vehicle or motorcycle shall maintain control and shall reduce the speed to 20 miles per hour on IVH grounds and reduce the speed to a lower, reasonable rate when approaching and passing a person walking in the traveled portion of a street.

10.57(5) No person shall stop, park, or leave any type of vehicle in established fire lanes, emergency vehicle areas, and other essential lanes. No person shall park any type of vehicle on roadways.

10.57(6) No person shall leave any type vehicle unattended by not locking doors or removing keys.

10.57(7) Failure to comply with rules may cause limitation or curtailment of driving privileges on IVH grounds for an indefinite period.

10.57(8) Motor vehicles belonging to members may be parked in member-designated parking on IVH grounds.

10.57(9) Members wishing to operate a motor vehicle on campus must adhere to the IVH Driving Safety policy.

These rules are intended to implement Iowa Code section 35A.3(4) and chapter 35D.

RA 26-302

VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

Regulatory Analysis

Notice of Intended Action to be published: 801—Chapter 15
“Veterans Commemorative Property”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 35A.5 and 37A.1
State or federal law(s) implemented by the rulemaking: Iowa Code section 37A.1

Public Hearing

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

October 9, 2026 10 a.m.	Video call link: meet.google.com/sbv-jbxu-pby Or dial: 234.759.5136 Conference ID: 591081712

Public Comment

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

Mike Olson
Iowa Department of Veterans Affairs
Legislative Liaison
1301 Summit Street
Marshalltown, Iowa 50158
Phone: 641.750.6185
Email: michael.olson@ivh.state.ia.us

Purpose and Summary

The Department is proposing a revised Chapter 15 to update procedures and reduce unnecessary text pursuant to Executive Order 10. Relevant content will be streamlined to provide greater clarity and remove unnecessary elaboration on certain rules.

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

Those parties seeking to utilize the Veterans Commemorative Property statute will benefit from the proposed rulemaking.

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

There are no costs associated with the proposed rulemaking.

- **Qualitative description of impact:**

This rulemaking will positively impact those seeking to utilize the Veterans Commemorative Property statute.

3. **Costs to the State:**

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

No costs are expected.

- **Anticipated effect on State revenues:**

No effect on State revenues is expected.

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

There is no cost to the proposed rulemaking, and the benefit will be a less redundant chapter with only the essential information not already listed in the Iowa Code. Action is required pursuant to Executive Order 10.

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

Not applicable.

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

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

There are no viable alternative methods.

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

Not applicable.

Small Business Impact

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

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

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

This rulemaking is not anticipated to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 801—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15
VETERANS COMMEMORATIVE PROPERTY

801—15.1(37A) Notification procedure.

15.1(1) *Notification.* Prior to the sale, trade or transfer of veterans commemorative property as defined by Iowa Code chapter 37A, a person who owns or controls a property where veterans commemorative property has been placed shall provide notice to the department at least 60 days prior to the proposed transaction date.

15.1(2) *Notification forms.* Notification forms may be obtained from the Department, Camp Dodge, Bldg. 3465, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824, or from the department's website at va.iowa.gov.

801—15.2(37A) Transaction approval. Upon receipt of transaction notification and supporting documentation, the department will review the request within 60 days under the criteria prescribed by Iowa Code section 37A.1(2).

These rules are intended to implement Iowa Code section 37A.1.

ARC 0577D

CULTURAL AFFAIRS DEPARTMENT[221]

Notice of Intended Action

Proposing rulemaking related to Iowa cultural trust and providing an opportunity for public comment

The Iowa Economic Development Authority (Authority) hereby proposes to rescind Chapter 13, "Iowa Cultural Trust," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.4(1).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A(1)"m" and 15.479.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 13. Former Iowa Code section 303A.4, later recodified as Iowa Code section 15.479, was repealed by 2025 Iowa Acts, House File 975, section 37. Accordingly, this chapter is no longer necessary.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9 to 9:15 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **221—Chapter 13**.

ARC 0576D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to rescission of chapters and providing an opportunity for public comment

The Economic Development Authority hereby proposes to rescind Chapter 301, "Iowa Community Cultural Grants (ICCG) Program," Chapter 302, "Cultural Leadership Partners (CLP) Program," Chapter 303, "Cultural and Entertainment Districts," and Chapter 304, "Organization and Operation," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.4(1).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.106A(1)"m."

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind the following obsolete and unnecessary chapters:

- Chapter 301, which describes the Iowa Community Cultural Grants Program. The Authority has determined to discontinue this program. Accordingly, this chapter is no longer necessary.
- Chapter 302, which describes the Cultural Leadership Partners Program. The Authority has determined to discontinue this program. Accordingly, this chapter is no longer necessary.
- Chapter 303, which describes the Cultural and Entertainment Districts Program. Iowa Code section 15.438, which authorized the program, was repealed by 2025 Iowa Acts, House File 975, section 37. Accordingly, this chapter is no longer necessary.
- Chapter 304, which provides organization structure, general administration and operating framework of the Iowa Arts Council within the Authority. The Authority has determined that certain provisions of this chapter remain necessary, while others are duplicative or unnecessary as a stand-alone chapter. Provisions that continue to serve a purpose are being incorporated into a revised 261—Chapter 305. Accordingly, this chapter is no longer necessary.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **261—Chapter 301**.

ITEM 2. Rescind and reserve **261—Chapter 302**.

ITEM 3. Rescind and reserve **261—Chapter 303**.

ITEM 4. Rescind and reserve **261—Chapter 304**.

ARC 0580D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to arts and culture operating and granting policies and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 305, "Operating and Granting Policies," and to adopt a new Chapter 305, "Arts and Culture Operating and Granting Policies," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.7(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A(1)"m," 15.436 and 15.465 through 15.467 and 2 CFR Part 200.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 305 and adopt a new chapter in lieu thereof. The current chapter provides the operating framework of the Iowa Arts Council within the Authority and operating and granting policies for arts programs administered by the Authority.

This proposed chapter implements consolidation of arts appropriations and programs in 2025 Iowa Acts, House File 975. The legislation authorized creation of an Arts and Culture Enhancement Fund that will be utilized for broad purposes related to the arts. The policies in this proposed chapter will apply to the fund as described in the chapter. For clarity, this proposed chapter will be titled "Arts and Culture Operating and Granting Policies."

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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October 6, 2026 9 to 9:15 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 305 and adopt the following **new** chapter in lieu thereof:

CHAPTER 305
ARTS AND CULTURE OPERATING AND GRANTING POLICIES

261—305.1(15) Definitions.

"Advisory panel" means a group of citizens appointed by the authority to assist in any aspect of authority programs or services.

"Applicant" means an eligible entity or individual applying for assistance under a program administered by the authority.

"Application" means a formal request, using authority forms, for assistance from an eligible applicant.

"Artist" means an individual who spends a substantial amount of the individual's time creating, practicing, performing, or producing an art form and regularly presents or is compensated for work in the individual's art form or both.

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

"Border city" means a municipality with boundaries directly adjacent to one or more borders of the state of Iowa.

"Council" means the Iowa arts council created pursuant to Iowa code section 15.465.

"Deaccession" means the act of removing a work of art from the authority's or council's collection or inventory.

"Domicile" means the same as defined in rule 701—300.17(422).

"Director" means the director of the authority.

"Permanent place of abode" means the same as defined in rule 701—300.17(422).

"Project" means an eligible activity for which an organization or individual has submitted an application for grant funds for authority approval.

"Project partner" means an organization that meets the definition of "applicant"; plays an active, substantial, and ongoing role in the planning, implementation, or oversight of the project; and is not serving solely as a pass-through entity or administrator of grant funds.

"Recipient" means any applicant receiving funds from the authority.

"Work of art" means original or limited-edition tangible creative work that is created primarily for aesthetic, cultural, or expressive purposes and that has recognized artistic, historical, or educational value.

261—305.2(15) Location of council. The office of the council is located at the Iowa Economic Development Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315. Regular office hours are 8 a.m. to 4:30 p.m., Monday through Friday, state holidays excepted.

261—305.3(15) Council statement on freedom of expression. The council adopts the following mission statement regarding freedom of expression:

"The mission of the Iowa arts council is to advance the arts in Iowa for the benefit of all. Support of free speech is the centerpiece of this mission. The council is an advocate for and defender of the right of free speech by all citizens under the First Amendment of the Constitution of the United States.

"The council recognizes the need for public support of the arts and understands the responsibilities that accompany the allocation of public funds. The council seeks the advice of qualified Iowans through the use of advisory panels for funding recommendations. The council is committed to uphold and maintain the highest artistic standards and to encourage excellence in the arts.

"The council respects the integrity of an artist's personal vision and right to freedom of expression. The council rejects all attempts to control or censor the arts. Recognizing the diversity of viewpoints represented by Iowa communities, the council supports freedom of choice and access to the arts by all citizens."

261—305.4(15) Funding policies. The following policies apply to arts programs administered by the authority except where otherwise noted in program-specific rules:

305.4(1) A nonprofit organization that has not yet achieved federal tax-exempt status may apply through a project partner.

305.4(2) A tax-exempt, nonprofit organization located in a border city shall be eligible to apply to the authority for projects that serve Iowa audiences.

305.4(3) An individual applying for and receiving grant funds shall be 18 years of age or older; be a United States citizen, possess a Permanent Resident Card, or be in the process of obtaining a Permanent Resident Card; and be a full-time Iowa resident domiciled in Iowa or maintaining a permanent place of abode in Iowa.

305.4(4) An application from an individual must support a project designed solely to benefit the individual and must not be a project of an organization with which the individual applicant has a formal affiliation such as employment or continued volunteer service.

305.4(5) No authority funds shall be used by a recipient to meet the recipient's obligation to provide matching funds for any other authority grants or programs.

305.4(6) The authority shall not consider an application for funding a previous year's deficit.

305.4(7) A recipient shall not utilize authority funds for any lobbying purpose.

305.4(8) Applicants that have received grants, loans, or other incentives through an authority program that are not in compliance with reporting or other requirements in connection therewith are not eligible to apply for new funds.

305.4(9) The authority may find an applicant ineligible for funding if the applicant 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.

261—305.5(15) Review and selection process. The following subrules apply to arts programs administered by the authority except where otherwise noted in program-specific rules:

305.5(1) Submitted applications will be reviewed by authority staff for completeness and eligibility. Applications or applicants determined to be incomplete or ineligible will not advance to further review.

305.5(2) Applications determined to be eligible and complete will be referred for review by an advisory panel. Applications will be evaluated, scored, and ranked in accordance with published review criteria or scoring rubric.

305.5(3) Applications recommended by an advisory panel for funding consideration will be submitted to the director for consideration and approval. Recommendations by an advisory panel are advisory, and final funding authority rests with the director or the director's designee.

261—305.6(15) Deaccession. The following policies apply to deaccession of all works of art in the authority's or council's collection or inventory, including works of art acquired through purchase, donation, commission, grant-funded acquisition, or transfer from a government agency.

305.6(1) *Criteria.* A work of art may be deaccessioned if one or more of the following criteria is met:

a. It is outside the scope of the authority's or council's mission or statutory authority.

b. It is damaged, deteriorated, or no longer capable of being reasonably preserved.

c. It is duplicative and the additional copy has no unique historical, artistic, or interpretive value.

d. It poses a risk to persons, other works of art, or facilities.

e. Its retention would violate donor restrictions or applicable law.

f. It has minimal cultural, artistic, or educational value relative to stewardship costs.

305.6(2) *Methods of disposal.* Following deaccession, disposal may occur by any of the following methods:

a. Donation or transfer to, or exchange with, an organization that has a recognized mission, capacity, and legal authority to accept and care for works of art in a responsible manner.

b. Sale, including public auction or negotiated sale, in compliance with applicable Iowa law.

c. Destruction, when the work of art has no monetary, cultural, or educational value or poses a safety or preservation risk.

305.6(3) *Proposal.* Deaccession shall be initiated by a written proposal prepared by authority staff and submitted to the director. The proposal shall include:

a. Description and provenance of the work of art.
b. Reasons for deaccession.
c. Any donor restrictions.
d. Recommended method of disposal.
e. Assessment of public, historical, or cultural impact.

305.6(4) *Director approval.* Deaccession may only occur with written approval by the director. The director may approve, deny, or require modification of the staff's proposal.

305.6(5) *Public notice.* Prior to final disposal, the authority shall provide public notice by posting on the authority's website for not less than 30 days.

305.6(6) *Recordkeeping.* In accordance with Iowa law, the authority shall maintain records of:
a. Deaccessioned items.
b. Approval documentation.
c. Method of disposal.
d. Any restrictions on use of proceeds.

305.6(7) *Limitations.* Ownership of deaccessioned works of art shall not be transferred to or benefit any employee, officer, or board member of the authority or any immediate family member thereof.

305.6(8) *Use of proceeds.* Proceeds derived from the disposal of deaccessioned works of art shall be deposited in the state of Iowa treasury or otherwise handled as required by applicable Iowa law.

These rules are intended to implement Iowa Code sections 15.436 and 15.465 through 15.467.

ARC 0578D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to artist professional development program and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 306, "Operational Support Partnership Program for Major Arts Organizations," and to adopt a new Chapter 306, "Artist Professional Development Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.7(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A(1)"m," 15.436 and 15.467 and 2 CFR Part 200.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 306 and to adopt a new chapter in lieu thereof. The current chapter describes the Operational Support Partnership Program for Major Arts Organizations, which provided financial support for general operational expenses of arts organizations and will be discontinued.

This proposed new chapter describes the Artist Professional Development Program (program) that will provide financial assistance to individual Iowa artists to advance their artistic practices and elevate the creative industry in Iowa. The proposed new chapter implements consolidation of arts appropriations and programs in 2025 Iowa Acts, House File 975. The legislation authorized creation of an arts and culture enhancement fund that will be utilized for broad purposes related to the arts, including this proposed program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9 to 9:15 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 306 and adopt the following **new** chapter in lieu thereof:

CHAPTER 306
ARTIST PROFESSIONAL DEVELOPMENT PROGRAM

261—306.1(15) Purpose. The artist professional development program (program) provides financial support to individual Iowa artists to undertake activities that advance the artists' artistic practices and elevate the creative industry in Iowa.

261—306.2(15) Definitions. The definitions listed in 261—Chapter 305 apply to this chapter.

261—306.3(15) Eligible applicants. To be eligible for program funding, an applicant must meet the definition of "artist" in rule 261—305.1(15) by creating, practicing, or producing work as a visual or performing artist, filmmaker, musician, or creative writer and must otherwise meet the requirements of rule 261—305.5(15).

261—306.4(15) Eligible projects. Eligible projects are one-time professional development activities that advance applicants' professional or artistic capacity, enhance their artistic practice, or allow them to learn new or more advanced techniques to support their artistic work. Types of eligible projects include participating in professional development conferences, workshops, courses, apprenticeships, and mentorships.

261—306.5(15) Ineligible projects. Projects that fall outside the scope of rule 261—306.4(15) or can be categorized as follows are ineligible:

1. Initiated by, managed by, or that benefit an entity or organization with which the applicant has a formal affiliation such as employment or volunteer service.
2. Result in the applicant receiving course credit, a degree, or certification.
3. Involve fundraising activities, including benefit events.

These rules are intended to implement Iowa Code sections 15.436 and 15.467.

ARC 0579D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to art project grant program and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 307, "Project Grant Programs," and to adopt a new Chapter 307, "Art Project Grant Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.7(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A(1)"m," 15.436 and 15.467 and 2 CFR Part 200.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 307 and adopt a new chapter in lieu thereof. This proposed chapter describes the Art Project Grant Program (program). The program provides financial support for high-quality and publicly accessible art projects in Iowa.

This proposed chapter implements consolidation of arts appropriations and programs in 2025 Iowa Acts, House File 975. The legislation authorized creation of an Arts and Culture Enhancement Fund that will be utilized for broad purposes related to the arts, including this proposed program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9 to 9:15 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 307 and adopt the following **new** chapter in lieu thereof:

CHAPTER 307
ART PROJECT GRANT PROGRAM

261—307.1(15) Purpose. The art project grant program (program) provides financial support for high-quality and publicly accessible art projects in Iowa.

261—307.2(15) Definitions. The definitions listed in 261—Chapter 305 apply to this chapter.

261—307.3(15) Eligible applicants. To be eligible for program funding, an applicant must qualify either as an eligible entity under subrule 307.3(1) or as an eligible individual under subrule 307.3(2) and otherwise meet the requirements of rule 261—305.4(15).

307.3(1) Entities applying for an award must fall into one of the following categories:

a. Active Iowa nonprofit organization registered with the Iowa secretary of state, exempt from federal taxes under Internal Revenue Code §501(c)(3), and physically located within the state of Iowa.

b. Nonprofit organization physically located within a border city and meeting the requirements of 261—subrule 305.4(2).

c. Nonprofit organization that has not yet achieved federal tax-exempt status, but otherwise meets the eligibility requirements in these rules, that is applying through a project partner.

d. Educational institution, educational organization, or K-12 school whose primary orientation, mission, and purposes are education, awarding academic credits, or both.

e. Unit of local, county, state, or federally recognized tribal government physically located in Iowa.

307.3(2) Individuals applying for an award must meet the definition of "artist" in rule 261—305.1(15) by creating, practicing, or producing work as a visual or performing artist, filmmaker, musician, or creative writer and must otherwise meet the requirements of rule 261—305.4(15).

261—307.4(15) Funding priorities. Priority will be given to first-time applicants and applicants who have not received funding from any authority arts program in the two fiscal years prior to the application date. The authority places a high priority on projects that include artistic excellence; involve an arts experience, arts learning activity, or arts professional development activity; and are of public value to Iowans through deliberate public engagement and access to project activities.

261—307.5(15) Eligible projects. Applicants must demonstrate broad-based community engagement and programming surrounding their projects. Types of eligible projects include community events, performances, exhibitions, festivals, conferences, or workshops dedicated to arts-related activities. Projects may represent a phase of a larger project with a longer timeline, but all project activities must have a beginning and end date during the program funding period.

These rules are intended to implement Iowa Code sections 15.436 and 15.467.

ARC 0601D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to Iowa scholarship for the arts and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 308, "Iowa Arts Council Scholarship for the Arts," and to adopt a new Chapter 308, "Iowa Scholarship for the Arts," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 15.106A(1)"m" and 17A.7(3).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 15.106A(1)"m" and 15.436.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 308 and adopt a new chapter in lieu thereof. This proposed chapter describes the Iowa Scholarship for the Arts Program (program). The program provides scholarships for high school seniors enrolled in arts-related areas of study at Iowa colleges or universities.

This proposed chapter implements consolidation of arts appropriations and programs in 2025 Iowa Acts, House File 975. The legislation authorized creation of an Arts and Culture Enhancement Fund that will be utilized for broad purposes related to the arts, including the program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026. A public hearing was held on the following date(s):

- June 30, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9 to 9:15 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3 to 3:15 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 308 and adopt the following **new** chapter in lieu thereof:

CHAPTER 308
IOWA SCHOLARSHIP FOR THE ARTS

261—308.1(15) Purpose. The Iowa scholarship for the arts program (program) supports the development of outstanding high school seniors who excel in the arts and are enrolled in accredited educational programs leading to careers in the arts. A limited number of scholarships are awarded annually to selected students for undergraduate tuition and related expenses to attend an Iowa college or university.

261—308.2(15) Definitions. The definitions listed in 261—Chapter 305 shall apply to terms as they are used throughout this chapter.

261—308.3(15) Eligibility. Notwithstanding rule 261—305.4(15), eligibility for the program shall be determined solely in accordance with this chapter. Eligible applicants will meet the following criteria:

308.3(1) Be enrolled at the senior class level in an Iowa high school and display proven artistic ability in one or more of the following areas of study: music, dance, visual arts, theatre, folklife, or literature.

308.3(2) Be accepted as a full-time undergraduate student at a fully accredited Iowa college or university majoring in one or more of the following areas of study: music, dance, visual arts, theatre, folklife, or literature.

261—308.4(15) Application, review and selection process. The application, review, and selection process for the program is governed by this chapter and not by rule 261—305.5(15).

308.4(1) Applicants will be required to submit an application in the form and content prescribed by the authority. Applications will be reviewed by authority staff to confirm eligibility. Applications determined to be eligible will be forwarded to an advisory panel. The advisory panel will evaluate eligible applications in accordance with criteria established by the authority and identify and recommend finalists to the authority.

308.4(2) Finalist applicants, at their own expense, will be required to attend an interview with an advisory panel.

308.4(3) Applications recommended by an advisory panel for funding consideration will be submitted to the director for consideration and approval. Recommendations by an advisory panel are advisory, and final funding authority rests with the director or the director's designee.

261—308.5(15) Disbursement. Recipients will be required to confirm enrollment at an Iowa college or university prior to disbursement of scholarship funds. Disbursement will be made directly to the recipient's Iowa college or university.

261—308.6(15) Obligation of recipients. Recipients shall inform the authority of any change in address or school enrollment.

These rules are intended to implement Iowa Code section 15.436.

ARC 0600D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to state historic preservation office and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to adopt a new Chapter 410, "State Historic Preservation Office," Iowa Administrative Code.

Legal Authority for Rulemaking

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

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.121 and 54 U.S.C. Subtitle III, Division A.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to adopt a new Chapter 410. The chapter will replace 223—Chapter 35, which was adopted by the State Historic Preservation Office (SHPO) prior to its alignment with the Authority in 2023 Iowa Acts, Senate File 514. 223—Chapter 35 is proposed to be rescinded as part of a concurrent rulemaking (**ARC 0603D**, IAB 9/16/26). This proposed chapter describes the responsibilities and generally applicable policies of the SHPO.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 16, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3:15 to 3:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Adopt the following **new** 261—Chapter 410:

CHAPTER 410
STATE HISTORIC PRESERVATION OFFICE

261—410.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Act" means the National Historic Preservation Act of 1966, Public Law 89-665, 54 U.S.C. Subtitle III, Division A.

"Advisory council" means the advisory council on historic preservation established under the Act.

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

"Certified local government" means a unit of local government that is certified by the National Park Service to carry out the purposes of the National Historic Preservation Act in accordance with Sections 101(c), 103(c) and 301 of the Act and 36 CFR Part 61.

"Historic preservation" includes identification, evaluation, recordation, documentation, curation, acquisition, protection, management, rehabilitation, restoration, stabilization, maintenance, research, interpretation, conservation, and education and training regarding the foregoing activities or any combination of the foregoing activities.

"Investment tax credit" means a federal income tax credit for the substantial rehabilitation of historic buildings for commercial, industrial, and rental residential and nonresidential purposes.

"National Register of Historic Places" means the national list of historic properties maintained by the Secretary of the Interior.

"Section 106" means the section of the Act that requires federal agencies to take into account the effects of the undertakings that the agencies carry out, fund, license, permit or approve on historic properties and afford the advisory council a reasonable opportunity to comment. The regulations of 36 CFR Part 800 define the process used by an agency to meet these responsibilities and the role of the state historic preservation officer in review and comment on these undertakings.

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

261—410.2(15) Responsibilities. The SHPO oversees the following:

410.2(1) Certification of local governments and providing grants to certified local governments. More information can be found in 261—Chapter 417.

410.2(2) Review and evaluation of applications for investment tax credits. More information can be found in 261—Chapter 411.

410.2(3) Processing nominations for the National Register of Historic Places and state register of historic places. More information can be found in 261—Chapter 412.

410.2(4) Survey and inventory of cultural resources. More information can be found in 223—Chapter 41.

410.2(5) Review and compliance for undertakings pursuant to Section 106 and its implementing regulations at 36 CFR Part 800. More information can be found in 261—Chapter 414.

410.2(6) Technical assistance services provided for the development of skills or the provision of knowledge relative to the background, significance, operation, or implications of activities under the purview of the SHPO. More information can be found in rule 261—410.6(15).

410.2(7) Review of historical preservation districts and areas of historical significance pursuant to Iowa Code chapter 15, subchapter II, part 27.

410.2(8) Other duties identified in Iowa Code section 15.121.

261—410.3(15) Eligibility. Eligibility for financial and technical assistance under the oversight of the SHPO is determined by the terms of the source of funds for the financial assistance and by applicable federal requirements.

261—410.4(15) Contracts and grants.

410.4(1) Federal contracts and grants shall be administered pursuant to the applicable federal requirements for such contracts and grants. This includes but is not limited to terms relating to match, reporting, and auditing.

410.4(2) Applications shall be submitted on the appropriate forms and with the requested supporting materials to be considered for funding. All applications for grants or contracts must be submitted according to instructions provided by the SHPO.

410.4(3) All applications for funding shall be reviewed by a staff person. An advisory committee may be appointed to assist in the review process. All grant or contract awards shall receive the written approval of the state historic preservation officer.

410.4(4) Evaluation criteria. The following evaluation criteria shall be applied to all grant or contract applications:

a. Compliance with state and federal standards and grant guidelines.

b. Clearly stated or specific goals that can be realistically attained within the funding period and proposed budget.

c. Measurable results or products (number, quality).

d. Linkage with goals and objectives embodied in state or local preservation plans.

e. Past grant/contract performance of applicant.

410.4(5) Appeals of final agency action by the SHPO and the authority will be governed by Iowa Code chapter 17A.

261—410.5(15) Advisory committees.

410.5(1) Advisory committees may be appointed by the state historic preservation officer for the purpose of conducting peer reviews of grant products, reviewing and rating grant applications for funding, nominating historic resources to the National Register of Historic Places, and providing other professional input.

410.5(2) Advisory committees may be permanent or temporary. The term of office on temporary advisory committees shall be determined by the state historic preservation officer.

410.5(3) Recommendations by all advisory committees shall be nonbinding on the state historic preservation officer.

410.5(4) Members of an advisory committee shall not submit an application for a grant or contract from the authority. Action by an advisory committee member shall be in accordance with Iowa Code chapter 68B. Members of an advisory committee who have a conflict of interest shall disclose the interest to the authority. The affected member shall not participate in any discussion or action by the board with and shall be disqualified from voting with respect to the subject of the conflict of interest. The quorum of the committee shall not be changed as the result of a conflict-of-interest disqualification.

410.5(5) Members of advisory committees may be reimbursed for travel, lodging, and expenses at the discretion of the state historic preservation officer.

410.5(6) An Iowa state national register of historic places nominations review committee is created as a permanent advisory committee. The committee is described in 261—Chapter 412.

261—410.6(15) Technical assistance.

410.6(1) Technical assistance is provided as resources permit. First priority is given to projects relating to the National Register of Historic Places, the Certified Local Government program, or a local preservation commission.

410.6(2) Technical assistance may be provided in these four areas:

a. Planning assistance. On-site or other forms of consultation in the preparation and review of a community or county historic preservation plan.

b. Project monitoring. On-site or other forms of project monitoring and facilitation.

c. Local ordinance review and local historic district organization. In accordance with Iowa Code section 15.459(4), the local commission shall submit the draft or final ordinance for review and approval by staff. An existing commission shall similarly submit proposed local historic district designations for review and approval to staff. Comments by the appropriate staff shall be supplied within 45 days from the receipt of complete documentation.

d. General technical assistance. Technical assistance in the physical preservation of properties is provided by staff. This service is provided on an individual-request-and-time-available basis. The services provided by the staff shall not substitute for private professional services.

410.6(3) All inquiries and requests may be directed as instructed on the authority's website.

261—410.7(15) References. All references to the Act, United States Code, or Code of Federal Regulations in this chapter are to the laws as in effect on [effective date of rulemaking].

These rules are intended to implement Iowa Code section 15.121 and 54 U.S.C. Subtitle III, Division A.

ARC 0599D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to national register of historic places and state register of historic places and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 412, "National Register of Historic Places," and to adopt a new Chapter 412, "National Register of Historic Places and State Register of Historic Places," Iowa Administrative Code.

Legal Authority for Rulemaking

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

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.121.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 412 and adopt a new chapter in lieu thereof. This proposed chapter describes the nomination process for the National Register of Historic Places.

This proposed chapter will be clearer and more concise throughout. Definitions will be added for clarity. Information about the Iowa State National Register of Historic Places Nominations Review Committee (Committee) will be added to the chapter. The Committee is currently addressed in 223—Chapter 35, which is proposed to be rescinded as part of a concurrent rulemaking (**ARC 0603D**, IAB 9/16/26). A description of the relationship between the National Register of Historic Places and the State Register of Historic Places will also be added to the chapter. This information is currently noted in 261—Chapter 416, which is proposed to be rescinded as part of a concurrent rulemaking (**ARC 0581D**, IAB 9/16/26).

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 16, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3:15 to 3:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 412 and adopt the following **new** chapter in lieu thereof:

CHAPTER 412
NATIONAL REGISTER OF HISTORIC PLACES AND
STATE REGISTER OF HISTORIC PLACES

261—412.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Act" means the National Historic Preservation Act of 1966, Public Law 89-665, 54 U.S.C. Subtitle III, Division A.

"Committee" means the state national register of historic places review committee described in rule 261—412.3(15).

"National Register of Historic Places" or *"National Register"* means the federal government's list of historic properties authorized under the Act, which is administered by the National Park Service, United States Department of the Interior.

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

261—412.2(303) Regulations. The nomination process for the National Register of Historic Places shall operate in accordance with 36 CFR Part 60 (National Register of Historic Places), 36 CFR Part 63 (Determinations of Eligibility for Inclusion in the National Register of Historic Places), and 36 CFR Part 67 (Historic Preservation Certifications Under the Internal Revenue Code).

261—412.3(15) Committee. An Iowa state national register of historic places nominations review committee is a permanent advisory committee appointed by the SHPO. Members of the committee elect a chairperson and a vice chairperson annually and may elect other officers as necessary.

412.3(1) *Responsibilities.* The committee's responsibilities include but are not limited to the following:

a. Review of all proposed nominations of Iowa properties to the National Register of Historic Places to determine whether a property meets the National Register criteria for evaluation and to recommend that the SHPO approve or reject nominations;

b. Review appeals to the committee of the failure or refusal of the SHPO to nominate a property to the National Register;

c. Advise the SHPO concerning grant applications, end-of-year reports, and the state comprehensive historic preservation plan;

d. Provide general advice, guidance, and professional recommendations to the SHPO in carrying out the duties and responsibilities assigned in 36 CFR Part 61 (Procedures for State, Tribal, and Local Government Historic Preservation Programs); and

e. Other duties as may be appropriate and designated by the SHPO.

412.3(2) *Membership.* The SHPO shall appoint members to the committee. The committee will be composed of no more than 12 voting members, all of whom are citizens of Iowa and the majority of whom are professionals in historic preservation disciplines of American history, architectural history, architecture, prehistoric and historical archaeology, or related professional disciplines. The committee may include citizen members, representatives of other preservation-related professions, and nonvoting members. Professional members of the committee shall meet the qualifications in the Secretary of Interior Professional Qualification Standards.

412.3(3) *Term of office.* The term of office for committee members is three years. The terms will be staggered to permit one-third of the appointments to be made each year. Terms of appointments begin on January 1 and are effective through December 31 three years later.

412.3(4) *Meeting procedures.*

a. Members may be reimbursed for travel, lodging, and expenses incurred in the performance of committee service.

b. Members of the committee who have a conflict of interest shall disclose the interest to the authority. The affected member shall not participate in any discussion or action by the committee and is disqualified from voting with respect to the subject of the conflict of interest. The quorum of the committee will not be changed as the result of a conflict-of-interest disqualification.

c. Committee members are to refrain from voting and commenting upon any nominated property for which the member serves as an officer, trustee, or fiduciary employee; for which the member has consulted either for remuneration or gratis in the preparation of the nomination; or for which the member has or expects to participate in the development or use of the property.

d. The committee will meet at least three times per year. Meetings of the committee may be canceled if there is no business for the committee to consider. The committee may also schedule additional meetings as necessary to carry out its business.

e. The SHPO or designee will preside at all meetings of the committee.

f. Members are permitted to miss no more than two regular meetings in a year and shall notify the SHPO at their earliest opportunity of their expected absence. If a member misses more than two regular meetings in a year, the SHPO may replace the member.

g. Meetings will be conducted in accordance with Iowa Code chapter 21 and Robert's Rules of Order, Revised Edition.

h. A majority of voting members of the committee constitute a quorum, and any committee action requires an affirmative vote by a majority of the members present. No nomination will be considered by the committee unless one committee member with professional expertise in the area of nomination is present.

i. Citizens may appear before the committee to discuss a nomination. The length of presentations may be limited by the chair.

261—412.4(303) Nomination procedure.

412.4(1) Individuals wishing to nominate a cultural resource to the National Register of Historic Places shall follow instructions on the authority's website for submitting a preliminary evaluation.

412.4(2) Preliminary evaluations will be reviewed by SHPO staff. Staff will review preliminary evaluations within 30 days of receipt and may advise the applicant of the need for additional information, that the cultural resource is not eligible, or that the application may proceed.

261—412.5(303) Review of nominations.

412.5(1) Applicants shall follow instructions on the authority's website for submitting nominations. Staff will review final nominations prior to submission to the committee for approval.

412.5(2) Property owners will be notified of pending review of a potential nomination by the committee. Property owners objecting to consideration may notify SHPO staff to terminate nomination. Inquiries and objections may be directed to the National Register Coordinator, Iowa Economic Development Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315, 515.348.6200.

412.5(3) The committee will review the nomination and recommend action to the SHPO or designee.

412.5(4) Nominations signed by the SHPO will be forwarded to the National Park Service for consideration. The National Park Service has a 45-day response period, which includes a 15-day period for public comment. The National Park Service may list the resource on the National Register of Historic Places, return the nomination for further preparation, or reject the nomination. Appeals of National Park Service decisions may be directed to the National Park Service, Department of the Interior, National Register Office, P.O. Box 37127, Washington, D.C. 20013-7127.

412.5(5) Owners and all interested parties will be notified by the SHPO of the formal listing. A commemorative certificate will be forwarded to property owners of individually listed properties.

261—412.6(303) Delisting of properties. Alterations to a property may result in delisting of a property. Delisting of a property is automatic if the property is completely demolished or moved without prior approval from the National Park Service. Inquiries may be directed to the National Register Coordinator, Iowa Economic Development Authority, 1963 Bell Avenue, Suite 200, Des Moines, Iowa 50315, 515.348.6200.

261—412.7(15) State register. The state register of historic places, which is prepared and maintained pursuant to Iowa Code section 15.121, shall be administered pursuant to all regulations and procedures in this chapter applicable to the National Register of Historic Places.

261—412.8(15) References. All references to the Act, United States Code, Code of Federal Regulations, or Secretary of Interior Professional Qualification Standards in this chapter are as in effect on [effective date of rulemaking].

These rules are intended to implement Iowa Code section 15.121.

ARC 0581D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to rescission of chapters and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 413, "Preservation Partnership Program," Chapter 415, "Technical Assistance Program," and Chapter 416, "State Register of Historic Places Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 15.106A(1)"m."

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.121.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapters 413, 415, and 416. Chapter 413 describes the policies and procedures applicable to the Preservation Partnership Program, which has been discontinued. Chapter 415 describes the policies and procedures applicable to the Technical Assistance Program. Relevant content relating to technical assistance is proposed to be incorporated into new 261—Chapter 410 as part of a concurrent rulemaking (**ARC 0600D**, IAB 9/16/26). Chapter 416 describes the policies and procedures of the State Register of Historic Places. Relevant content relating to the State Register of Historic Places is proposed to be incorporated into 261—Chapter 412 as part of a concurrent rulemaking (**ARC 0599D**, IAB 9/16/26).

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 16, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3:15 to 3:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **261—Chapter 413**.

ITEM 2. Rescind and reserve **261—Chapter 415**.

ITEM 3. Rescind and reserve **261—Chapter 416**.

ARC 0598D

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Proposing rulemaking related to certified local government program and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 417, "Certified Local Government Program," Iowa Administrative Code, and to adopt a new Chapter 417 with the same title.

Legal Authority for Rulemaking

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

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.121.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 417 and adopt a new chapter in lieu thereof. The current chapter describes the policies and procedures relating to the Certified Local Government Program (program). This proposed chapter will be clearer and more concise throughout while describing the policies and procedures relating to the program. Definitions will be added for clarity. Information about grants to certified local governments will be added to the chapter. Information about the grants is currently in 223—Chapter 35, which is proposed to be rescinded as part of a concurrent rulemaking (**ARC 0603D**, IAB 9/16/26).

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 16, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Phone: 515.348.6163
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3:15 to 3:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 261—Chapter 417 and adopt the following **new** chapter in lieu thereof:

CHAPTER 417
CERTIFIED LOCAL GOVERNMENT PROGRAM

261—417.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Act" means the National Historic Preservation Act of 1966, Public Law 89-665, 54 U.S.C. Subtitle III, Division A.

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

"Committee" means the Iowa state national register of historic places committee described in rule 261—412.3(15).

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

261—417.2(15) Regulations. The Certified Local Government program (program) shall operate in accordance with the Act, 36 CFR Part 61, and any applicable guidelines or instructions issued by the National Park Service. Certified local governments shall comply with Iowa Code sections 15.445 through 15.459 as applicable.

261—417.3(15) Criteria for certification. Any local government may be certified to participate in the program if the SHPO and the National Park Service certify that the local government meets the following conditions:

417.3(1) Secures appropriate county and municipal ordinances or resolutions for the creation of a local historical commission and the conduct of its historic preservation responsibilities;

417.3(2) Establishes an adequate and qualified historic preservation review commission by state or local legislation;

417.3(3) Maintains a system for the survey and inventory of historic properties that furthers the purposes of historic preservation;

417.3(4) Provides for adequate public participation in the local historic preservation program, including the process of recommending properties for nomination to the National Register of Historic Places; and

417.3(5) Satisfactorily performs the responsibilities delegated to it under the Act.

261—417.4(15) Procedure for certification.

417.4(1) The applicant will contact the authority for program guidelines and application procedures.

417.4(2) SHPO staff will review certification requests for completeness and eligibility within 30 days of receipt and advise applicants of the results of the review. If the certification request is deemed unsatisfactory, SHPO staff will advise the applicant and specify the changes that are needed.

417.4(3) When a certification application is accepted, a certification agreement is sent to the local government for signature.

417.4(4) Following execution of the agreement, eligible applications for certification are subject to review and approval by the National Park Service.

417.4(5) Certification may be revoked pursuant to the terms of the certification agreement. A certified local government may also request decertification.

261—417.5(15) Certified local government subgrants.

417.5(1) *Generally.*

a. Only certified local governments are eligible to apply for and receive a grant through this program.

b. The SHPO is not required to award funds to all certified local governments.

c. The program shall operate as a competitive grant program.

d. Following the awarding of a grant, a contractual agreement specifying the terms of the grant shall be executed between the authority and the grant recipient.

417.5(2) *Procedure.*

a. Application packets are sent to all eligible applicants at least 45 days prior to each application deadline.

b. All applications shall be submitted on the forms provided by the authority. All applications will contain a description of the proposed project; a schedule for implementation; the amount of grant funds requested; the amount, kind, and source of local match committed to the project; a budget for the project; written assurance that the applicant shall follow the Secretary of the Interior's Standards for Archaeology and Historic Preservation; and written assurance that the applicant shall select a principal investigator who meets the Secretary of the Interior's Professional Qualification Standards.

c. Local match of at least 40 percent of the total project cost is required.

d. Staff may consult with applicants regarding the development of project proposals.

e. Staff will review applications for completeness and eligibility. Incomplete or ineligible applications will be returned to the applicant. The applicant may correct and return the application prior to the grant deadline.

f. Program staff will conduct a preliminary review of each application to determine eligibility, completeness, consistency with program purpose, and amount of local match. Applications that do not meet these criteria shall not be considered for funding. Results of the staff review will be transmitted to the committee.

g. The date of review of applications by the committee is established by the SHPO. Recommendations from the committee are submitted to the director of the authority for formal approval. Final authority for funding rests with the SHPO.

417.5(3) *Grant awards.*

a. Applicants approved for grants shall enter into a grant agreement with the authority that specifies the terms and conditions of the grant, including the grant amount, project description, matching requirements, and dates for the submission of specified products.

b. The grant agreement shall be signed by the SHPO and the chief elected local official of the certified local government or authorized designee.

c. If a certified local government that has been awarded grant funds determines that the awarded project cannot be completed, staff may recommend alternatives for expenditure of the funds to the SHPO. The decision of the SHPO regarding alternatives for expenditure of the funds shall be final.

261—417.6(15) References. All references to the Act, United States Code, Code of Federal Regulations, Secretary of the Interior's Standards for Archaeology and Historic Preservation, or Secretary of the Interior's Professional Qualification Standards in this chapter are to the laws as in effect on [effective date of rulemaking].

These rules are intended to implement Iowa Code section 15.121.

ARC 0603D

HISTORICAL DIVISION[223]

Notice of Intended Action

Proposing rulemaking related to rescission of chapters and providing an opportunity for public comment

The Economic Development Authority (Authority) hereby proposes to rescind Chapter 35, "Administration," and Chapter 39, "Education Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 15.106A(1)"m."

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 15.121.

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 35 and Chapter 39. Both chapters were adopted by the Department of Cultural Affairs pursuant to Iowa Code section 303.2 and chapter 303, subchapter II. The Department's former responsibilities were divided between the Department of Administrative Services (DAS) and the Authority by 2023 Iowa Acts, Senate File 514. The legislation also discontinued some responsibilities of the Department.

Chapter 35 describes the general administration of the activities and programs within the purview of the state historic preservation officer designated pursuant to Iowa Code section 15.121. The chapter will be replaced with a new 261—Chapter 410, which is proposed in a concurrent rulemaking (**ARC 0600D**, IAB 9/16/26). Some relevant content from the chapter is also proposed to be incorporated into 261—Chapter 412 (**ARC 0599D**, IAB 9/16/26), relating to the National Register of Historic Places, and 261—Chapter 417 (**ARC 0598D**, IAB 9/16/26), relating to the certified local government program, as part of concurrent rulemakings.

Chapter 39 describes an education program previously administered by the Department. 2023 Iowa Acts, Senate File 514, did not require DAS or the Authority to retain rules regarding education activities.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 16, 2026

Fiscal Impact

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

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Authority no later than 4:30 p.m. on October 8, 2026. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50309
Email: lisa.connell@iowaeda.com

Public Hearing

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

October 6, 2026 9:15 to 9:30 a.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review
October 8, 2026 3:15 to 3:30 p.m.	Via Microsoft Teams Information about Teams participation can be found at opportunityiowa.gov/about/iowa-economic-development-authority/ieda-red-tape-review

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **223—Chapter 35**.

ITEM 2. Rescind and reserve **223—Chapter 39**.

ARC 0565D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to residential facilities for children with an intellectual disability or brain injury and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 116, "Licensing and Regulation of Residential Facilities for Children with an Intellectual Disability or Brain Injury," Iowa Administrative Code, and to adopt a new Chapter 116 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 237.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 237.

Purpose and Summary

This proposed chapter was reviewed as a part of the Red Tape Review process laid out by Executive Order 10. Through the review, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter relates specifically to the licensing and regulation of residential facilities serving children with an intellectual disability or a brain injury.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on the following date(s):

- August 25, 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 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on October 6, 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:

October 6, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX
October 6, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 652 447 812 351 Passcode: GU7FC9wR

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 116 and adopt the following **new** chapter in lieu thereof:

CHAPTER 116
LICENSING AND REGULATION OF RESIDENTIAL FACILITIES FOR CHILDREN WITH AN INTELLECTUAL DISABILITY OR BRAIN INJURY

441—116.1(237) Definitions.

"Caseworker" means the same as defined in 441—Chapter 114.

"Casework supervisor" means the same as defined in 441—Chapter 114.

"Child care worker" means the same as defined in rule 441—114.2(237).

"Community residential facility for children with an intellectual disability or brain injury" means the same as a community residential facility as defined in rule 441—114.2(237).

"Comprehensive residential facility for children with an intellectual disability or brain injury" means a comprehensive residential facility as defined in rule 441—115.2(237).

"Direct-service provider" means any employee of an agency whose primary responsibility is the care and programming of the children through direct interactions.

"Indirect-service provider" means an employee of an agency who supervises, coordinates and administers employees and program components.

441—116.2(237) Qualifications of staff.

116.2(1) *Direct-service providers.* Direct-service providers shall be paraprofessionals or professionals meeting all of the following criteria:

a. Paraprofessionals shall:

(1) Be at least 18 years of age.

(2) Have graduated from high school or earned a high school equivalency degree.

(3) Have completed the prescribed agency training program.

(4) Be appropriate to the specific job description of the employing agency.

b. Professionals in the direct-service provider category shall:

(1) Be at least 18 years of age.

(2) Have a bachelor of arts degree in a related field; or an associate of arts degree in a related field and two years' experience specific to the job responsibilities; or two years of higher education in a related field and two years' experience specific to job responsibilities; or four years' experience in programming specific to job responsibilities.

(3) Have completed the prescribed agency training program.

(4) Be appropriate to the specific job description of the employing agency.

116.2(2) *Indirect-service providers.* Indirect-service providers shall meet one of the following education and experience criteria:

a. Have a master of social work degree or a master of arts degree in a related field and one year of experience specific to job responsibilities.

b. Have a bachelor of arts degree in a related field and two years' experience specific to job responsibilities.

c. Have an associate of arts degree in a related field and four years' experience specific to job responsibilities.

d. Have five years' specific treatment program experience relating to the job responsibilities.

441—116.3(237) Staff-to-client ratio. The number and qualifications of the staff will vary depending on the needs of the children. There shall be at least a one-to-four staff-to-client ratio during prime programming time.

441—116.4(237) Program components. In addition to the requirements of 441—subrule 114.8(3), the facility shall have and follow a written procedure that defines who is responsible for overseeing personal hygiene of children and maintaining general orderliness of the facility.

441—116.5(237) Restraint. In addition to the provisions of 441—Chapters 114 and 115, a restraint may be used as stated in the child's individual service plan as approved by the parent or guardian, caseworker, and facility as long as that facility meets the standards for utilizing that particular type of restraint.

These rules are intended to implement Iowa Code chapter 237.

ARC 0563D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to funding for local services and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 153, "Funding for Local Services," Iowa Administrative Code, and to adopt a new Chapter 153 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 218.4 and 234.6.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 234.6.

Purpose and Summary

This proposed chapter was reviewed as a part of the Red Tape Review process laid out by Executive Order 10. As a result of the Red Tape Review for this chapter, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter sets forth the requirements for reporting required for receipt of federal Social Services Block Grant (SSBG) funds and service availability and allocation methodology related to those funds.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on the following date(s):

- August 25, 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 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on October 6, 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:

October 6, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX
October 6, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 652 447 812 351 Passcode: GU7FC9wR

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 153 and adopt the following **new** chapter in lieu thereof:

CHAPTER 153
FUNDING FOR LOCAL SERVICES

441—153.1(234) Development of pre-expenditure report and intended use plan.

153.1(1) The department will develop the social services block grant pre-expenditure report and intended use plan on an annual basis. The report and plan will be developed in accordance with 45 CFR Part 96, Subpart G, as amended to August 1, 2026. The report and plan will describe the services to be funded, the areas in which services are available, and the amount of funding available. The plan will also indicate the source of the funding.

153.1(2) The department will issue a proposed pre-expenditure report and intended use plan before publication of the final report and plan. The proposed report and plan will be available for public review and comment.

153.1(3) The department will announce the time and scope of public review each year. The announcement will indicate where the proposed report and plan can be viewed.

153.1(4) The department will accept comments about the pre-expenditure report and intended use plan during the specified public review and comment period.

153.1(5) The department will consider public comments when developing the final pre-expenditure report and intended use plan.

153.1(6) A copy of the final pre-expenditure report and intended use plan will be available on the department's website.

441—153.2(234) Amendment to pre-expenditure report and intended use plan.

153.2(1) The pre-expenditure report and intended use plan may be amended throughout the year. The department may file an amendment changing the type, scope or duration of a service. Decisions to change a direct service or state-purchased service will be made by the department. Prior to filing an amendment, the department will evaluate available funds and the effect any change will have on clients.

153.2(2) An amendment in the pre-expenditure report and intended use plan will be posted on the department's website at least 30 days prior to the effective date of the change. However, in the event funding for the service has been exhausted, an amendment will be posted immediately notifying the public that the service will no longer be available.

a. The department will, whenever possible, give advance notice of a service termination made necessary because funds have been exhausted.

b. When a service is added or extended, an amendment may be posted immediately, and a 30-day posting period is not required.

153.2(3) Individuals or groups may submit written comments to the department.

153.2(4) Nothing in this rule will supersede the requirement for notifying clients of adverse action as provided in rule 441—130.5(234).

441—153.3(234) Service availability.

153.3(1) A client seeking services shall apply for services from the department.

a. The department will determine eligibility according to rule 441—130.3(234).

b. The department will develop a case plan to monitor the client's progress toward achieving goals as identified in rule 441—130.7(234).

153.3(2) A client shall receive a service for which the client is eligible, subject to the provisions of 441—Chapter 130, when the service is listed in the geographic area in which the client resides.

153.3(3) When federal law prohibits the use of federal funds for the social services block grant, state funds shall be used to pay for services to persons the department has defined as eligible.

441—153.4(234) Allocation of block grant funds.

153.4(1) The department will follow a cost allocation plan for determining the appropriate administrative costs to be funded with block grant moneys.

153.4(2) Funding for services will be allocated in accordance with the annual budgeting process. The department's annual budget is available for review on the department's website. Costs may be shifted in and between service areas to ensure continued statewide availability of services.

441—153.5(234) Expenditure of supplemental funds. When supplemental funds are issued through the social services block grant as emergency disaster relief, the department will administer the funds in compliance with the terms of the federal award.

These rules are intended to implement Iowa Code section 234.6.

ARC 0564D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to dependent adult abuse and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 176, "Dependent Adult Abuse," Iowa Administrative Code, and to adopt a new Chapter 176 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 218.4 and chapter 235B.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 218 and 235B.

Purpose and Summary

This proposed chapter was reviewed under Executive Order 10. As a result, duplicative terms were removed, restrictive terms were reduced, and the rules were streamlined and updated to reflect current practices. This proposed chapter outlines the ways that dependent adult abuse reports can be received, describes the investigative process, and sets forth rules for responding to an allegation of dependent adult abuse.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on the following date(s):

- August 25, 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 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on October 6, 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:

October 6, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX
October 6, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 652 447 812 351 Passcode: GU7FC9wR

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 176 and adopt the following **new** chapter in lieu thereof:

CHAPTER 176
DEPENDENT ADULT ABUSE

441—176.1(235B) Definitions.

"Assault" means the same as defined in Iowa Code section 708.1.

"At-risk adult" means a dependent adult whose personal health or safety is at risk due to impairments, the environment, a substance use disorder, a lack of services or social supports, a refusal to accept services, or other risk factors identified through an assessment.

"Caretaker" means the same as set forth in Iowa Code section 235B.2.

"Collateral sources" means any agency or person who is providing, either in a professional or paraprofessional capacity, service to the dependent adult, including but not limited to doctors, counselors, and public health nurses.

"Denial of critical care" exists when the dependent adult's basic needs are denied or ignored to such an extent that there is imminent danger of the dependent adult suffering injury or death.

"Dependent adult" means the same as set forth in Iowa Code section 235B.2.

"Dependent adult abuse" means the same as set forth in Iowa Code section 235B.2.

"Expungement" means the process of permanently deleting electronic and printed materials regarding dependent adult abuse information in compliance with Iowa Code section 235B.9.

"Finding" means the department's determination, following an investigation, of whether dependent adult abuse or self-neglect occurred.

"Immediately" means within 24 hours when referring to mandatory reporters reporting suspected abuse of a dependent adult.

"Imminent" means occurring or likely to occur soon.

"Investigation" means the process of examining and gathering information about an allegation of dependent adult abuse to determine if the circumstances of the allegation meet the standards of evidence for a finding.

"Investigative summary" means the written documentation of an investigation that summarizes the information gathered, including all actions taken or contemplated, the analysis of the evidence, and the finding of whether dependent adult abuse or self-neglect occurred.

"Multidisciplinary team" means a membership of individuals who possess knowledge and skills related to the diagnosis, assessment, and disposition of dependent adult abuse cases and who are professionals practicing in the disciplines of medicine, public health, social work, law, law enforcement and other disciplines relative to dependent adults.

"Physical injury" means damage to any bodily tissue to the extent that the tissue must undergo a healing process in order to be restored to a sound and healthy condition, or damage to any bodily tissue to the extent that the tissue cannot be restored to a sound and healthy condition, or damage to any bodily tissue that results in the death of the person who has sustained the damage, or physical injury that is at variance with the history given of it.

"Registry" means the central registry for dependent adult abuse information established in Iowa Code section 235B.5.

"Report" means a verbal or written statement, made to the department, that alleges that dependent adult abuse has occurred.

441—176.2(235B) Denial of critical care. A finding of denial of critical care shall be made only when the caretaker or dependent adult had the financial ability to obtain the necessary critical care need or when financial or other reasonable means were offered and the caretaker or dependent adult refused or failed to utilize them. It includes the failure, by the act or omission on the part of the caretaker or the dependent adult, to provide minimum food, shelter, clothing, supervision, physical care, mental health care, or other care necessary to maintain the dependent adult's health and welfare when financially able to do so or when offered financial or other reasonable means to do so.

441—176.3(235B) Appropriate report. Upon receipt of a dependent adult abuse report, the department will conduct an intake sufficient to determine whether the allegation meets criteria and constitutes a report of dependent adult abuse as defined in Iowa Code section 235B.2.

176.3(1) Abuse reports. Dependent adult abuse reports will be investigated when all of the following criteria are alleged to be met:

a. There is a reasonable belief the person is a dependent adult.

b. Dependent adult abuse as defined in Iowa Code section 235B.2 is suspected.

c. The alleged person responsible is:

(1) A caretaker in reports of physical injury, assault, unreasonable confinement or cruel punishment of a dependent adult; commission of a sexual offense; exploitation; personal degradation; and deprivation of food, shelter, clothing, supervision, physical or mental health care and other care necessary to maintain life or health.

(2) The dependent adult in reports of deprivation of food, shelter, clothing, supervision, physical or mental health care and other care necessary to maintain life or health due to the adult's own acts or omissions pursuant to Iowa Code section 235B.2(5)*"a."*

176.3(2) Nondependent adult abuse situations. In addition to the circumstances established in Iowa Code section 235B.2(5)*"b,"* the following are also not dependent adult abuse situations:

a. A report of domestic abuse under Iowa Code chapter 236 does not in and of itself constitute a report of dependent adult abuse.

b. An allegation pertaining to correctional staff as caretakers when the alleged victim is a person legally incarcerated in a penal setting, either in a local jail or confined to the custody of the director of the department of corrections.

176.3(3) Dependent adult acts or omissions. The investigative summary of dependent adult abuse that is the result of the acts or omissions of the dependent adult will be collected and maintained as set forth in Iowa Code section 235B.3(1)*"b."*

176.3(4) Confirmed, not registered finding. Physical abuse, denial of critical care by a caretaker, or personal degradation investigative summaries that would otherwise be founded will be classified as confirmed, not registered if the abuse is determined to be minor, isolated, and unlikely to reoccur. Such investigative summaries will not be included on the registry. Access to confirmed, not registered dependent adult abuse information will be authorized pursuant to Iowa Code section 235B.6(3).

441—176.4(235B) Reporters. As a function of the registry, the department will take reports from mandatory reporters or any other person who believes dependent adult abuse has occurred.

176.4(1) Mandatory reporters shall report suspected abuse of a dependent adult within 24 hours of becoming aware of an abusive incident.

176.4(2) The reporter may use a department-prescribed form or a form developed by the reporter that meets the requirements of Iowa Code section 235B.3.

441—176.5(235B) Reporting procedure.

176.5(1) Each report made may be orally or in writing to the department.

176.5(2) When the person making the report has reason to believe that immediate protection for the dependent adult is advisable, that person will be asked to also make an oral report to an appropriate law enforcement agency.

176.5(3) The department will provide access to all reports alleging dependent adult abuse to the appropriate county attorney.

176.5(4) The report may contain the following information, or as much thereof as the person making the report is able to furnish:

a. The names and home addresses of the dependent adult, appropriate relatives, caretakers, and other persons believed to be responsible for the care of the dependent adult.

b. The dependent adult's present whereabouts if not the same as the address given.

c. The reason the adult is believed to be dependent.

d. The dependent adult's age.

e. The nature and extent of the dependent adult abuse, including evidence of previous dependent adult abuse.

f. Information concerning suspected dependent adult abuse of other dependent adults in the same residence.

g. Other information that the person making the report believes might be helpful in establishing the cause of the abuse or the identity of the person or persons responsible for the abuse, or helpful in providing assistance to the dependent adult.

h. The name and address of the person making the report.

176.5(5) A report will be received whether or not it contains all of the information requested in subrule 176.5(4) and may be made to the department, county attorney, or law enforcement agency. When the report is made to any agency other than the department, that agency shall promptly refer the report to the department.

441—176.6(235B) Duties of the department upon receipt of report.

176.6(1) When a report is received and meets the criteria pursuant to Iowa Code section 235B.2(5)*"a,"* the department will promptly commence an investigation, except that the department of inspections, appeals, and licensing is responsible for the investigation and disposition of a case of dependent adult abuse in a health care facility pursuant to Iowa Code chapter 235E, including hospitals as defined in Iowa Code section 135B.1 and facilities as defined in Iowa Code section 135C.1. The department will forward all reports and other information concerning dependent adult abuse in a health care facility to the department of inspections, appeals, and licensing on the first working day following the submission of the report.

176.6(2) The investigative summary will include all of the following:

a. Identification of the nature, extent, and cause of the dependent adult abuse, if any, to the dependent adult named in the report.

b. The identity of the person or persons responsible for the dependent adult abuse.

c. An examination of whether other dependent adults in the same residence have been subjected to dependent adult abuse.

d. A critical explanation of all other statutory requirements outlined in Iowa Code chapter 235B.

176.6(3) With the consent of the dependent adult or caretaker, investigations may include a visit to the residence of the dependent adult named in the report and an examination of the dependent adult.

a. If permission to enter the residence and to examine the dependent adult is refused, the district court, upon a showing of probable cause that a dependent adult has been abused, may authorize a person, authorized by the department, to enter the residence of and to examine the dependent adult.

b. Upon a showing of probable cause that a dependent adult has been financially exploited, a court may authorize a person, also authorized by the department, to gain access to the financial records that the department reasonably believes are related to the resources of the dependent adult.

176.6(4) Completion of investigation. Upon completion of the investigation, the department will complete a written investigative summary that describes its findings and includes all actions taken or contemplated.

a. The department will complete its investigative summary within 20 business days of the receipt of the reported abuse allegations unless an extension of time for good cause is granted. The department may grant an extension for a maximum of 30 business days. No more than three extensions will be granted.

b. Upon completion of an investigation, the department will enter its investigative summary into the electronic dependent adult reporting and evaluation system (DARES).

176.6(5) Investigative summary to county attorney. The department will provide access to the investigative summary to the appropriate county attorney.

176.6(6) During the investigation, the department will complete an assessment of services needed by a dependent adult believed to be the victim of abuse, the dependent adult's family, or a caretaker. The department will explain that the department does not have independent legal authority to compel the acceptance of protective services. Upon voluntary acceptance of the offer of services, the department will make referrals or may provide necessary protective services to eligible dependent adults, family members, and caretakers.

176.6(7) Notification of licensing authority. Based on information discovered during an investigation of dependent adult abuse in a program providing care to a dependent adult as authorized pursuant to Iowa Code section 235B.6(2)*"c"* and for the purpose of assuring safety and mitigating risk to dependent adults, the department will notify the licensing or accrediting authority for the program, the governing body of the program, and the administrator in charge of the program of any of the following occurs:

a. A violation of program policy noted in the investigation.

b. An instance in which program policy or lack of program policy may have contributed to the dependent adult abuse.

c. An instance in which general practice in the program appears to differ from the program's policy.

176.6(8) Services by other agencies. The department may approve agencies considered capable and appropriate to provide services during the course of an investigation to dependent adults who are suspected of being abused or neglected.

a. The department may make a referral to an approved agency to provide services to a dependent adult who is suspected of being abused or neglected in conjunction with an abuse investigation on the dependent adult.

b. The department may use information obtained during services provided by the approved agency in the abuse investigation. The department has complete authority in determining the conclusions of the abuse investigation.

176.6(9) Assessment of dependency and risk. During a dependent adult abuse investigation, the department will complete an assessment of the adult pursuant to Iowa Code section 235B.16A(2). The department will assess:

a. The adult's dependency,

b. The risk to the adult's health or safety, and

c. The areas in which the adult is either dependent or independent.

176.6(10) Follow up for at-risk adults. When it has not been possible or necessary to obtain a court order for services to an at-risk adult, the department will attempt to empower the at-risk adult to agree to accept services or to participate in developing a plan to mitigate risk and safety on a form prescribed by the department. If the at-risk adult refuses to develop a plan to mitigate risk and safety or to accept recommended services, the department will provide periodic visits at the conclusion of the investigation. Periodic visits will be conducted with the at-risk adult. The department has no authority to share information or obtain information with any other individuals during the course of periodic visits. Periodic visits should not be used as a means to continue gathering investigation information.

a. *Purpose.* The purpose of the periodic visits will be to:

(1) Assess the at-risk adult for increased risk or impairment,

(2) Monitor the at-risk adult's situation to determine the feasibility of intervening with protective services, and

(3) Empower the at-risk adult to accept recommended services or to engage in developing a plan to mitigate risk and safety.

b. *Exemption.* If it has been determined there is a physical threat to the safety of the department employee who is attempting to visit an at-risk adult, the department will not attempt a periodic visit unless the physical threat to safety has been removed.

c. *Considerations to continue periodic visits from one month to the next.* Periodic visits will continue if:

(1) The at-risk adult's health or safety has deteriorated somewhat but not to the point that a court order is necessary; or

(2) The at-risk adult's health or safety has remained the same and there is a possibility the at-risk adult may in the future agree to services or participate in developing a plan to mitigate risk and safety.

d. *Criteria to end periodic visits.* Periodic visits will be terminated when:

(1) The at-risk adult agrees to services and services are arranged;

(2) The at-risk adult agrees to the development of a plan to mitigate risk and safety;

(3) The at-risk adult's health or safety has deteriorated to the point that the department has requested court action;

(4) A new allegation of abuse is accepted; or

(5) The at-risk adult's health or safety has not changed for three months after the conclusion of the investigation and there appears no possibility the adult will ever agree to services.

441—176.7(235B) Investigation.

176.7(1) After receipt of a report alleging dependent adult abuse that meets criteria as outlined in subrule 176.3(1), a dependent adult abuse investigation will be initiated and will be assigned to a department employee. The department will make an effort to observe and examine the dependent adult and evaluate the dependent adult's safety.

a. When report information indicates an immediate risk of death, immediate risk of serious or irreparable harm, or immediate risk of significant loss of income, assets, or resources to the dependent adult, the initial response will occur no later than 24 hours after receipt of a report of dependent adult abuse.

b. When report information does not indicate an immediate risk of death, serious or irreparable harm, or significant loss of income, assets, or resources, the initial response will occur no later than 72 hours after receipt of a report of dependent adult abuse.

c. When reasonable efforts have been made to observe the adult subject within the specified time frames and the department has established that there is no need to observe and no risk to the adult subject, the observation of the adult subject may be delayed or waived with supervisory approval.

176.7(2) After receipt of the report alleging dependent adult abuse, the department employee will conduct an investigation to determine whether the information as reported, other known information, and any information gathered as a result of the worker's contact with collateral sources or other collateral contacts would tend to corroborate the alleged abuse.

176.7(3) If, following acceptance of a report, information obtained during initial case activity establishes that the report was accepted on materially inaccurate reported facts and does not fall within the scope of Iowa Code chapter 235B, the department employee may, with department approval, terminate the investigation and submit the investigative summary. In such cases, completion of assessments required under Iowa Code section 235B.16A is not required.

441—176.8(235B) Registry records. Registry records will be kept in the name of the dependent adult and cross-referenced in the name of the alleged person responsible (if applicable).

441—176.9(235B) Dependent adult abuse information disseminated.

176.9(1) *Requests for information.* Written requests for dependent adult abuse information by the subject of a report may be submitted to the county office of the department on the department-prescribed forms.

a. Oral requests for dependent adult abuse information may be made to the county office or the registry when the person making the request believes that the information is needed immediately and the person is authorized to access the information, pursuant to the requirements of Iowa Code section 235B.6.

b. If a request is made orally by telephone, a written request shall be filed within 72 hours of the oral request on the department-prescribed form. When an oral request to the county office to obtain dependent adult abuse information is granted by the registry, the county shall document the approval to the registry on the department-prescribed form.

c. All other requests for information shall be made to the registry in writing pursuant to the requirements of Iowa Code section 235B.7.

176.9(2) *Verification of identity.* The county office will verify the identity of the person making the request on the department-prescribed form. Upon verification of the identity of the person making the request, the county office will transmit the request to the registry. The registry will verify the identity of persons making requests for information directly to the registry by telephone, mail, or fax, or in person on the appropriate department-prescribed form.

176.9(3) *Approval of requests.* The department will grant access to dependent adult abuse information as authorized by Iowa Code section 235B.6. Upon approval of any request for dependent adult abuse information authorized by this rule, the department may withhold the name of the person who made the report of dependent adult abuse pursuant to Iowa Code section 22.7(18).

176.9(4) *Requests concerning applicants for employment and employees of health care programs.* A health care program making a request for dependent adult abuse information for the purpose of determining employability, as authorized by Iowa Code section 235B.6(2)*"e"*(6) and *"e"*(7), shall request the information directly from the registry or obtain the information from the single contact repository (SING).

176.9(5) *Requests concerning employees of department facilities.* The department may conduct periodic background checks as needed. The department will inform the hiring authority only upon a finding that the results of a background check have a direct bearing on employability of the person employed. When the personnel office determines that the information has no direct bearing on employability, the hiring authority will be notified that no job-related dependent adult abuse information is available. If the registry and local office files contain no information, the hiring authority will be so informed.

176.9(6) *Dependent adult abuse information disseminated and redisseminated.* Notwithstanding requests pursuant to Iowa Code section 235B.7, written requests and oral requests are not required for dependent adult abuse information that is disseminated to an employee of the department, a district court, the attorney representing the department as authorized by Iowa Code section 235B.6, or the office of the attorney general.

176.9(7) *Required notification.* The department will make a reasonable attempt to notify dependent adult abuse subjects as described in Iowa Code section 235B.6(2)*"a"* of the outcome of the dependent adult abuse investigation. The department shall subsequently send a written notice to the report subjects that will include information regarding the finding, the confidentiality provisions of Iowa Code sections 235B.6 and 235B.12, and the procedures for correction or expungement and appeal of dependent adult abuse information as provided in Iowa Code section 235B.10.

176.9(8) *Reporter notification.* Following the reporting of suspected dependent adult abuse, the department will inform the mandatory or permissive reporter, orally or by other appropriate means, whether the department commenced an investigation or if the concern was referred to another agency.

176.9(9) *Subjects informed of abuse history.* The department may inform a subject of a dependent adult abuse investigation of a person's abuse history if the department determines at any time that disclosure is necessary for the protection of the dependent adult. A subject may be informed that a person is listed on the child or dependent adult abuse registry as having a finding of founded abuse or is listed on the sex offender registry.

441—176.10(235B) Examination of information. Pursuant to Iowa Code section 235B.10, any person, or that person's attorney, requesting to examine the information in the registry that refers to that person shall be allowed to inspect the information after providing appropriate identification.

441—176.11(235B) Dependent adult abuse information registry. The department will create a central abuse registry for dependent adult abuse information. The registry will collect, retain, and disseminate dependent adult abuse information from DARES as described in Iowa Code section 235B.9.

441—176.12(235B) Multidisciplinary teams.

176.12(1) *Purpose of multidisciplinary teams.* The department will establish multidisciplinary teams for the purpose of assisting the department in assessment, diagnosis, and disposition of reported dependent adult abuse cases. The disposition of a case may include the provision for treatment recommendations and services.

176.12(2) *Execution of team agreement.* When the team is established, the department and all team members shall execute an agreement on a form prescribed by the department.

a. The team will be consulted solely for the purpose of assisting the department in the assessment, diagnosis, and treatment of dependent adult abuse cases.

b. Any team member may cause a dependent adult abuse case to be reviewed if approved by the department.

c. No team members shall redisseminate dependent adult abuse information obtained solely through the multidisciplinary team. This shall not preclude redissemination of information as authorized by Iowa Code section 235B.6 when an individual team member has received information as a result of another authorized access provision of the Iowa Code.

d. The department may consider the recommendation of the team in a specific dependent adult abuse case but will not be bound by the recommendations.

e. Any document produced by the team pertaining to an individual case shall be made a part of the file for the case and shall be subject to all confidentiality provisions of Iowa Code sections 235B.6 and 235B.8.

f. Any written records maintained by the team that identify an individual dependent adult abuse case shall be destroyed when the agreement lapses.

g. Consultation team members shall serve without compensation.

h. Any party to the contract may withdraw with or without cause upon the giving of 30 days' notice.

i. All agreements must include the date on which the agreement will expire.

176.12(3) *Filing of agreement.* Whenever a team is created, a copy of the executed agreement will be kept by the department, in addition to any other requirements placed upon execution of the agreement by the department.

441—176.13(235B) Request for correction or expungement. The department is responsible for correction or expungement of investigative summaries prepared by department staff. The department of inspections, appeals, and licensing is responsible for correction or expungement of investigative summaries prepared by that department's staff.

176.13(1) When a request for correction or expungement pursuant to Iowa Code section 235B.10 is received by the registry, the registry will record the request and promptly forward it to the appropriate area for review. The determinations made will be binding on the registry.

176.13(2) Unless the designated department corrects the information or findings as requested, the designated department shall provide the person making the request with an opportunity for a hearing as provided by 441—Chapter 2506 to correct the information or the findings. The department may defer the hearing until the conclusion of a pending district court case relating to the information or findings.

These rules are intended to implement Iowa Code chapter 235B.

ARC 0566D

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Proposing rulemaking related to aftercare services program and providing an opportunity for public comment

The Department of Health and Human Services hereby proposes to rescind Chapter 187, "Aftercare Services Program," Iowa Administrative Code, and to adopt a new Chapter 187 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 234.46.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 234.46 and the Foster Care Independence Act of 1999.

Purpose and Summary

This proposed chapter was reviewed under Executive Order 10. As a result, duplicative terms were removed, restrictive terms were reduced, and the rules were streamlined and updated to reflect current practices.

This proposed chapter outlines the program services and support opportunities available to youth who are transitioning from foster care, the State Training School, or a court-ordered Iowa juvenile detention center to adulthood. The program offers voluntary services and financial benefits to eligible youth up to the age of 23.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on August 5, 2026. A public hearing was held on the following date(s):

- August 25, 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 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on October 6, 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:

October 6, 2026 10 to 10:30 a.m.	Microsoft Teams Meeting ID: 211 532 914 792 67 Passcode: 94Ve93DX
October 6, 2026 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 298 652 447 812 351 Passcode: GU7FC9wR

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 187 and adopt the following **new** chapter in lieu thereof:

CHAPTER 187
AFTERCARE SERVICES PROGRAM

441—187.1(234) Aftercare services program eligibility requirements. To be eligible for aftercare services, a youth needs to meet the following requirements.

187.1(1) *Residence.* The youth must be a resident of Iowa.

187.1(2) *Age.* The youth must be at least 17 years of age but less than 23 years of age.

187.1(3) *Out-of-home placement experience.*

a. *Preservices.* The youth must meet eligibility requirements for preservices as described below:

(1) The youth is at least 17 years of age;

(2) The youth is placed in foster care, the state training school, or a court-ordered Iowa juvenile detention center; was adopted from foster care after reaching 16 years of age; or entered a subsidized guardianship arrangement from foster care after reaching 16 years of age; and

(3) The youth has access to funding for preservices provided in contract that has not been fully expended for the contract year.

b. *Core services.* The youth must meet eligibility requirements for core services as described below:

(1) The youth is 18, 19, or 20 years of age; and

(2) The youth exited foster care, the state training school, or a court-ordered Iowa juvenile detention center:

1. On or after the youth's eighteenth birthday;

2. Between the ages of 17½ and 18 after having been in any combination of foster care, the state training school, or a court-ordered Iowa juvenile detention center for at least one day in at least 6 of the 12 calendar months prior to the youth leaving placement; or

(3) The youth was adopted from foster care on or after the youth's sixteenth birthday; or

(4) The youth entered a subsidized guardianship arrangement from foster care on or after the youth's sixteenth birthday.

c. *Extended services.* The youth must meet eligibility requirements for extended services as described below:

(1) The youth resides in Iowa;

(2) The youth is 21 or 22 years of age; and

(3) The youth has access to funding for extended services provided in contract that has not been fully expended for the contract year.

d. *Definition of foster care.* For purposes of this chapter, "foster care" is defined as 24-hour substitute care for a child who is placed away from the child's parents or guardians and for whom the department or juvenile court services has placement and care responsibility through either a court order or voluntary agreement.

(1) A placement may meet this definition of foster care regardless of whether:

1. The placement is licensed and the state or a local agency makes payments for the child's care;

2. Adoption subsidy payments are being made before the finalization of adoption; or

3. There is federal matching of any payments made.

(2) Foster care may include but is not limited to placement in:

1. A foster family home;

2. A foster care group home;

3. An emergency shelter;

4. Supervised apartment living;

5. A preadoptive home;

6. The home of a relative or suitable person; or

7. A psychiatric medical institution for children (PMIC).

187.1(4) *Responsibility.* The youth must:

a. Actively take part in developing and participating in an individual self-sufficiency plan; and

b. Indicate recognition and acceptance of personal responsibility in the transition toward self-sufficiency, which includes meeting with the self-sufficiency advocate regularly and as described in the youth's individual self-sufficiency plan.

441—187.2(234) Services and supports provided. The aftercare services program delivered by a provider contracted by the department shall provide the following services and supports to eligible youth.

187.2(1) *Preservices.* Informational and trust-building activities may be provided to a youth placed out of home who is expected to participate in aftercare services at 18 years of age or older. The department may provide funds; however, funds provided to the youth in preservices will be deducted from available start-up funds in the youth's first year of participation in core services.

187.2(2) *Core services.* Case management services shall be offered to youth at a safe and convenient location. Activities shall include but are not limited to all of the following:

a. Development of an individual self-sufficiency plan based on an assessment of the youth's strengths and needs. Each core services participant shall have a plan to identify:

(1) The youth's goals for achieving self-sufficiency;

(2) The target date for reaching the goals; and

(3) The tasks, responsible parties, time frames, and desired outcomes needed to reach the goals.

b. Services to develop a budget and money management skills training.

c. Services to assist the youth in establishing or reestablishing relationships with significant adults.

d. Services to facilitate the youth's access to community resources.

e. Life skills training, as identified in the youth's individual self-sufficiency plan. Life skills training shall include skills to help the youth in establishing and maintaining safe and stable housing, education goals, employment goals, health and health care coverage, healthy relationships, or other life skills that the youth may need to succeed independently.

f. Additional case management activities necessary for youth to successfully transition to adulthood and as described in the individual self-sufficiency plan.

g. Individual face-to-face contact with the youth at the frequency defined in the youth's individual self-sufficiency plan and according to the youth's changing needs. If a youth is a resident of Iowa but is attending a postsecondary education program in another state, the program administrator or designee shall approve an alternative method for maintaining contact with the youth if or when it is a hardship for the youth to physically be in Iowa.

h. Ongoing assessment, including evaluation and coordination of the services, supports, and life skills training being provided to assist the youth in reaching self-sufficiency goals and to determine if and what progress is being made. The case manager shall amend any goals, outcomes, tasks, responsible parties, and time frames in the plan along with services, supports, and life skills training provided as necessary to assist the youth in achieving self-sufficiency.

187.2(3) *Extended services.* Extended services may be provided to youth, and may include life skills training, periodic check-ins, referrals to needed services, limited payments to youth, or other services determined to be valuable to the youth's development. Funds, limited to an annual per-participant amount identified in the contract, may be provided. Prior to receiving available funds, the youth is required to meet with the advocate and discuss the reason the youth is accessing funds and prior efforts to meet the need. The youth may also be asked to provide documentation of income.

187.2(4) *Start-up allowance.* When a youth between the ages of 17 and 21 is receiving or is expected to receive core services, and is actively participating in the program, the program administrator or designee may authorize and provide payment to a youth as described below:

a. The start-up allowance is intended to assist in covering the initial costs of establishing the youth's living arrangement, such as by paying rental or utility deposits, purchasing food, or purchasing necessary household items.

b. The start-up allowance is limited to amounts designated in the contract.

187.2(5) *Vendor payments.* When a youth qualifies for core services in accordance with subrule 187.3(2), and is actively participating in the program, the program administrator or designee may authorize and provide payment to a youth as described below:

a. To receive a vendor payment, the youth must demonstrate that there are no other means to meet the needs that would be covered by the vendor payment. The youth shall contribute toward the cost of meeting the identified need, to the extent the youth is able. A youth receiving a preparation for adult living (PAL) stipend, preservices, or extended services is not eligible for a vendor payment.

b. Vendor payments may include but are not limited to:

(1) Health care-related expenses;

(2) Transportation assistance;

(3) Costs related to employment and education;

(4) Clothing; and

(5) Room and board.

c. The amount available for a 12-month period of service shall be noted in the contract.

187.2(6) *PAL stipend.* When an eligible youth is actively participating in the program, the eligible youth may receive the PAL program services as described in Iowa Code section 234.46 and as follows:

a. To receive the PAL stipend, the youth must:

(1) Have met eligibility requirements in Iowa Code section 234.46(1) upon reaching the age of 18 and meet eligibility requirements in rule 441—187.1(234).

(2) Have exited foster care, the state training school, or a court-ordered Iowa juvenile detention center as identified by Iowa Code chapter 232 on or after the youth's eighteenth birthday.

(3) Meet one or more of the following criteria:

1. Be enrolled in or actively pursuing enrollment in postsecondary education, a training program, or work training; or

2. Be employed for 80 hours per month or be actively seeking that level of employment; or

3. Be attending an accredited school full-time pursuing a course of study leading to a high school diploma; or

4. Be attending an instructional program leading to a high school equivalency diploma.

b. The maximum monthly stipend shall be provided after completion of the youth's budget. The maximum amounts provided to a youth shall be stated in the contract and based on program eligibility and guidelines, as follows:

(1) The monthly stipend shall be prorated based on the number of days of youth participation for those entering and exiting the program during the month.

(2) When the monthly unearned income of the youth exceeds the overall maximum monthly stipend offered in the preparation for the adult living program, the youth is not eligible for payments unless unused startup funds remain.

(3) When the net earnings of the youth exceed the overall maximum monthly stipend offered in the PAL program, the monthly stipend is reduced by 50 cents for every dollar earned by the youth over the monthly maximum stipend.

(4) All earned and unearned income received by the youth during the 30 days before the determination shall be used to project future income. If the 30-day period is not indicative of future income, income from a longer period or verification of anticipated income from the income source may be used to project future income.

(5) Nonrecurring lump-sum payments are excluded as income. Nonrecurring lump-sum payments can include one-time payments received for such things as income tax refunds, rebates, credits, refunds of security deposits on rental property or utilities, and retroactive payments for past months' benefits such as social security, unemployment insurance, or public assistance.

(6) The youth shall timely report the beginning and ending of earned and unearned income. A report is considered timely when made within ten days from the receipt of income or the date income ended.

(7) When the youth timely reports a change in income, the youth's prospective eligibility and stipend amount for the following month shall be determined based on the change.

(8) Recoupment shall be made for any overpayment due to failure to timely report a change in income or for benefits paid during an administrative appeal if the department's action is ultimately upheld. Recoupment may be made through a reasonable reduction of any future stipends.

(9) Recoupment cannot be made when a youth timely reports a change in income and the change is timely acted upon.

(10) The stipend may be paid to the youth, the foster family, or another payee other than a department employee. The payee shall be agreed upon by the parties involved and specified in the individual self-sufficiency plan.

(11) The maximum stipend may be based on the age of the youth.

187.2(7) *Extended services allowance.* A youth 21 or 22 years of age may receive extended services funds if they meet all of the following criteria:

a. The youth is participating in extended services.

b. A budget discussion has been timely completed by the youth with a self-sufficiency advocate.

c. The need has been identified in the individual self-sufficiency plan.

d. The extended services funds approved for the youth have not exceeded contracted amounts for a six-month period calculated from the date of initiation of extended services.

441—187.3(234) Termination of aftercare services.

187.3(1) A youth may be discharged from the aftercare services program for any of the following reasons:

a. The youth fails to follow individual self-sufficiency plan components and expectations as determined by the program administrator or designee.

b. The youth fails to meet regularly with the self-sufficiency advocate without good cause as determined by the program administrator or designee.

c. The youth voluntarily withdraws from the program.

d. The youth is no longer a resident of Iowa.

e. The youth has entered a residential services program and has resided there for 60 days. "Residential services program" means a program where housing and support services are provided, including but not limited to homeless shelters, habilitation homes or transitional living programs.

f. The youth reaches 23 years of age.

187.3(2) Aftercare services and supports may be terminated for up to six months as determined by the program administrator or designee when a youth intentionally physically threatens or injures program staff or an employee of an aftercare provider agency.

187.3(3) The PAL stipend may be suspended or terminated if the youth fails to meet work or education eligibility requirements for 30 consecutive days without good cause as determined by the program administrator or designee.

187.3(4) The PAL stipend may be suspended or terminated if the youth fails to maintain satisfactory progress as defined by the education or training program in which the youth is enrolled. A youth who is not making satisfactory progress may stay in the PAL program component of the aftercare services program by choosing the work option.

187.3(5) The youth intentionally misrepresents income or expenditures or spends funds in a manner inconsistent with their intended purpose. The program administrator may request receipts or acceptable evidence that funds went to the intended purpose.

187.3(6) There are insufficient funds.

187.3(7) Unless otherwise stated, a youth whose aftercare service is terminated in accordance with this rule may return to the program after a minimum of at least 30 days. However, if the youth has received three or more notices of termination within a 12-month period, the youth cannot return until at least three months have passed from the date of the third notification.

441—187.4(234) Waiting list. The program administrator or designee shall create a waiting list when all funds for the aftercare services program are committed for the fiscal year. Names will be entered on the waiting list on a first-come, first-served basis once the youth is determined eligible.

441—187.5(234) Administration. The department may contract with another state agency or a private organization to perform the administrative and case management functions necessary to administer the aftercare services program.

441—187.6(234) Appeal. Notice of adverse action taken by the department shall be issued in accordance with 441—Chapter 16, and the right to appeal shall be given in accordance with 441—Chapter 2506.

These rules are intended to implement Iowa Code section 234.46 and the Foster Care Independence Act of 1999 as amended to August 1, 2026.

ARC 0562D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to state soil conservation and water quality committee and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 1, "Regions of Representation for State Soil Conservation and Water Quality Committee Farmer Members," to adopt a new Chapter 1, "State Soil Conservation and Water Quality Committee," and to rescind Chapter 2, "Operation of State Soil Conservation and Water Quality Committee," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 1 and rescinds Chapter 2 to consolidate and update rules governing the State Soil Conservation and Water Quality Committee into a single chapter. The proposed rules retain the existing regional boundaries for farmer members of the Committee while adding provisions governing Committee meetings, public notice and participation, quorum and voting requirements, meeting procedures, records, and the election and duties of officers. The rulemaking provides a more complete and organized framework for the conduct of Committee business.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
STATE SOIL CONSERVATION AND WATER QUALITY COMMITTEE

27—1.1(161A) Scope.

1.1(1) This chapter governs the conduct of business by the state soil conservation and water quality committee.

1.1(2) This chapter delineates the regional boundaries from which the six farmer members of the state soil conservation and water quality committee shall be appointed. The three members representing the mining industry, cities and towns, and tree farming shall be selected from the state at large.

PART 1
OPERATION OF STATE SOIL CONSERVATION AND WATER QUALITY COMMITTEE

27—1.2(161A) Time of meetings. The committee meets quarterly. The chairperson or a majority of the committee may establish meetings at more frequent intervals.

27—1.3(161A) Place of meetings. Meetings are held in the Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa, or at other locations as appropriate. The meeting place will be specified in the agenda.

27—1.4(161A) Notification of meetings. The director of the soil conservation and water quality division shall provide public notice of all meeting dates, locations, and tentative agenda.

1.4(1) *Form of notice.* Notice of meetings is given by posting the tentative agenda and by distribution upon request. The agenda lists the time, date, place, and topics to be discussed at the meeting. The agenda shall include an opportunity for the public to address the committee on any issue related to the duties and responsibilities of the committee, except as otherwise provided in these rules.

1.4(2) *Posting of agenda.* The tentative agenda for each meeting will be posted on the first floor of the Hoover State Office Building and on the department's website at iowaagriculture.gov, normally at least five days prior to the meeting. The agenda will be posted at least 24 hours prior to the meeting, unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible will be given.

1.4(3) *Distribution of agenda.* Agenda will be mailed to anyone who files a request with the director. The request should state whether the agenda for a particular meeting is desired or whether the requester desires to be on the division's mailing list to receive the agenda for all meetings of the state soil conservation and water quality committee.

1.4(4) *Amendment to agenda.* Any amendments to the agenda after posting and distribution under subrules 1.4(2) and 1.4(3) will be posted but will not be mailed. The amended agenda will be posted at least 24 hours prior to the meeting, unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible will be given. The committee may adopt amendments to the agenda at the meeting only if good cause exists requiring expeditious discussion or action on such matters. The reasons and circumstances necessitating such agenda amendments, or those given less than 24 hours' notice by posting, shall be stated in the minutes of the meeting.

1.4(5) *Supporting material.* Written materials provided to the committee with the agenda may be examined and copied as provided in the public information rules of the department. The director may require a fee to cover the reasonable cost to the division to provide the copies, in accordance with rules of the department.

27—1.5(161A) Attendance and participation by the public.

1.5(1) *Attendance.* All meetings are open to the public. The committee may exclude the public from portions of the meeting only in accordance with Iowa Code section 21.5.

1.5(2) *Participation.*

a. *Items on agenda.* Presentations to the committee may be made at the discretion of the chairperson.

b. *Items not on agenda.* Iowa Code section 21.4 requires the committee to give notice of its agenda. The committee will not take action on a matter not on the agenda, except in accordance with subrule 1.4(4). Presentations to the committee on subjects not on the agenda may be made at the discretion of the chairperson. Persons who wish the committee to take action on a matter not on the agenda should file a request with the director to place that matter on the agenda of a subsequent meeting.

c. *Meeting decorum.* The chairperson may limit participation as necessary for the orderly conduct of agency business.

1.5(3) *Use of cameras and recording devices.* Cameras and recording devices may be used during meetings provided they do not interfere with the orderly conduct of the meeting. The chairperson may order the use of these devices be discontinued if they cause interference and may exclude those persons who fail to comply with that order.

27—1.6(161A) Quorum and voting requirements.

1.6(1) *Quorum.* A majority of the voting members of the committee constitutes a quorum.

1.6(2) *Voting.* The concurrence of a majority of the committee members is required to determine any matter before the committee for action, except for a vote to close a meeting, which requires the concurrence of two-thirds of the members of the committee present.

27—1.7(161A) Conduct of meeting.

1.7(1) *General.* Meetings will be conducted in accordance with Robert's Rules of Order unless otherwise provided in these rules. Voting shall be by voice or by roll call. Voting shall be by voice unless a voice vote is inconclusive, a member of the committee requests a roll call, or the vote is on a motion to close a portion of a meeting. The chairpersons shall announce the result of the vote.

1.7(2) *Voice votes.* All committee members present should respond when a voice vote is taken. The response shall be aye, nay, or abstain.

a. All members present shall be recorded as voting aye on any motions when there are no nay votes or abstentions heard.

b. Any member who abstains shall state at the time of the vote the reason for abstaining. The abstention and the reason for it shall be recorded in the minutes.

1.7(3) *Provisions of information.* The chairperson may recognize any agency staff member for the provision of information relative to an agenda item.

27—1.8(161A) Minutes, transcripts, and recordings of meetings.

1.8(1) *Recordings.* The director shall record by mechanized means each meeting and shall retain the recording for at least one month. Recordings of closed sessions shall be sealed and retained at least one year.

1.8(2) *Minutes.* The director shall keep minutes of each meeting. Minutes shall be reviewed and approved by the committee and retained permanently by the director. The approved minutes shall be signed by the director and the committee chairperson.

27—1.9(161A) Officers and duties.

1.9(1) *Officers.* The officers of the committee are the chairperson and the vice chairperson.

1.9(2) *Duties.* The chairperson shall preside at the meetings and shall exercise the powers conferred upon the chairperson. The vice chairperson shall perform the duties of the chairperson when the chairperson is absent or when directed by the chairperson.

27—1.10(161A) Election and succession of officers.

1.10(1) *Elections.* Officers shall be elected in an odd-numbered calendar year during the second quarterly meeting of the committee and shall assume office effective July 1.

1.10(2) *Succession.*

a. If the chairperson does not serve out the elected term, the vice chairperson shall succeed the chairperson for the remainder of the term. A special election shall be held to elect a new vice chairperson to serve the remainder of the term.

b. If the vice chairperson does not serve out the elected term, a special election shall be held to elect a new vice chairperson to serve the remainder of the term.

PART 2

REGIONS OF REPRESENTATION FOR STATE SOIL CONSERVATION AND WATER QUALITY COMMITTEE FARMER MEMBERS

27—1.11(161A) Regions of representation. The farmer members of the state soil conservation and water quality committee shall be selected from the northwest, north central, northeast, southwest, south central, and southeast regions of the state.

1.11(1) *Northwest region.* The northwest region shall contain the counties of Buena Vista, Calhoun, Cherokee, Clay, Dickinson, Emmet, Ida, Lyon, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, and Woodbury.

1.11(2) *North central region.* The north central region shall contain the counties of Boone, Butler, Cerro Gordo, Floyd, Franklin, Grundy, Hamilton, Hancock, Hardin, Humboldt, Kossuth, Marshall, Mitchell, Story, Tama, Webster, Winnebago, Worth, and Wright.

1.11(3) *Northeast region.* The northeast region shall contain the counties of Allamakee, Benton, Black Hawk, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jackson, Jones, Linn, and Winneshiek.

1.11(4) *Southwest region.* The southwest region shall contain the counties of Adair, Adams, Audubon, Carroll, Cass, Crawford, Fremont, Greene, Guthrie, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, Shelby, and Taylor.

1.11(5) *South central region.* The south central region shall contain the counties of Appanoose, Clarke, Dallas, Decatur, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Poweshiek, Ringgold, Union, Warren, and Wayne.

1.11(6) *Southeast region.* The southeast region shall contain the counties of Cedar, Clinton, Davis, Des Moines, Henry, Iowa, Jefferson, Johnson, Keokuk, Lee, Louisa, Muscatine, Scott, Van Buren, Wapello, and Washington.

These rules are intended to implement Iowa Code chapter 161A.

ITEM 2. Rescind and reserve **27—Chapter 2**.

ARC 0561D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to contracts for public improvements and professional services and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 6, "Contracts for Public Improvements and Professional Services," Iowa Administrative Code, and to adopt a new Chapter 6 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 6 to modernize and streamline the Division's procedures for contracting for public improvements and professional services. The proposed rules align public improvement contracting requirements with current Iowa Code provisions governing competitive bidding and quotations, update applicable statutory references, and establish a formal prequalification process for professional service providers. The rulemaking also simplifies the selection process for professional services and updates solicitation and qualification procedures while maintaining the requirement that contracts be awarded competitively to the maximum practical extent.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6
CONTRACTS FOR PUBLIC IMPROVEMENTS
AND PROFESSIONAL SERVICES

27—6.1(17A,159,161A,207,208) Contract policy.

6.1(1) All public improvements and professional services contracts with the division shall be awarded on a competitive basis to the maximum practical extent. All contracts shall be in written form and signed by the administrator.

6.1(2) Exceptions for compliance with federal rules and guidelines. Whenever adherence to these contracting procedures would result in the loss of federal aid for any public improvement project or professional services project, the applicable rules or guidelines shall be followed to the extent necessary to qualify for the federal funds.

PART 1
PUBLIC IMPROVEMENTS

27—6.2(17A,26,159,161A,207,208) Contracts for public improvements.

6.2(1) *Definition.* As used in these rules, "public improvement" means any building or construction work, including abandoned mined land reclamation and maintenance, to be paid for in whole or in part by the use of state funds. Iowa Code section 8A.311B, relating to reciprocal resident bidder preference, shall apply to division contracts for public improvements.

6.2(2) *Invitation for bids.* The division will solicit bids in accordance with Iowa Code section 26.3(1) and 26.3(2).

6.2(3) *Invitation for bids.* The division will accept bids that fall into accordance with Iowa Code sections 26.7(1) and 26.10(1).

6.2(4) *Solicitation of quotations.* The division will follow the competitive quotations process outlined in Iowa Code section 26.14 when applicable.

6.2(5) *Failure to receive a qualified bid or quotation.* In the event that no qualified sealed bids or quotations are received, the division may negotiate a contract with a qualified contractor.

6.2(6) *Exceptions to the requirement for bids or quotations.* The administrator may authorize the negotiation of a contract for a public improvement project without first soliciting quotations or advertising for bids under the following circumstances:

a. If the contemplated project involves the provision of utility services or the construction of a utility system and it would not be practicable to allow someone other than the utility company to perform the work.

b. Where competition is precluded because of patent rights, secret processes, or control of basic raw materials.

c. Where the project involves work of such a specialized nature that only one firm or person can reasonably be expected to accomplish it.

d. Where the service or product is provided by a nonprofit private corporation, a government body or an educational institution.

e. When emergency repair of a public improvement is necessary and delay for advertising or solicitation of quotations might cause serious loss or injury to the state.

PART 2
PROFESSIONAL SERVICES

27—6.3(17A,159,161A,207,208) Contracts for professional services.

6.3(1) *Professional services defined.* The term "professional services" shall include planning, design, architectural, engineering, landscape architecture, land surveying, land appraising, consulting, legal and management review services.

6.3(2) *Prequalification of professional firms or individuals.*

a. The division shall prequalify professional firms or individuals interested in performing the types of professional services regularly required by the division and keep a current list of such firms or individuals. Prequalification is not an award and does not create an obligation on behalf of the division.

b. An open invitation to qualify for the types of professional services required by the division shall be periodically advertised by posting to at least one relevant lead-generating service with statewide circulation, by posting to the department's webpage, and by such other means as may be appropriate. Interested firms or individuals shall be requested to provide a statement of qualifications, including but not limited to information relative to the number, qualifications, and experience of their professional staff and any specialized expertise that may be appropriate. Statements of qualifications shall be evaluated by a committee of at least three individuals established by the administrator. Following evaluation, the committee shall submit a decision recommendation to the administrator.

c. Prequalified firms or individuals shall be required to maintain eligibility requirements established by the division. Unless such eligibility requirements fail to be maintained, prequalified firms or individuals will remain qualified for a period of up to six years.

6.3(3) *Selection of firm or individual.*

a. For any contract for professional services estimated to cost less than $10,000, the division may select a prequalified firm or individual and negotiate a professional services contract. The bureau chief or division administrator shall prepare a memorandum for the project file stating the reasons why that particular firm or individual was selected. However, proposals may be solicited if it is in the best interest of the state.

b. For contracts estimated to exceed $10,000, prequalified firms or individuals shall be invited to submit proposals for the performance of the needed services. The proposals submitted shall be reviewed, and members of the firms or individuals may be interviewed by a division selection committee established by the administrator. At least two-thirds of the selection committee shall be composed of individuals not responsible for the contract administration. This committee shall evaluate each proposal relative to criteria established by the division, which may include but not be limited to:

(1) Sufficiency of professional and technical staff to meet the project schedule and work requirements.

(2) Performance records for timeliness, quality and project management.

(3) Specialized expertise.

(4) Proposed method of accomplishing the desired service.

After evaluating the proposals, the committee shall submit a written recommendation of the most qualified firm or individual to the administrator.

c. The administrator shall accept the recommendation and enter into contract negotiations with said firm or individual. Upon the acceptance of a proposal by the administrator, the total estimated cost shall become the maximum contract cost, which shall not be increased, except to the extent that a contract amendment increases the objectives and scope of services. Such increase in scope shall be limited to the type of services for which the contract was initially established.

d. When a project requiring professional services is divided into several phases, the selection of a professional firm or individual for the first project phase may be accomplished in the manner prescribed above. The contract cost for subsequent phases may be established later by negotiation.

e. The administrator may authorize the negotiation of a contract without solicitation of quotations or advertising for proposals if the service is to be provided by another governmental entity or educational institution or nonprofit corporation, or if the service is of a specialized nature where only one firm or individual can reasonably provide the service, or where delay for solicitation of quotations or advertisings for proposals might reasonably be expected to result in serious loss or injury to the state.

27—6.4(17A,159,161A,207,208) Approval and award of contracts.

6.4(1) *Contract approval.* All contracts for public improvement or professional services shall be signed by the administrator.

6.4(2) *Contract award.* The contract shall be awarded to the firm or individual whose bid or proposal is believed to be the most advantageous to the state. Bids or proposals may be rejected if they do not appear to be reasonable or if there is reason to believe that the firm or individual is not sufficiently qualified to accomplish the desired work or service.

6.4(3) *Change orders and extra work orders.* All change orders and extra work orders shall be signed by the administrator before the work or service is performed, except in emergency situations or where such approval would result in unreasonable delay.

These rules are intended to implement Iowa Code chapters 17A, 159, 161A, 207 and 208 and section 26.3.

ARC 0560D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to interest on retained funds and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 7, "Interest on Retained Funds," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and reserves Chapter 7, which governs the payment of interest on retained funds associated with certain public improvement contracts. The chapter is being removed because the applicable requirements are established in Iowa Code and do not require separate Department-specific administrative rules. Rescinding the chapter eliminates unnecessary and duplicative provisions while leaving the statutory requirements governing retained funds and interest unchanged.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **27—Chapter 7**.

ARC 0559D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to Iowa financial incentive program for soil erosion control and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 10, "Iowa Financial Incentive Program for Soil Erosion Control," Iowa Administrative Code, and to adopt a new Chapter 10 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 10 to modernize and streamline the rules governing the Iowa Financial Incentive Program for Soil Erosion Control. The proposed rules remove outdated and duplicative provisions; align program administration with current Iowa Code and Department practices; incorporate use of the Department's Financial and Reports Management System (FARMS); update provisions related to allocations, applications, cost-share rates, maintenance and compliance; and provide greater flexibility to administer the program through current Division policies and technical standards. The rulemaking also updates the summer construction incentive to reflect current cropland rental rates and simplifies several administrative and reporting requirements while maintaining the overall purpose and structure of the program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10
IOWA FINANCIAL INCENTIVE PROGRAM FOR SOIL EROSION CONTROL

PART 1

27—10.1(161A) Authority and scope. This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in implementing the state's financial incentive program for soil erosion control. It also establishes standards and guidelines to which the soil conservation districts shall conform in fulfilling their responsibilities under this program.

27—10.2(161A) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

PART 2

27—10.3(161A) Definitions.

"Administrative order" means a written notice from the commissioners to the landowner or landowners of record and to the occupants of land informing them they are violating the district's soil loss limit regulations or maintenance agreement and advising them of action required to conform to the regulations.

"Agricultural production" means the commercial production of food or fiber.

"Allocation" means those funds that are identified as a district's share of the state's appropriated funds that have been distributed to a particular program.

"Applicant" means a person, persons, or a legal entity requesting assistance for implementing soil and water conservation practices.

"Appropriations" means those funds appropriated by the Iowa legislature and provided to the division for funding the various incentive programs for soil erosion control.

"Case file" means a record that is assembled and maintained for each application approved for state cost sharing.

"Certification/verification of practice form" means a signature page used to attest that a practice was installed or performed, and will be maintained, in accordance with applicable standards and that the costs and associated cost-share payment are correct. The form requires the signature of the applicant(s) and the certifying technician.

"Certifying technician" means the district conservationist or resource team leader of the Natural Resources Conservation Service (NRCS), the district forester of the Department of Natural Resources (DNR), or another individual designated by the division as qualified to act in this capacity.

"Complaint" means a written and signed document received by the commissioners from a landowner or occupant of land stating that said property in the district is being damaged by sediment resulting from soil erosion on the property of another named landowner.

"Conservation cover" means that if a tract of agricultural land has not been plowed or used for growing row crops at any time within the prior 15 years, it shall be classified as agricultural land under conservation cover.

"Excessive erosion" means soil erosion that is occurring at a rate exceeding the established soil loss limit.

"FARMS" means the financial and reports management system, which is a web-based tracking software used to track, maintain, and report on cost-share claims.

"Fiscal year" means the state fiscal year for which program funds were appropriated.

"Maintenance/performance agreement" means an agreement between the landowner and the district. The landowner agrees to maintain the soil and water conservation practices for which financial incentives from the division through the district have been provided. The agreement states that the landowner will maintain, repair, or reconstruct the practices if they are not maintained according to the terms specified in the agreement. The terms of the agreement shall be specified by the division.

"Obligated funds" means those moneys that are set aside out of the district's allocation or by the division for payment to the applicant after the commissioners have approved an application for financial incentives.

"Road" means the entire width between property lines of the publicly owned right-of-way.

"Row cropped lands" means land that is in an established rotation sequence that includes row crops and the sequence is actively being followed or is in consecutive row crop sequence.

"Soil and water conservation practices" means any of the practices that serve to reduce erosion of soil by wind and water on land used for agricultural or horticultural purposes and that are approved by the division.

"Soil loss limit" means the maximum amount of soil loss due to erosion by water or wind, expressed in terms of tons per acre per year, that the commissioners of the respective soil and water conservation districts have established by rule as acceptable.

"State soil survey data base for Iowa" means a listing of the soil map units for each county and the properties and interpretation for each of the map units.

"Supplemental allocation" means additional funds provided beyond the original allocation.

"Supplementary administrative order" means a written notice sent to those receiving an administrative order for violation of the district's soil loss limit regulations advising that cost-share funds are being committed to the landowner or landowners and establishing time limits for correcting the soil erosion problems.

"Technician" means a person who is qualified to design, lay out and inspect construction of soil and water conservation practices and who is assigned to or employed by a soil and water conservation district.

"Unobligated funds" means those cost-share moneys the districts have been allocated and those the division administers that have not been obligated.

PART 3

27—10.4(161A) Compliance, refunds, reviews and appeals. This part establishes rules and procedures utilized in association with maintenance/performance agreements that have been entered into because of financial incentive payments being provided for implementing soil and water conservation practices.

27—10.5(161A) Compliance with maintenance/performance agreements.

10.5(1) *Maintenance/performance agreement.* As a condition for payment of any financial incentives funds for implementing soil and water conservation practices, the owner of the land on which the practices have been installed shall sign the maintenance/performance agreement to maintain those practices for the term specified. Specific conditions of the agreement are detailed on the form.

10.5(2) *Determination of compliance with maintenance/performance agreements.*

a. A technician shall inspect a practice at any time the district commissioners have reason to believe it is not being satisfactorily maintained so that it is successfully performing the function for which it was originally installed. Following the inspection, the technician shall add notes of the technician's findings in the district's case file for the landowner and communicate the findings to the commissioners. If the practice is found to be satisfactorily maintained, the landowner shall be considered to be in compliance with the maintenance/performance agreement. The division will evaluate the situation to determine that proper procedures were followed.

b. The district shall have a practice inspected by a technician whenever requested to do so by the landowner. The person requesting the inspection shall be provided with documentation of the technician's inspection findings, and notes of the findings will also be added in the district's case file for the landowner and communicated to the commissioners.

c. In the event that properly maintained practices that were installed with the assistance of Iowa financial incentive program funds are damaged due to natural disasters, completing the maintenance/performance agreement shall not constitute an action or intent on the part of the division to prevent the owner of the land on which the practices were installed from receiving federal emergency conservation program assistance to repair or replace the practices.

27—10.6(161A) Noncompliance with maintenance/performance agreements.

10.6(1) *Determination of noncompliance with maintenance/performance agreements.*

a. A practice inspected by a technician that is found not to be satisfactorily maintained will result in the landowner of the property where the practice is located being considered as not in compliance with the maintenance/performance agreement. Notes of the findings shall be added to the district's case file for the landowner and communicated to the commissioners.

b. The district shall notify the division in writing of the noncompliance finding. This notification shall contain an explanation of why the practice is considered not to be in compliance with the maintenance/performance agreement. The division will evaluate the situation to determine that proper procedures were followed.

c. Upon determination by the district and the division that a landowner is not in compliance with a maintenance/performance agreement, the district shall notify the landowner of the noncompliance with the maintenance/performance agreement issue for the specified practice. The notice will include the technician's inspection findings, outline what would need to be done in order to address the maintenance issue(s), and offer the landowner technical assistance in voluntarily bringing the practice back into compliance with the maintenance/performance agreement.

d. If all voluntary efforts with the landowner to address the maintenance issues have been exhausted, the division shall assist the district in the issuance of an administrative order to the landowner requiring appropriate maintenance, repair or reconstruction of the practice.

(1) Within 60 days from the date of issue of the administrative order, the landowner shall submit to the district a written and signed statement of intent to maintain, repair or reconstruct the practice.

(2) The maintenance, repair or reconstruction work shall be initiated within 180 days from the date of issue of the administrative order and shall be satisfactorily completed within one year of the date of issue of the administrative order.

10.6(2) *Refunds for noncompliance with a maintenance/performance agreement.*

a. The district, in its sole discretion, may allow the current landowner to refund to the division the entire amount of the financial incentive payment that was issued for implementing the practice in lieu of maintaining, repairing or reconstructing a practice.

b. Refund process. The landowner shall provide the district with a check made out to "Treasurer, State of Iowa" in the amount of the refund. The district will then submit the check to the division. The division will deposit refunds to the appropriate district account.

10.6(3) *Agricultural land converted to nonagricultural land.* If land subject to a maintenance/performance agreement is converted to a nonagricultural use that does not require the soil and water conservation practice that has been established with financial incentives, the practice shall not be removed until the landowner refunds the appropriate amount of the payment that was issued.

a. *Amount of refund.* The amount of the refund will be calculated by dividing the total amount of the financial incentive payment issued by the total number of years the practice is required to be maintained. That amount will then be multiplied by the number of years remaining in the maintenance/performance agreement time period to determine the refund amount.

b. *Refund process.* The landowner shall follow the refund process indicated in paragraph 10.6(2)*"a."*

27—10.7(161A) Review process for noncompliance with maintenance/performance agreements. A landowner who has been ordered to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement may, as appropriate, request to review the order with the district commissioners and the division.

10.7(1) *Review with soil and water conservation district commissioners.* When a landowner wishes to appeal an order to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement, the landowner may request a review of the order with the district commissioners. The commissioners shall schedule a meeting to review the issue with the landowner. This proceeding shall be informal. A landowner shall request a review with the district commissioners in writing and within 30 days following receipt of the order. The commissioners will either affirm, modify, or vacate the administrative order following the completion of the review.

10.7(2) *Review with the division.* After having unsuccessfully met with the district commissioners, a landowner who has been ordered to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement may file a written request for review with the division. The division review shall be conducted by the division director or the director's designee. This proceeding shall be informal. A landowner shall request the review with the division in writing within 30 days following the review with the district. The division will either affirm, modify, or vacate the administrative order following the review.

PART 4

27—10.8(161A) Appropriations. The division receives a yearly appropriation of funds from the state legislature to support the Iowa financial incentive program for soil erosion control. These funds are distributed to soil and water conservation districts to be used in support of the programs listed in this rule and as established in Iowa Code chapter 161A.

10.8(1) *Voluntary program.* A maximum of 90 percent of the appropriation is to be used to provide financial assistance for the installation of soil and water conservation practices as specified in Iowa Code section 161A.73.

a. The first $15,000 allocated to each district and up to 30 percent of the amount remaining in a district's original and supplemental allocation may be used for the establishment of residue and management practices listed in subrule 10.21(1).

b. Voluntary program funds may be used for emergency repairs of soil and water conservation practices under the qualifying conditions as specified in Iowa Code section 161A.75.

10.8(2) *Publicly owned lakes program.* A minimum of 5 percent of the appropriation shall be set aside to be used as specified in Iowa Code section 161A.73.

10.8(3) *Mandatory program.* A maximum of 5 percent of the appropriation shall be set aside to be used as specified in Iowa Code section 161A.74.

10.8(4) *Special watershed projects.* Appropriated funds may be used as specified in Iowa Code section 161A.73 to support these projects.

10.8(5) *Summer construction incentives program.* Appropriated funds may be used as specified in Iowa Code section 161A.73 in support of this program. Summer construction incentives are only available in conjunction with state-funded soil and water conservation practices.

PART 5

27—10.9(161A) Allocations to soil and water conservation districts. This division identifies those program funds that are available for allocation to the districts and explains how the allocations are made.

27—10.10(161A) Voluntary program. The division will allocate program funds to the districts in steps identified as original allocations and supplemental allocations.

10.10(1) *Original allocation.* Sixty percent of the fiscal year funds distributed to this program will be allocated to the districts at the beginning of the fiscal year in accordance with a formula based on the state soil survey database for Iowa. The formula is A = wzf, where:

a. A = allocation to the district.

b. w = the percentage factor for the district, determined by (x/y) (100), where:

(1) x = district acres, determined by totaling the district's land capability class acres from the state soil survey database for Iowa using the formula: (¼)2e + 3e + 4e.

(2) y = state acres, determined by totaling the state's land capability class acres from the state soil survey database for Iowa using the formula: (¼)2E + 3E + 4E.

c. z = 60 percent of fiscal year funds distributed to the voluntary program.

d. f = an adjustment factor of 0.980 applied to each district's allocation to adjust the original allocation to compensate for establishing a minimum of four-tenths of 1 percent of "z" to ensure that each district has a workable program.

e. The following table provides the value of "w" for each district:

Individual Soil and Water Conservation District Percentage Allocation Factors

W(%) District	W(%) District	W(%) District	W(%) District
1.7 Adair	1.2 Davis	1.0 Jefferson	0.2 Pocahontas*
1.1 Adams	1.4 Decatur	1.2 Johnson	0.8 Polk
1.5 Allamakee	0.8 Delaware	1.2 Jones	1.4 E. Pottawattamie
1.1 Appanoose	0.5 Des Moines	1.4 Keokuk	1.2 W. Pottawattamie
1.3 Audubon	0.4 Dickinson	0.5 Kossuth	1.6 Poweshiek
1.2 Benton	1.8 Dubuque	1.0 Lee	1.6 Ringgold
0.3 Black Hawk*	0.4 Emmet	1.0 Linn	0.7 Sac
0.6 Boone	1.1 Fayette	0.5 Louisa	0.8 Scott
0.3 Bremer*	0.3 Floyd*	1.1 Lucas	1.8 Shelby
0.3 Buchanan*	0.6 Franklin	0.9 Lyon	1.0 Sioux

W(%) District	W(%) District	W(%) District	W(%) District
0.5 Buena Vista	1.0 Fremont	1.2 Madison	0.6 Story
0.6 Butler	0.5 Greene	1.2 Mahaska	1.5 Tama
0.3 Calhoun*	0.5 Grundy	1.3 Marion	1.7 Taylor
1.2 Carroll	1.5 Guthrie	1.5 Marshall	1.1 Union
1.5 Cass	0.4 Hamilton	1.1 Mills	1.2 Van Buren
1.2 Cedar	0.4 Hancock	0.2 Mitchell*	1.0 Wapello
0.4 Cerro Gordo	0.7 Hardin	1.3 Monona	1.2 Warren
1.0 Cherokee	1.7 Harrison	1.0 Monroe	1.1 Washington
0.4 Chickasaw	0.9 Henry	1.2 Montgomery	1.4 Wayne
1.2 Clarke	0.4 Howard	0.5 Muscatine	0.3 Webster*
0.4 Clay	0.2 Humboldt*	0.5 O'Brien	0.5 Winnebago
2.0 Clayton	1.3 Ida	0.3 Osceola*	2.0 Winneshiek
1.2 Clinton	1.4 Iowa	1.5 Page	2.2 Woodbury
2.5 Crawford	1.7 Jackson	0.4 Palo Alto	0.2 Worth*
0.8 Dallas	1.8 Jasper	2.4 Plymouth	0.4 Wright

*The minimum value to be used in determining original allocations to districts shall be 0.4.

10.10(2) *Supplemental allocation.* The remaining balance of the fiscal year funds plus recalled funds will be provided to the districts in a supplemental allocation. The districts shall identify valid applications and cost estimates, if any, for supplemental allocations to the division by September 1 and by December 31. Factors to be considered in making a supplemental allocation to a district include:

a. The sum of cost estimates (for pending applications) in each district, divided by the total cost estimates (for pending applications) for all 100 districts, multiplied by the remaining available program funds; and

b. Whether or not the proposed supplemental allocation exceeds three times the original allocation to the district.

10.10(3) *Recall of funds.* The division shall recall unobligated funds from district accounts on December 31 and on June 30. Recalled funds will be made available to qualifying districts as supplements to their initial allocation.

10.10(4) *Eligibility for supplemental allocations.*

a. In order to be considered as a pending application for the purpose of calculating supplemental need, an application must be in the waiting initial board approval status in FARMS.

b. Spring supplemental funding shall be made available for practices that will be completed by June 30 of the current year.

10.10(5) *Recall and reallocation of funds by division director.* If districts are not demonstrating an ability to use available funding, the division director may recall these funds and reallocate the funds to a district that has an immediate need for additional funding.

27—10.11(161A) Publicly owned lakes program. Appropriated funds will be allocated to districts for use in eligible watersheds as specified in Iowa Code section 161A.73.

10.11(1) *Recall of unobligated funds.* Funds that are allocated to districts under this program and are not obligated by June 30 shall be recalled by the division.

10.11(2) *Reallocation of recalled funds.* The reallocation of recalled funds will be based on need and demonstrated ability to use the funds. The districts shall submit their requests identifying valid applications and cost estimates, if any, to the division. The division shall allocate funds for these requests on a first-come, first-served basis to eligible watersheds above publicly owned lakes.

10.11(3) *Applications and agreements.* Applications and agreements under this program will follow the guidance provided in Part 7 of these rules.

27—10.12(161A) Mandatory program. Appropriated funds will be allocated to districts when necessary for use as specified in Iowa Code section 161A.74.

10.12(1) *Applications and agreements.* Applications and agreements used for this program will be the same as those outlined in Part 7 of these rules.

a. Districts will notify the division of applications and funding allocation requests associated with soil and water conservation practices to be installed in support of this program.

b. The division will review the application(s) and, if approved, allocate funds to the district and notify the district of the approval. If the division does not approve the application(s) or if funds are not available for the application(s), the division will contact the district to discuss these issues.

c. The district will notify the landowner of the status of the funding request by issuing a supplementary administrative order.

10.12(2) *Recall of unobligated funds.* Funds that are allocated to districts under this program and are not obligated as of June 30 shall be recalled by the division.

27—10.13(161A) Special watershed projects. Appropriated funds may be allocated to districts for use as indicated in Iowa Code section 161A.73.

27—10.14(161A) Reserve fund. A reserve fund consisting of a specified amount of the yearly appropriated funds will be set aside and used to meet contingencies that occur in the districts or within the division. At any time during the fiscal year, the reserve fund may be replenished with recalled funds to return it to the original balance, if needed. The amount of the reserve fund shall be established by the division and maintained in policy.

PART 6

27—10.15(161A) Funding rates. Information on the cost-share rates provided under the various programs is shown in this part. In all cases, except for the mandatory program, the state's share will be computed using the specified percentages multiplied by the lesser of the estimated or eligible cost of implementing the soil and water conservation practice. Payments under the mandatory program will be based on actual costs. All funds included in this part may be used in combination with other public funds as long as the maximum cost-share rate provided does not exceed 75 percent of the lesser of the estimated or eligible costs.

10.15(1) *Voluntary.* Cost share will be provided based on the percentage indicated in Iowa Code section 161A.73. Additional maximum cost-share amounts for specified practices may be imposed based on policy established and maintained by the division. Cost-share payments for disaster emergency repairs of permanent practices may be provided as indicated in Iowa Code section 161A.75.

10.15(2) *Summer construction incentives.* In addition to cost share for the establishment of a permanent soil and water conservation practice, a per-acre incentive payment is available to offset income lost from cropland acres taken out of production during the growing season in order to install the soil and water conservation practice. The maximum per-acre incentive payment shall be based on the average cropland rental rate in Iowa as provided by the Iowa State University Cash Rental Rates Survey. Every three years, the division will review and, if necessary, adjust the maximum per-acre incentive payment to account for fluctuations in the average cropland rental rate. The division shall notify the districts of the current maximum per-acre incentive payment rate each year. Payment will be made upon completion of the permanent soil and water conservation practice. To qualify:

a. The field being treated shall be in row cropland during the growing season in which the permanent soil and water conservation practice is being constructed.

b. The construction area must have suitable cover that minimizes soil erosion prior to and after the construction of the permanent soil and water conservation practice.

c. The construction of the permanent soil and water conservation practice shall take place between June 15 and October 15. Work must start and be completed between these dates and verified by the technician prior to payment of the incentive.

d. Only the land necessary for construction is eligible for this incentive. The construction work area shall be determined by the technician.

e. The construction work area shall not be used to grow a crop that will be harvested for grain at any time during the June 15 to October 15 construction period.

10.15(3) *Special watershed projects.* Cost share will be provided for qualified projects at rates specified in Iowa Code section 161A.73.

10.15(4) *Mandatory.* Cost share will be provided based on the rates and the process specified in Iowa Code section 161A.74.

10.15(5) *Watersheds above publicly owned lakes.* Cost share will be provided at the rate specified in Iowa Code section 161A.73.

10.15(6) *Conservation cover.* For land determined to meet this classification, the cost-share rate will be provided as specified in Iowa Code section 161A.76.

PART 7

27—10.16(161A) Applications and agreements. Applicants may apply for Iowa financial incentive funds following the application process guidance provided by and utilizing documents specified by the soil and water conservation district in the county where the proposed soil and water conservation practice would be located.

27—10.17(161A) Eligibility for financial incentives.

10.17(1) *Practices installed on adjoining public lands.* Where soil and water conservation practices are installed on public lands, that benefit adjoining private lands, and costs of the installation are to be shared by the parties, state cost-share funds may be used to cost-share the landowner cost of the erosion control portion of the project.

10.17(2) *Ineligible lands.*

a. Iowa financial incentive funds shall not be used to reimburse other units of government for implementing soil and water conservation practices or to reimburse other applicants for the cost of implementing soil and water conservation practices on land owned by other units of government.

b. Privately owned land not used for agricultural production does not qualify for financial incentives except for land where specific practices designated in policy established and maintained by the division are being implemented.

c. Tracts of land used for agricultural production that are less than ten acres in size and from which less than $2,500 of agricultural products are sold annually do not qualify for financial incentives funds, unless approved by the commissioners as part of a group project or as a continuation of an adjacent system.

10.17(3) *Need for soil and water conservation practices.* Financial incentives shall be available only for those soil and water conservation practices determined to be needed by the district to reduce excessive erosion or sedimentation and are included in the designated practices identified in Part 8 of these rules. Such determination of need shall be made by a qualified technician.

10.17(4) *District priorities.* Each application for financial incentives shall be evaluated under the priority system adopted by the district for disbursement of allocated funds. The district priority system shall be reviewed annually by the district. The priority system shall be sent electronically to the division for the division's record after the annual review. The priority system shall consider the public benefit derived. The priority system adopted by the district shall be made available for review at the district office.

27—10.18(161A) Financial incentive application and processing procedures.

10.18(1) Applicants shall submit their application for Iowa financial incentive funds as specified in rule 27—10.16(161A). Districts shall enter and process financial incentive applications in FARMS following guidance provided by and maintained in policy established by the division.

10.18(2) Case files. A case file shall be maintained for each application approved for Iowa financial incentive funds. All documents pertinent to the application process that are not already stored within the FARMS application will be retained in the file. Any financial incentive documents stored in the file may be removed and disposed of after the period of time indicated in the records guide provided by and maintained in policy established by the division.

PART 8

27—10.19(161A) General conditions, eligible practices and specifications. The purpose of this part is to establish the general conditions and limitations concerning practice implementation, the state-approved soil and water conservation practices eligible for Iowa financial incentives and the specifications for which funded practices must conform.

27—10.20(161A) General conditions. The following general conditions shall be met, where applicable, in addition to the specifications in rule 27—10.23(161A). To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

10.20(1) *Limitation of reimbursable costs of practices.* Overbuilding or other practice modifications that exceed the minimum requirements of the specification shall be permitted if approved by the technician. Any additional costs resulting from such overbuilding or exceeding of the minimum specifications shall not be cost-shared by the state. Examples of overbuilding or exceeding specifications include but are not limited to the following:

a. Where an applicant desires that water be stored for purposes other than grade stabilization to control erosion.

b. Where additional top width is added to an earthen fill to provide a field crossing or road.

c. Where additional flow capacity for lowland drainage laterals is added to an underground outlet constructed as a component of a terrace system.

10.20(2) *Materials.* Projects funded with Iowa financial incentive funds will utilize only new materials or used materials that meet or exceed design specifications and standards.

10.20(3) *Existing practices.*

a. Repair and maintenance. Repair and maintenance of existing practices are not eligible for funding except for emergency disaster repairs as specified in subrule 10.15(1).

b. Addition of underground outlets. The addition of underground outlets to existing waterways and terraces is not eligible for funding.

10.20(4) *Upland treatment.* Seventy-five percent of the upland area shall be adequately treated for erosion control before waterways or grade stabilization structures will be funded.

10.20(5) *Seeding.*

a. Seeding required. Following practice construction, seeding shall be performed as appropriate in accordance with seeding specifications referenced in rule 27—10.23(161A), except as waived below.

b. Seeding after specified seeding dates. When the construction of a practice is completed after the seeding date contained in the specifications, seeding may be delayed until the following year. If delayed, the applicant shall be responsible for protecting the practice with temporary vegetative cover or other means until the seeding can be completed. For seeding delayed until the next year, the district may approve payment for the completed practice, but such payment shall exclude the seeding cost. The remaining payment for seeding may be made available the following year.

27—10.21(161A) Eligible practices. Only those soil and water conservation practices listed in this rule are eligible for the Iowa financial incentives program funds.

10.21(1) *Residue and management practices.* One-time only payments may be provided for each of these practices.

a. No-till planting.

b. Ridge-till planting.

c. Strip-till planting.

d. Cover crops.

e. Contour farming.

f. Strip-cropping.

10.21(2) *Temporary practices.*

a. Critical area planting.

b. Field border.

c. Filter strips.

d. Pasture and hay planting. Pasture and hay planting will be eligible for funding only when land that has been planted to row crop for at least three out of the last five years is being converted to vegetative cover.

10.21(3) *Permanent practices.*

a. Diversion. Diversions are eligible for funding only when used to prevent downstream erosion.

b. Windbreak and shelterbelt establishment. A strip or belt of trees or shrubs established within or adjacent to a field to reduce sediment damage and soil depletion caused by wind.

c. Grade stabilization structure.

d. Grassed waterway.

e. Terrace.

f. Underground outlet. Underground outlets are eligible for Iowa financial incentive funding only when used as a component of eligible permanent practices contained in this subrule.

g. Water and sediment control basin.

h. Conservation cover.

i. Tree/shrub establishment. The minimum eligible area is three acres.

27—10.22(161A) Designation of eligible practices. District commissioners may designate which soil and water conservation practices will be eligible for Iowa financial incentive payments in their district. The selected practices must be from the state-approved practices contained in rule 27—10.21(161A).

27—10.23(161A) Practice standards and specifications. Practices shall meet NRCS practice standards and specifications where applicable and may be accessed through the NRCS Field Office Technical Guide. Forestry practice of tree/shrub establishment shall meet DNR practice standards and specifications and may be accessed through the DNR Forestry Practices Manual Technical Guide. Copies of standards and specifications may be requested in the district office where the practice will be implemented. To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

PART 9

27—10.24(161A) Annual report. The district will submit an annual report to the division upon request that will reflect accomplishments from the fiscal year ending June 30.

These rules are intended to implement Iowa Code chapter 161A.

ARC 0558D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to conservation practices revolving loan fund and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 11, “Conservation Practices Revolving Loan Fund,” 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 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 11 to modernize and streamline administration of the Conservation Practices Revolving Loan Fund. The proposed rules simplify the allocation of available loan funds by providing funding to eligible district applications on a first-come, first-served basis, incorporate use of the Department's Financial and Reports Management System (FARMS), update references to the Iowa Financial Incentive Program rules, and rely on applicable provisions of the Iowa Code for loan repayment requirements. The rulemaking maintains the existing purpose of the program and its general eligibility, loan amount, and financial partner requirements.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
CONSERVATION PRACTICES REVOLVING LOAN FUND

27—11.1(161A) Authority and scope. These rules provide procedures and standards to be followed by the division of soil conservation and water quality, department of agriculture and land stewardship, in administering the conservation practices revolving loan fund created in Iowa Code section 161A.71 and the standards and guidelines to which the soil and water conservation districts shall conform in fulfilling their responsibilities under this program.

27—11.2(161A) Rules are severable. If any provision of a rule or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

27—11.3(161A) Definition of terms. In addition to terms defined herein, definitions in rule 27—10.3(161A) shall apply.

"Financial partner" means the division's designated bank, mortgage company or governmental agency charged with servicing loans described in this chapter.

"Net worth" means total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of the landowner's net worth.

"Total assets" means the sum of cash; crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities (not readily marketable); accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery, equipment, cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in a trust; government payments or grants; and any other assets. Total assets shall not include items used for personal, family or household purposes by the applicant, but in no event shall such property be excluded to the extent a deduction for depreciation is allowable for federal income tax purposes. All assets shall be valued at fair market value by the participating lender. Such value shall be what a willing buyer would pay a willing seller in the locality. A deduction of 10 percent may be made from fair market value of farm and other real estate.

"Total liabilities" means the sum of accounts payable, notes or other indebtedness owed to any source, taxes, rent, amount owed on real estate contract or real estate mortgages, judgments, accrued interest payable, and any other liabilities. Liabilities shall be determined on the basis of generally accepted accounting principles.

27—11.4(161A) Financial partner.

11.4(1) *Agreement.* The division may designate or enter into an agreement with a financial partner to assist with servicing loans under this program.

11.4(2) *Responsibilities.* The financial partner may assist with the following responsibilities:

a. Making determinations regarding an applicant's ability to repay the loan. Making this determination may include evaluating the applicant's net worth or securing other information as deemed necessary.

b. Securing valid liens on real estate on which the conservation practices are applied.

c. Disbursing loan funds and processing loan payments.

d. Collecting application fees for servicing loans. Maximum application fees assessed to the borrower will be 2 percent of the loan plus filing costs.

e. Pursuing delinquent loan payments and collections.

27—11.5(161A) Allocation of revolving loan funds to soil and water conservation districts.

11.5(1) *Method.* The division shall utilize the following method to allocate program funds to the districts.

11.5(2) *District allocations.* Districts shall submit requests identifying valid applications and cost estimates as they are received and as the applicant has verified that they would like to move forward with securing a loan through this program. The division shall allocate available program funding on a first-come, first-served basis until such time as these funds are exhausted.

27—11.6(161A) Eligibility for revolving fund loan.

11.6(1) *Ability to repay the loan.* The applicant must demonstrate the ability to repay the loan to the satisfaction of the division and its financial partner.

11.6(2) *Use of the loan.* Loan funds shall be used only to pay the total eligible cost of installing permanent soil and water conservation practices listed in 27—subrule 10.21(3) for the Iowa financial incentive program for soil erosion control. District commissioners may designate which soil and water conservation practices will be eligible for loans in their district. The general conditions contained in rule 27—10.20(161A) shall apply to the district-designated practices. Revolving loan funds and public cost-sharing funds may be used in combination for funding a particular soil and water conservation practice.

11.6(3) *Other requirements.* The applicant must also meet the eligibility requirements contained in rule 27—10.17(161A) for the Iowa financial incentive program for soil erosion control.

27—11.7(161A) Loan application processing procedures.

11.7(1) *Application submittal process.* Applicants may apply for loans for soil and water conservation practices following the application process guidance provided by and utilizing documents specified by the soil and water conservation district in the county where the proposed soil and water conservation practice would be located. Applicants will be required to provide necessary financial information as specified by the division or the division's financial partner.

11.7(2) *District application processing.* Districts shall enter and process loan applications in FARMS following guidance provided by and maintained in policy established by the division.

11.7(3) *Application canceled by applicant.* A loan application may be canceled by the applicant by notifying the district at any time prior to receipt of the loan.

27—11.8(161A) Practice design and construction. Practices shall be designed and constructed to meet Natural Resources Conservation Service (NRCS) practice standards and specifications. These standards and specifications may be accessed through the NRCS Field Office Technical Guide, and copies may be requested in the district office where the practice will be implemented.

27—11.9(161A) Issuance of loan.

11.9(1) *Loan payment to applicant.* Loan payments shall be issued following the process specified by and maintained in policy established by the division.

11.9(2) *Maintenance agreement.* As a condition for receipt of a loan for permanent soil and water conservation practices, the owner of the land on which the practices have been installed shall agree to maintain those practices in accordance with the requirements of rule 27—10.5(161A) related to maintenance and performance agreements.

11.9(3) *Case files.* A case file shall be assembled and maintained for each approved loan application. The file will be assembled and maintained in accordance with the requirements of 27—subrule 10.18(2).

27—11.10(161A) Amount of loan and number.

11.10(1) *Minimum loan.* The minimum loan amount provided under this program will be $2,500.

11.10(2) *Maximum loan.* The maximum loan amount provided under this program will be $20,000.

11.10(3) *Number of loans.* There will be no limit to the number of loans an applicant can receive, except that an applicant shall be eligible for no more than $20,000 in loans outstanding at any time under this program. Each approved application will be handled as a new loan.

27—11.11(161A) Repayment of loans. The loan repayment process, the repayment schedule and penalties on delinquent loans will be administered as specified in Iowa Code section 161A.71.

11.11(1) *Repayment upon sale of land.* In addition to specifications of Iowa Code section 161A.71, if the entire balance of the loan is not paid within ten days of the date of sale, a delinquent loan charge shall be applied as provided in subrule 11.11(2).

11.11(2) *Interest on delinquent loans.* The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. This is the maximum rate allowed by Iowa Code section 535.2(3)*"a,"* and it shall be applied to the entire unpaid principal, prorated for the period for which the payment is delinquent.

These rules are intended to implement Iowa Code chapter 161A.

ARC 0567D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to the water protection fund and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 12, "Water Protection Practices—Water Protection Fund," Iowa Administrative Code, and to adopt a new Chapter 12 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161C.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161C.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 12 to modernize and streamline administration of the Water Protection Fund. The proposed rules simplify allocation and application procedures, update eligibility and practice standards, remove outdated practices and fixed practice-specific cost-share limits, and provide greater flexibility to administer program requirements through Division policy. The rulemaking also updates the forestry, native grasses and forbs program by expanding the list of eligible forestry practices and aligns maintenance, compliance, and reporting requirements with other Department conservation programs.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 12 and adopt the following **new** chapter in lieu thereof:

CHAPTER 12
WATER PROTECTION PRACTICES—WATER PROTECTION FUND

PART 1

27—12.1(161C) Authority and scope. This chapter establishes procedures and standards to be followed by soil and water conservation districts and the division of soil conservation and water quality of the department of agriculture and land stewardship in implementing water protection practices through the water protection fund created in Iowa Code section 161C.4.

27—12.2(161C) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

PART 2

27—12.3(161C) Definition. In addition to the definition herein, definitions in rule 27—10.3(161A) shall apply.

"Stormwater best management practice" means a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of stormwater runoff in the most cost-effective manner.

PART 3

27—12.4(161C) Compliance, refund, reviews and appeals. Rules 27—10.4(161A) through 27—10.7(161A) shall apply.

PART 4

27—12.5(161C) Appropriations. Resource enhancement and protection program—soil and water enhancement account funds are allocated to the water protection fund. These funds are utilized as stated in Iowa Code section 161C.4.

PART 5

27—12.6(161C) Water protection practices account. This part defines procedures for allocation, recall, and reallocation of water protection practices funds to soil and water conservation districts and to the division's reserve fund.

27—12.7(161C) Allocation to soil and water conservation districts.

12.7(1) *Original allocation.* At the beginning of each fiscal year, funds appropriated to the water protection practices account will be allocated to districts. No less than 73.5 percent of the funds will be divided equally among 100 soil and water conservation districts and allocated to each district's practices account. Twenty-five percent of the funds plus any additional appropriations for reforestation will be divided equally among the 100 soil and water conservation districts and allocated to each district's forestry and native grasses and forbs account. No more than 1.5 percent will be held in a reserve fund.

12.7(2) *Recall of funds.* Any funds allocated to the districts accounts that have not been spent or obligated by June 30 shall be recalled by the division.

12.7(3) *Supplemental allocations.* The districts shall identify valid applications and cost estimates, if any, for supplemental allocations to the division by September 1. Factors to be considered in making supplemental allocations to a district include:

a. The sum of cost estimates (for pending applications) in each district, divided by the total cost estimates (for pending applications) for all 100 districts, multiplied by the remaining available program funds; and

b. Whether the proposed supplemental allocation exceeds three times the original allocation to the district.

12.7(4) *Reserve fund.* A reserve fund consisting of no more than 1.5 percent of the yearly appropriated funds will be set aside and used to fund contingencies that occur in the application of practices in the districts. At any time during the fiscal year, the reserve fund may be replenished with recalled funds to return it to the original balance, if needed.

12.7(5) *Recall and reallocation of funds by division director.* If districts are not demonstrating an ability to use available funding, the division director may recall these funds and reallocate the funds to a district that has an immediate need for additional funding.

PART 6

27—12.8(161C) Applications and agreements. Applicants may apply for water protection practices funds following the application process guidance provided by and utilizing documents specified by the soil and water conservation district in the county where the proposed practice would be located.

27—12.9(161C) Eligibility for financial incentives.

12.9(1) *Practices installed on adjoining public lands.* Where water protection practices that benefit adjoining private lands are installed on public lands and costs of the installation are to be shared by the parties, water protection practices funds may be used to cost-share only the private landowner cost of the practice.

12.9(2) *Ineligible lands.*

a. Water protection practices funds shall not be used to reimburse other units of government for implementing water protection practices or to reimburse other applicants for the cost of implementing water protection practices on land owned by other units of government.

b. Privately owned land not used for agricultural production does not qualify for water protection practices funds, except for land where specific practices designated in policy established and maintained by the division of soil conservation and water quality are being established.

12.9(3) *District priorities.* Applications for water protection practices will be evaluated and prioritized as specified in Iowa Code sections 161C.2 and 161C.4. The priority system adopted by the district shall be made available for review at the district office.

PART 7

27—12.10(161C) Water protection practices—practices account. The purpose of this part is to establish the general conditions, eligible practices, specifications, and cost-share rates for the installation of water protection practices as authorized in Iowa Code chapter 161C.

27—12.11(161C) General conditions. The following general conditions shall be met.

12.11(1) *Practice need.* Water protection practices shall not be funded unless a technician has inspected the site and has determined that such practice(s) are needed to protect water quality.

12.11(2) *Limitation of reimbursable cost of practices.* Overbuilding or other practice modifications that exceed the minimum requirements of the practice specifications shall be permitted, if approved by the technician. Any additional costs resulting from such overbuilding or exceeding of the minimum specifications shall not be cost shared by the state.

12.11(3) *Materials.* Practices funded with water protection funds will utilize only new materials or used materials that meet or exceed design specifications and standards.

12.11(4) *Repair or maintenance.* Repair or maintenance of existing practices is not eligible for water protection cost share funding, except for the same purpose and under the same circumstances as specified in Iowa Code section 161A.75.

27—12.12(161C) Eligible practices. Practices listed in this rule are eligible for water protection practices fund reimbursement.

12.12(1) Critical area planting.

12.12(2) Contour buffer strips. The practice includes science-based trials of row crops integrated with prairie strips (STRIPS) planted on contour.

12.12(3) Field border.

12.12(4) Filter strips. The practice includes STRIPS planted at the foot slope.

12.12(5) Pasture and hay planting. The practice must include the conversion of land from row crop production to a permanent vegetative cover to control excessive water erosion.

12.12(6) Constructed wetlands. Land enrolled in the Conservation Reserve Program, or other similar programs, is eligible if this practice is not eligible for funding under that program.

12.12(7) Wetland restoration. Land enrolled in the Conservation Reserve Program, or other similar programs, is eligible if this practice is not eligible for funding under that program.

12.12(8) Streambank and shoreline protection. The practice must be bioengineered using combinations of stream-side plantings or trees, other vegetation, structural practices such as modification of slopes, and installation of reinforcing materials and in-stream structures. Land enrolled in the Conservation Reserve Program, or other similar programs, is eligible if this practice is not eligible for funding under that program.

12.12(9) Stormwater best management practices (BMPs). BMPs can be either:

a. Nonstructural BMPs, which include a range of pollution prevention, education, or institutional management and development practices designed to limit the conversion of rainfall to runoff and to prevent pollutants from entering runoff at the source of runoff generation; or

b. Structural BMPs, which are engineered and constructed systems that are used to treat the stormwater at either the point of generation or the point of discharge to either the storm sewer system or to receiving waters (e.g., detention ponds or constructed wetlands).

12.12(10) Access control. The practice involves fencing an area to exclude livestock from intermittent streams (defined on U.S. Geological Survey topographic maps as "3 dot" blue-line streams) or larger streams. Eligibility for cost-share assistance extends only to fencing required to implement this practice and does not extend to fences along roads or land boundaries.

27—12.13(161C) Eligible practices for priority water resource protection. Practices listed in this rule are eligible for water protection practice fund reimbursement only in those watersheds or to address water quality concerns approved under rule 27—12.14(161C).

12.13(1) Grassed waterway.

12.13(2) Grade stabilization structure.

12.13(3) Terrace.

12.13(4) Water and sediment control basin.

12.13(5) Diversion.

27—12.14(161C) Priority watersheds and water quality concerns. Soil and water conservation district commissioners may apply for the designation of a priority watershed or priority water quality concern for their district through a process established and maintained in policy set by the division of soil conservation and water quality.

27—12.15(161C) Practice standards and specifications.

12.15(1) Where applicable, water protection practices shall meet Natural Resources Conservation Service (NRCS) practice standards and specifications, which may be accessed through the NRCS Field Office Technical Guide.

12.15(2) Stormwater best management practices shall meet practice standards and specifications, which may be accessed through the Iowa Stormwater Management Manual or other design standards and specifications approved by the division of soil conservation and water quality.

12.15(3) Copies of standards and specifications may be requested in the district office where the practice will be implemented.

12.15(4) To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

27—12.16(161C) Cost-share rates. The cost-share rate to be provided from water protection practices—practices account funding is not to exceed 50 percent of the estimated or the eligible cost of practice implementation, whichever is less. This funding may be used in combination with other public funds to provide a total cost-share rate not to exceed 75 percent of the lesser of the eligible or the estimated cost of implementation. Additional restrictions on this funding may be imposed in policy established and maintained by the division of soil conservation and water quality.

PART 8

27—12.17(161C) Water protection practices—forestry, native grasses and forbs account. The purpose of this part is to establish the general conditions, eligible practices, specifications and cost-share rates for the installation of forestry, native grasses and forbs as authorized in Iowa Code chapter 161C.

27—12.18(161C) General conditions. The following general conditions shall be met.

12.18(1) *Practice need.* The designated practices shall not be funded unless the certifying technician has inspected the site and has determined that such practice(s) is needed.

12.18(2) *Limitation of reimbursable cost of practices.* Restrictions imposed on this are the same as stated in subrule 12.11(2).

12.18(3) *Materials.* Restrictions imposed on this are the same as stated in subrule 12.11(3).

12.18(4) *Forest management plan required.* A forest management plan approved by the forestry bureau of the department of natural resources is required for the forestry practices designated in policy established and maintained by the division of soil conservation and water quality.

12.18(5) *Eligibility of practices.* Planting or management of trees for nut orchards or Christmas tree production is only eligible as intermediate products in stands being established for other approved purposes. Planting or management of trees for ornamental purposes or fruit orchards is not eligible.

12.18(6) *Repair or maintenance.* Use of funding for this purpose is the same as stated in subrule 12.11(4).

27—12.19(161C) Eligible practices. Practices listed in this rule are eligible for water protection forestry, native grasses and forbs fund reimbursement.

12.19(1) Windbreaks. A belt of trees or shrubs established or restored next to an occupied structure. A windbreak must meet either NRCS Standard 380-Windbreak/shelterbelt establishment or NRCS Standard 650-Windbreak/shelterbelt renovation.

12.19(2) Field windbreak. A belt of trees or shrubs established or restored, within or adjacent to a field. A windbreak must meet either NRCS Standard 380-Windbreak/shelterbelt establishment or NRCS Standard 650-Windbreak/shelterbelt renovation.

12.19(3) Forest stand improvement. Minimum eligible area is five acres.

12.19(4) Tree planting. Minimum eligible area is three acres.

12.19(5) Forest site preparation for tree planting. Only eligible for use on the acres included in a tree planting application area.

12.19(6) Prescribed burning. Minimum eligible area is three acres.

12.19(7) Invasive species control. Minimum eligible area is one acre.

12.19(8) Site preparation for natural regeneration. Minimum eligible area is three acres.

12.19(9) Riparian forest buffer.

12.19(10) Rescue treatments. Minimum eligible area is three acres.

12.19(11) Prescribed grazing. The practice must include a minimum of two paddocks of native species grasses.

12.19(12) Conservation cover.

12.19(13) Fencing systems. Used to implement or protect only the practices listed in this rule. Fences along roads or land boundaries are not eligible.

27—12.20(161C) Practice standards and specifications.

12.20(1) Where applicable, water protection practices shall meet NRCS practice standards and specifications, which may be accessed through the NRCS Field Office Technical Guide.

12.20(2) Where applicable, forestry practices shall meet department of natural resources (DNR) practice standards and specifications, which may be accessed through the DNR Forestry Practices Manual Technical Guide.

12.20(3) Copies of standards and specifications may be requested in the district office where the practice will be implemented.

12.20(4) To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

27—12.21(161C) Cost-share rates. The cost-share rate to be provided from water protection practices —forestry, native grasses and forbs account funding is not to exceed 75 percent of the estimated or eligible cost of practice implementation, whichever is less. This funding may be used in combination with other public funds to provide a total cost-share rate not to exceed 75 percent of the lesser of the eligible or the estimated cost of implementation. Additional restrictions on this funding may be imposed in policy established and maintained by the division of soil conservation and water quality.

PART 9

27—12.22(161C) Reporting and accounting. Reports will be prepared in the same manner as provided in rule 27—10.24(161A).

These rules are intended to implement Iowa Code chapters 161A and 161C and section 455A.19.

ARC 0575D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to water quality initiative and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 16, "Water Quality Initiative," Iowa Administrative Code, and to adopt a new Chapter 16 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 466B.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 16 to update and clarify the rules governing the Water Quality Initiative. The proposed rules retain the existing program framework for statewide cost-share practices, targeted watershed demonstration projects, eligible conservation practices, project administration, and compliance requirements while making technical and organizational updates to the chapter. The rulemaking also updates the statutory implementation authority to Iowa Code chapter 466B and does not substantially change the purpose or operation of the Water Quality Initiative.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16
WATER QUALITY INITIATIVE

27—16.1(161A) Purpose. The purpose of these rules is to support the reduction of nutrient losses and exports over time through the adoption of water quality practices and through the establishment and administration of targeted watershed demonstration projects and individual cost-share practices. The purpose is also to assist education and outreach about the feasibility and value of establishing water quality practices.

27—16.2(161A) Definitions.

"Council" means the water resources coordinating council established pursuant to Iowa Code section 466B.3.

"Department" means the department of agriculture and land stewardship.

"Division" means the division of soil conservation and water quality, department of agriculture and land stewardship.

"Eligible targeted watershed demonstration project applicants" means individual or multiple soil and water conservation districts, counties, county conservation boards, cities, not-for-profit organizations authorized by the secretary of state, public water supply utilities or watershed management authorities.

"Funds" include the water quality initiative fund in Iowa Code section 466B.45; include the water quality infrastructure funds in 2018 Iowa Acts, Senate File 512, sections 23 and 24; and may include other moneys appropriated to the department or other nongovernmental funds.

"Identified watersheds" means the area identified by the council or by the division.

"Maintenance/performance agreement" means an agreement between the division, the recipient and the landowner. The recipient and landowner agree to maintain the soil conservation practices for which financial incentives from the division through the district have been received. The agreement states that the recipient and landowner will maintain, repair, or reconstruct the practices if they are not maintained according to the terms specified in the agreement. The terms of the agreement shall be specified by the division.

"Nutrient" includes total nitrogen and total phosphorus.

"Nutrient reduction strategy" means the document created and updated by the department, the department of natural resources, and Iowa State University of Science and Technology in order to assess and reduce nutrients in watersheds.

"Recipient" means an eligible applicant who has qualified for and received cost-share payments under this chapter or a project participant who has qualified for and received cost-share payments.

"Secretary" means the Iowa secretary of agriculture.

"Watershed management authority" means an authority as defined in Iowa Code section 466B.21.

27—16.3(161A,466B) Cost share. Except for edge-of-field practices and land use changes, the division's share of the practice cost shall not exceed the lesser of 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of the practice.

27—16.4(161A,466B) Eligible practices. Only practices whose function improves water quality will be eligible for funds. These practices are identified in the nutrient reduction strategy or by the division. Practices shall meet applicable Natural Resources Conservation Service conservation standards and specifications or applicable standards and specifications set out by the department. Urban infrastructure program projects shall meet the applicable standards in the Iowa Storm Water Management Manual published by the department of natural resources. Permanent practices eligible for funding include but are not limited to wetlands, bioreactors, buffers, structures, land use changes, terraces, waterways and managed drainage systems. Management practices eligible for funding include but are not limited to cover crops and living mulches. Application may be made to the division for cost-share funding for individual cost-share practices or for projects.

27—16.5(161A) Ineligible practices. Repair and maintenance of existing practices are not eligible for funding.

27—16.6(161A) Statewide cost-share practices. Individual statewide cost-share practices may be eligible for funding as determined by the division.

27—16.7(161A) Targeted watershed demonstration projects. Projects shall be conducted in the identified watersheds. The division shall conduct water quality evaluations within supported subwatersheds.

27—16.8(161A) Project threshold application requirements.

16.8(1) *General application requirements.* Project applications shall include the demonstration, outreach, and education objectives of the project and the plan for implementation; project costs, including the estimated cost of each measure to be implemented for each year of participation; anticipated landowner contributions; requested cost-share match; and expected contributions from project participants. Personnel needs and contributions should be outlined.

16.8(2) *Landowner interest.* An assessment of the interest and participation of the eligible applicants shall be included. A majority of the eligible applicants must reside or own land in the demonstration project. Collaborative participation by eligible applicants in the same identified subwatershed will be viewed favorably.

16.8(3) *Project maintenance.* Measures to be taken to ensure the long-term viability of the project through maintenance agreements, easements, or other such measures will be outlined in the agreement.

16.8(4) *Time frame.* The time frame for implementation will be identified in the application and set out in the agreement.

16.8(5) *Project evaluation.* The criteria for evaluation plans will be identified in the request for applications, and an evaluation plan will be contained in the project application.

27—16.9(161A) Application review. Identified watershed projects meeting the threshold requirements will be reviewed, evaluated and ranked by the division using criteria described in the request for applications. Funding recommendations will take into account the program objective to demonstrate and promote a variety of conservation practices in combination with education and outreach.

27—16.10(161A) Annual review. The division will review each project annually. The division may establish a budget for the next project year; renegotiate with the applicant or recipient about the objectives, procedures, budget, reports or time schedule; or terminate the project.

27—16.11(161A) Contract requirements. Recipients must complete performance and maintenance of the practice as required by the contract. Practices shall meet applicable Natural Resources Conservation Service conservation standards and specifications or applicable standards and specifications set out in the contract. The division may, for cause, find that a recipient is not in compliance with the requirements. At the division's discretion, remedies for noncompliance may include penalties up to and including the return of funds to the division. Reasons for a finding of noncompliance include but are not limited to the recipient's use of funds for activities not described in the contract, the recipient's failure to complete funded projects in a timely manner, the recipient's failure to carry out the terms of the performance/maintenance agreement, the recipient's failure to comply with applicable state or local rules or regulations, or the lack of a continuing capacity of the recipient to carry out the approved project in a timely manner.

27—16.12(161A) Appeal. A recipient who has been ordered to maintain, repair or reconstruct a temporary or permanent practice subject to a maintenance/performance agreement may, as appropriate, review the order with the division. When a recipient wishes to appeal an order to maintain, repair or reconstruct a temporary or permanent practice subject to a maintenance/performance agreement, the recipient may file a written request for review with the division. The division review shall be conducted by the division director or the director's designee. This proceeding shall be informal. The recipient shall request the review with the secretary in writing within 30 days following the review with the division. The secretary or the secretary's designee will either affirm, modify, or vacate the administrative order following the completion of the contested case hearing.

These rules are intended to implement Iowa Code chapter 466B.

ARC 0574D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to the Iowa soil 2000 program and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 20, "Iowa Soil 2000 Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and reserves Chapter 20, which contains administrative rules associated with the Iowa Soil 2000 Program. The chapter includes outdated procedures related to conservation folders, farm unit soil conservation plans, conservation agreements, landowner notification, and district recordkeeping that were developed to implement program requirements and deadlines dating to the 1980s. Rescinding the chapter removes obsolete administrative provisions that are no longer necessary for the Department of Agriculture and Land Stewardship's current conservation program administration.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **27—Chapter 20**.

ARC 0573D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to the water protection fund and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 21, "Water Quality Protection Projects—Water Protection Fund," Iowa Administrative Code, and to adopt a new Chapter 21 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 161A and 161C.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 21 to modernize and streamline administration of water quality protection projects funded through the Water Protection Fund. The proposed rules broaden applicant eligibility, allow the Division to solicit projects based on locally identified water quality concerns, simplify application and project review requirements, and provide greater flexibility to administer project selection, agreements, reporting, annual review, and closeout through Division guidance. The rulemaking also removes outdated and overly prescriptive administrative requirements and updates the chapter's statutory implementation authority to Iowa Code chapter 161C.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 21 and adopt the following **new** chapter in lieu thereof:

CHAPTER 21
WATER QUALITY PROTECTION PROJECTS—WATER PROTECTION FUND

PART 1

27—21.1(161C) Authority and scope. This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in implementing water quality protection projects through the water protection fund created in Iowa Code chapter 161C. Water protection funds may provide financial assistance for administrative, operational, and personnel support for the projects as well as financial assistance for management and structural practices within the project area to address identified water quality concerns.

27—21.2(161C) Rules are severable. If any provisions of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provisions or application, and to this end, the provisions of these rules are severable.

PART 2

27—21.3(161C) Water quality protection project applications.

21.3(1) *Project application opportunities.* The division of soil conservation and water quality may solicit applications for projects located in watersheds determined to be a priority based upon locally expressed interest and identified water quality concerns.

21.3(2) *Eligibility of applicants.* Applications will be accepted from soil and water conservation districts or other entities working in conjunction with the districts or the division.

PART 3

27—21.4(161C) Water quality protection project application content. The division of soil conservation and water quality shall provide project application guidance as part of the project solicitation process. Information required in the application may include but is not limited to the following:

21.4(1) General project information. Applications will identify the name of the applicant(s), name(s) of other participating organization(s), location of the project area and a map, current landowner and land use data, water resource(s) to be protected, identified water quality concern(s), and probable source(s) contributing to the concern.

21.4(2) Project objectives. Applications will describe the project water quality protection and improvement goals and objectives along with the practices to be implemented to address the identified water quality concerns.

21.4(3) Project costs. Applications will include projected annual costs for the proposed water quality protection practices as well as project administrative and personnel costs. Applications will also include projected annual funding contributions from all other known contributing sources.

21.4(4) Landowner interest. Applications will provide an assessment of landowner interest in participating in the project.

21.4(5) Project maintenance. Applications will describe measures to be taken to ensure the long-term viability of the project through maintenance agreements, easements, or other such measures.

21.4(6) Time frame. Applications will provide a time frame for project implementation.

21.4(7) Project evaluation. Applications will include the evaluation criteria and evaluation plan that will be used to determine the success of the project.

PART 4

27—21.5(161C) Water quality protection project application review. Applications will be reviewed and evaluated for water protection fund support by the division of soil conservation and water quality based upon criteria included in the project application guidance provided by the division.

21.5(1) *Review assistance.* The division may receive assistance in the application review process from other entities.

21.5(2) *Project selection.* A project agreement will be developed between the division and the applicant for those applications selected to become a water quality protection project. The agreement will outline the responsibilities of both the division and the applicant as they pertain to the project. Projects selected will be funded on an annual basis with subsequent years' funding being based on satisfactory progress and availability of funding from the water protection fund.

21.5(3) *Applicant notification.* The division will inform each applicant whether the applicant's project application was selected to receive water protection fund support.

PART 5

27—21.6(161C) Water quality protection project reporting. Projects selected for water protection fund support will be required to provide the division of soil conservation and water quality with project reports based on reporting guidance provided by the division. The reports will include but not be limited to information on progress being made toward achieving the project goals and objectives as well as financial accounting of how the funding provided has been used.

PART 6

27—21.7(161C) Water quality protection project annual review. The division of soil conservation and water quality will review each project annually. Based on the results of the review, the division may approve continuation of the next project year; discuss project progress and renegotiate the project goals and objectives, procedures, budget, or time schedule with the applicant; or terminate the project.

PART 7

27—21.8(161C) Water quality protection project completion. Upon completion or termination of a project, the project applicants/sponsors are required to submit a final project report summarizing project accomplishments, comparing them to project goals and objectives. A final project financial report will also be submitted summarizing all water protection fund expenditures and any funding source expenditures associated with the project. Final project report guidance will be provided by the division.

These rules are intended to implement Iowa Code chapter 161C.

ARC 0572D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to soil and water resource conservation plans and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 22, "Soil and Water Resource Conservation Plans," Iowa Administrative Code, and to adopt a new Chapter 22 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 161A.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 22 to modernize and streamline the rules governing soil and water resource conservation plans. The proposed rules retain the existing requirements for district planning, plan content, five-year updates, annual review, filing, and development of a statewide conservation plan while removing outdated provisions, including an obsolete 1991 planning deadline, and updating agency references. The rulemaking also shifts approval of district plans and amendments from the State Soil Conservation and Water Quality Committee to the Division.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 22 and adopt the following **new** chapter in lieu thereof:

CHAPTER 22
SOIL AND WATER RESOURCE CONSERVATION PLANS

27—22.1(161A) Authority and scope. This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in implementing the development of soil and water resource conservation plans in all soil and water conservation districts in Iowa and developing a comprehensive soil and water resource conservation plan for the state of Iowa. It establishes standards and guidelines that the soil and water conservation districts will use in fulfilling their responsibilities under this program.

27—22.2(161A) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or application of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

27—22.3(161A) Definition. In addition to the definitions in rule 27—10.3(161A), the following term is defined:

"Soil and water resource conservation plan" is a comprehensive long-range assessment of soil and surface water resources in the district consistent with rules approved by the district under Iowa Code section 161A.4. The plan will assess the condition of soil and water in the district; evaluate the type, amount, and quality of soil and water, the threat of soil erosion, floodwater, and sediment damages, and necessary preventative and control measures; develop methods to maintain or improve soil and water condition; and cooperate with other state and federal agencies to carry out this plan.

27—22.4(161A) Soil and water resource conservation plan development. This rule establishes criteria for districts to develop a plan to preserve and protect the public interest in the soil and water resources of this state and for future generations.

22.4(1) *Plan development criteria.*

a. The soil and water conservation district commissioners will develop a soil and water resource conservation plan as required by Iowa Code section 161A.4 that will include the content items required by rule 27—22.5(161A).

b. The district commissioners will use the following planning process criteria:

(1) Examine and inventory the current resource situation.

(2) Identify current problems.

(3) List available resources—human and financial.

(4) Determine objectives and goals.

(5) Determine the best course of action to obtain those objectives and goals.

(6) Review the action periodically for progress and effectiveness.

22.4(2) *Plan timeline.* The duration of the plan is five years. After five years, the plan should be revised and updated. It will go through the adoption and approval process again.

22.4(3) *Participation in the planning process.* Each soil and water conservation district should enlist the support and input of public and private sector agencies and organizations, including the county board of supervisors, the United States Department of Agriculture (USDA) Natural Resources Conservation Service, the cooperative extension service, and the division.

27—22.5(161A) Soil and water resource conservation plan content. The plan will preserve and protect the public interest in the soil and water resources of this state for future generations. It will include the proper control and use of the soil and water resources by measures, including but not limited to the control of floods; the control of erosion by water or by wind; and the preservation of the quality of water for its optimum use for agricultural, irrigation, recreational, industrial, and domestic purposes, all of which shall be presumed to be conducive to public health, convenience, and welfare, both present and future.

22.5(1) *Plan content.*

a. Preface.

(1) Purpose of the soil and water resource conservation planning process.

(2) Credits to sources and those assisting in the planning.

(3) Credits to groups providing input for district objectives and goals.

b. Organization and authorities.

c. General description of soil and water conservation district.

d. Inventory of soil, water, and related natural resources.

(1) Existing land use—general description.

(2) Soil resources.

(3) Water resources.

(4) Recreation and wildlife resources.

(5) Mining and mineral resources.

(6) Land management.
(7) Factors limiting practice application.
(8) Actions needed to overcome limiting factors.
e. District objectives, goals, and priorities.
f. District policies.
g. Statement of adoption.
h. Statement of approval.
i. Maps.
22.5(2) *Annual review.* There shall be an annual review of the plan by the district that will assist in developing the annual work plan. The plan may be amended as a part of the annual review.

27—22.6(161A) Soil and water resource conservation plan adoption, approval, filing, and distribution. The plan shall meet all of the requirements of Iowa Code chapter 161A and this chapter before final plan completion.

22.6(1) *Adoption.* The district commissioners by a motion at their regularly scheduled meeting shall approve their completed plan or amendment.

22.6(2) *Approval.* The district shall submit its completed plan or amendment to the division for approval. If found to meet the content requirements of rule 27—22.5(161A), the division shall approve the plan or amendment by motion at its regularly scheduled meeting. The approved plan will be signed by the administrator of the division.

22.6(3) *Filing.* The approved district plan or amendment shall be filed with the recorder in the county in which the district is located and shall be filed with the division as part of the state soil and water resource conservation plan.

22.6(4) *Distribution.* The commissioners shall provide notice of the filing and may provide a copy of the approved district plan to the county board of supervisors in the county where the district is located. The district may provide copies to all interested parties that have been a part of the planning process.

27—22.7(161A) State soil and water resource conservation plan. The division is responsible for developing a state plan according to Iowa Code section 161A.4(2)*"h."* The state plan shall contain on a statewide basis the information required for a district plan.

These rules are intended to implement Iowa Code chapter 161A.

ARC 0571D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to the alternative drainage system assistance program and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 30, "Agricultural Drainage Wells—Alternative Drainage System Assistance Program," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 460.

Purpose and Summary

This proposed rulemaking rescinds and reserves Chapter 30, which governs the Agricultural Drainage Wells—Alternative Drainage System Assistance Program. The chapter contains administrative requirements related to program funding, applications, eligibility, cost sharing, agricultural drainage well closure, alternative drainage systems, payments, and compliance. All known remaining agricultural drainage wells were closed in 2025, completing the program's work.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind and reserve **27—Chapter 30**.

ARC 0570D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to coal mining and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 40, "Coal Mining," Iowa Administrative Code, and to adopt a new Chapter 40 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 207 and section 161A.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 207.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 40 to reorganize, modernize, and clarify the rules governing Iowa's Coal Mining Regulatory Program. The proposed rules retain the existing regulatory framework implementing Iowa Code chapter 207 and the federal Surface Mining Control and Reclamation Act, including applicable federal regulations incorporated by reference, while eliminating reserved provisions, renumbering and consolidating rules, updating agency names and internal references, and clarifying administrative review procedures. The rulemaking does not substantially change the existing requirements governing coal mining permits, bonding, reclamation, enforcement, civil penalties, or blaster certification.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 40 and adopt the following **new** chapter in lieu thereof:

CHAPTER 40
COAL MINING

PART 1A
COAL MINING—GENERAL

27—40.1(17A,207) Authority and scope. The following sets forth the rules and procedures through which the department of agriculture and land stewardship, division of soil conservation and water quality, will implement the regulatory program pursuant to Iowa Code chapter 207 and the federal Surface Mining Control and Reclamation Act of 1977 (SMCRA).

40.1(1) Parts and sections of the federal regulations of the U.S. Office of Surface Mining Reclamation and Enforcement, U.S. Department of Interior, promulgated pursuant to the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87), are incorporated by reference as rules of the division as specified in this chapter, with exceptions as indicated. Rules incorporated by reference, as specified in each specific rule, are those from the Code of Federal Regulations (30 CFR), as in effect on July 1, 2010.

40.1(2) The following general word substitutions are made in all incorporated federal regulations except as otherwise indicated:

"Act" means Iowa Code chapter 207.

"Administrator" is to be substituted for *"director"*, *"regional director"*, and *"secretary"*.

"Division of soil conservation and water quality" is to be substituted for *"department"*, *"the office"*, *"OSM"*, *"OSMRE"*, *"office of surface mining reclamation and enforcement"*, *"regulatory authority"*, *"State regulatory program"*, and *"regulatory program"*.

"These rules" is to be substituted for *"chapter"* and *"subchapter"*.

40.1(3) Delete from 30 CFR 779.25(b), 780.14(c), and 783.25(b) the words "or in any State which authorizes land surveyors to prepare and certify such cross sections, maps and plans, a qualified, registered, professional land surveyor,". Also, replace "," with "or" between "professional engineer" and "professional geologist".

Delete from 30 CFR 780.25(a)(1)(i), 780.25(a)(3)(i), 784.16(a)(1)(i), and 784.16(a)(3)(i) the words "or in any State which authorizes land surveyors to prepare and certify such plans, a qualified, registered, professional land surveyor,". Also, replace "," with "or" between "professional engineer" and "professional geologist".

Delete from 30 CFR 816.46(b)(3) the words "or in any State which authorizes land surveyors to prepare and certify plans in accordance with §780.25(a) of this chapter a qualified, registered, professional land surveyor,".

Delete from 30 CFR 817.46(b)(3) the words "or in any State which authorizes land surveyors to prepare and certify plans in accordance with §784.16(a) of this chapter a qualified, registered, professional land surveyor,".

Delete from 30 CFR 816.151(a) and 817.151(a) the words "or in any State which authorizes land surveyors to certify the construction or reconstruction of primary roads, a qualified, registered, professional land surveyor,".

40.1(4) Delete "or qualified, registered, professional land surveyor" from 30 CFR 816.49(a)(3) and 816.49(a)(11)(ii).

40.1(5) Delete "registered, professional engineer" from 30 CFR Parts 779, 780, 783, 784, 816 and 817, and replace it with "professional engineer, registered with the State of Iowa".

27—40.2(207) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without the invalid provision or application, and to this end, the provisions of these rules are severable.

27—40.3(207) General. The following is incorporated by reference: 30 CFR Part 700, as in effect on July 1, 2010, except for 30 CFR 700.1, 700.2, 700.3, 700.4, 700.10 and 700.12. The phrase "section 520 of the Act" is deleted from 30 CFR 700.13(a) and the words "Iowa Code section 207.17" are inserted in lieu thereof.

In lieu of the regulations deleted at 30 CFR 700.12 concerning "Petitions to initiate rule making," rules of the Iowa Department of Agriculture and Land Stewardship at 21 IAC Chapter 3, "Petitions for Rule Making" shall serve as the basis for submitting petitions to initiate rulemaking.

Definitions for *"Federal lands," "Federal lands program," "Fund," "Indian lands,"* and *"Indian tribe"* are correspondingly deleted from 30 CFR 700.5.

The definition of *"Regulatory program"* is deleted at 30 CFR 700.5 and the following definition is inserted in lieu thereof:

"Regulatory program" means Iowa's approved state program.

Delete from 30 CFR 700.14 the phrase "43 CFR Part 2, which implements the Freedom of Information Act and the Privacy Act" and insert in lieu thereof "Iowa Code chapter 22, the Iowa open records law".

27—40.4(207) Permanent regulatory program and exemption for coal extraction incidental to the extraction of other minerals. The following is incorporated by reference: 30 CFR Part 701 and 30 CFR Part 702, as in effect on July 1, 2010, with the following exceptions:

40.4(1) None of the general word substitutions at rule 27—40.1(17A,207) apply to the definitions of *"Permit," "Permittee,"* and *"State program"* at 30 CFR 701.5.

40.4(2) Delete from 30 CFR 701.5 the definitions *"Agricultural activities," "Alluvial valley floor," "Arid or semiarid area," "Essential hydrologic functions," "Farming," "Federal program," "Complete federal program," "Partial federal program," "Flood irrigation," "Materially damage the quantity or quality of waters," "Special bituminous coal mines," "Subirrigation," "Undeveloped rangeland,"* and *"Upland areas."*

40.4(3) Delete from the last sentence in the definition of *"Permittee"* in 30 CFR 701.5 the words "section 523 of the Act" and insert the words "Iowa Code section 207.20".

In 30 CFR 701.5, delete from the definition of "Significant imminent environmental harm to land, air or water resources" at (b)(2), the words "section 521(a)(3) of the Act" and insert the words "Iowa Code section 207.14, subsection 2".

40.4(4) Delete 30 CFR 701.1, 701.3, 701.4, and 701.11(c).

40.4(5) Delete references to "Subchapter B" and "Subchapter K" at 30 CFR 701.11(d) and (e) and substitute in lieu thereof "Part 1B" and "Part 6", respectively.

40.4(6) Delete 30 CFR 702.1 and 702.10.

40.4(7) Delete 30 CFR 702.11(f) and insert in lieu thereof the following:

(f) Administrative review. (1) Any adversely affected person may request administrative review of a determination under paragraph (e) of this section within 30 days of notification of such determination in accordance with Part 9 of these rules.

(2) A petition for administrative review filed under Part 9 of these rules shall not suspend the effect of a determination under paragraph (e) of this section.

40.4(8) Delete 30 CFR 702.17(c)(2) and (3) and insert in lieu thereof the following:

(2) Any adversely affected person may request administrative review of a decision whether to revoke an exemption within 30 days of the notification of such a decision in accordance with the procedures of Part 9 of these rules.

(3) A petition for administrative review filed under Part 9 of these rules shall not suspend the effect of a decision whether to revoke an exemption.

40.4(9) Add to 30 CFR 701.5 the definition:

"Full water year" means at a minimum, the nine-month period from March through November.

40.4(10) Delete the definition for "Violation, failure or refusal" at 30 CFR 701.5 and insert in lieu thereof the following:

"Violation, failure, or refusal" means—

(1) A violation of a condition of an approved permit pursuant to the Iowa program or an enforcement action pursuant to Iowa Code section 207.14, or

(2) A failure or refusal to comply with any order issued under Iowa Code section 207.14 or any order incorporated in a final decision issued by the administrator, except an order incorporated in a decision issued under subrule 40.36(7) or rule 27—40.7(207).

27—40.5(207) Restrictions on financial interests of state employees. The general word substitutions used elsewhere in these rules do not apply to Iowa's incorporation of 30 CFR Part 705. The following is incorporated by reference: 30 CFR Part 705, as in effect on July 1, 2010, with the following exceptions:

40.5(1) Delete from 30 CFR 705.5 the definition for "State regulatory authority" and insert the following definition in lieu thereof:

"State regulatory authority" means the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, or its authorized representative.

40.5(2) Delete 30 CFR 705.1, 705.2, 705.3, 705.4(b), 705.10, and 705.11(e).

27—40.6(207) Exemptions for coal extraction incident to government-financed highway or other constructions. The following is incorporated by reference: 30 CFR Part 707, as in effect on July 1, 2010, with the following exceptions:

40.6(1) Add to 30 CFR 707.11 a paragraph (c) that shall read:

(c) Any person who conducts or intends to conduct such coal extraction must file a letter of intent with the division 60 days prior to surface disturbance.

40.6(2) Delete 30 CFR 707.10.

27—40.7(207) Protection of employees. The following is incorporated by reference: 30 CFR Part 865, as in effect on July 1, 2010, with the following exceptions:

40.7(1) Delete the words "Office of Hearings and Appeals" and insert the word "division".

40.7(2) Delete the words "43 CFR Part 4" and insert the words "Iowa Code section 207.14".

PART 1B
COAL MINING—INITIAL PROGRAM

27—40.8(207) Initial regulatory program. The following is incorporated by reference: 30 CFR Part 710, as in effect on July 1, 2010, with the following exceptions:

Delete 30 CFR 710.1, 710.3, 710.4(a), 710.10, 710.11(b) and (c), and 710.12.

27—40.9(207) General performance standards—initial program. The following is incorporated by reference: 30 CFR Part 715, as in effect on July 1, 2010, with the following exceptions:

40.9(1) Delete from 30 CFR 715.11(c) the scale of "1:6000" and insert the scale of "1:2400".

40.9(2) Delete from 30 CFR 715.17(h)(3) the words "in a manner approved by the regulatory authority" and insert the words "monthly, and reported quarterly to the regulatory authority,".

40.9(3) Delete 30 CFR 715.10.

27—40.10(207) Special performance standards—initial program. The following is incorporated by reference: 30 CFR Part 716, as in effect on July 1, 2010, with the following exception:

Delete 30 CFR 716.1(a), subparagraphs (1) through (5), 716.2, 716.3, 716.4, 716.5, 716.6, and 716.10.

PART 2
COAL MINING—AREAS UNSUITABLE

27—40.11(207) Areas designated by an Act of Congress. The following is incorporated by reference: 30 CFR Part 761, as in effect on July 1, 2010, with the following exceptions:

40.11(1) None of the general word substitutions in rule 27—40.1(17A,207) apply to the definition of "Valid existing rights" at 30 CFR 761.5.

40.11(2) Delete from the definition of "Surface operations and impacts incident to an underground coal mine" in 30 CFR 761.5 the words "section 701(28) of the Act" and insert the words "Iowa Code section 207.2, subsection 14".

40.11(3) None of the general word substitutions in rule 27—40.1(17A,207) apply to 30 CFR 761.11(b).

40.11(4) Delete from 30 CFR 761.5 under the definition for "Valid existing rights" the words "30 U.S.C. 1272(e)" and insert the words "Iowa Code section 207.8".

40.11(5) Delete 30 CFR 761.13.

40.11(6) Delete from 30 CFR 761.16 the words "30 U.S.C. 1272(e)" and insert the words "Iowa Code section 207.8".

40.11(7) None of the general word substitutions for "Act" and "secretary" at rule 27—40.1(17A,207) apply to 30 CFR 761.3.

27—40.12(207) Criteria for designating areas as unsuitable for surface coal mining operations. The following is incorporated by reference: 30 CFR Part 762, as in effect on July 1, 2010, with the following exceptions:

40.12(1) The general word substitutions in rule 27—40.1(17A,207) do not apply to 30 CFR 762.12(b) or 762.13(a).

40.12(2) Delete from 30 CFR 762.15 the words "section 522 of the Act" and insert the words "Iowa Code section 207.8".

27—40.13(207) State procedures for designating areas unsuitable for surface coal mining operations. The following is incorporated by reference: 30 CFR Part 764, as in effect on July 1, 2010, with the following exceptions:

40.13(1) Delete 30 CFR 764.10.

40.13(2) Delete from 30 CFR 764.13(b)(1)(v) the words "sections 522(a)(2) and (3) of the Act" and insert the words "Iowa Code section 207.8, subsection 1".

40.13(3) Delete from 30 CFR 764.19(c) the words "section 526(e) of the Act" and insert the words "Iowa Code section 207.8, subsection 4, and Iowa Code section 17A.19".

PART 3
COAL MINING—PERMITS FOR OPERATIONS AND EXPLORATION

27—40.14(207) Requirements for coal exploration. The following is incorporated by reference: 30 CFR Part 772, as in effect on July 1, 2010, with the following exceptions:

40.14(1) Delete from 30 CFR 772.11 and 772.11(a) the words "250 tons" and insert the words "50 tons".

40.14(2) Delete 30 CFR 772.11(b)(3) and insert the following:

(3) A precise description and map at a scale of 1:24,000 or larger of the exploration area showing the lease limits and identifying lessor(s);

40.14(3) Add a new paragraph (6) to 30 CFR 772.11(b) to read as follows:

(6) If the surface is owned by a person other than the person who intends to explore, a description of the basis upon which the person who will explore claims the right to enter such area for the purpose of conducting exploration and reclamation.

40.14(4) Delete from 30 CFR 772.12, 772.12(a), and 772.12(b)(7) the words "250 tons" and insert the words "50 tons".

27—40.15(207) Requirements for permits and permit processing. The following is incorporated by reference: 30 CFR Part 773, as in effect on July 1, 2010, with the following exceptions:

40.15(1) Delete the second sentence of 30 CFR 773.4(a).

40.15(2) Add at the end of the last sentence of 30 CFR 773.6(a)(1)(ii) the words "and the scale of the map", and the following paragraph:

"The legal description shall include popular township, county, township, range, section, and the United States Geological Survey map identification by property owners. Section lines shall be marked and the sections shall be identified on the map. The total acreage of the proposed permit area shall be given to the nearest acre."

40.15(3) Delete from 30 CFR 773.7(a) the words "a reasonable time set by the regulatory authority" and insert the words "90 days following the completion of the adequacy review".

40.15(4) Delete 30 CFR 773.3, 773.4(c) and (d).

40.15(5) Delete from 30 CFR 773.4(b)(2) the words "section 502 of the Act" and insert the words "Iowa Code section 207.4".

40.15(6) Delete from 30 CFR 773.6(a)(3)(ii) the words "section 503(a)(6) or 504(h) of the Act" and insert the words "Iowa Code section 207.5".

40.15(7) Delete the first sentence from 30 CFR 773.6(c)(2)(iv).

40.15(8) Delete from 30 CFR 773.6(d)(3)(ii) the words "section 508 of the Act" and insert the words "Iowa Code section 22.7, subsection 6".

40.15(9) The general word substitution for "Act" at rule 27—40.1(17A,207) does not apply to 30 CFR 773.11(a).

40.15(10) The general word substitution for "secretary" at rule 27—40.1(17A,207) does not apply to 30 CFR 773.17(d).

40.15(11) The general word substitution for "OSM" at rule 27—40.1(17A,207) does not apply to 30 CFR 773.19(b)(3).

40.15(12) Add the following paragraph (h) to 30 CFR 773.17:

(h) The permittee shall ensure and the permit shall contain specific conditions requiring that, as a condition of the permit, the permittee shall not, except as permitted by law, willfully resist, prevent, impede, or interfere with the division or any of its agents in the performance of their duties.

40.15(13) Delete from 30 CFR 773.6(b)(1) the words "a reasonable time established by the regulatory authority" and insert the words "60 days of the notification".

40.15(14) Delete 30 CFR 773.23(d) and insert in lieu thereof the following:

(d) Right to appeal. The permittee may file an appeal for administrative review of the notice of proposed suspension or rescission under Part 9 of these rules.

27—40.16(207) Revision or amendment; renewal; and transfer, assignment, or sale of permit rights. The following is incorporated by reference: 30 CFR Part 774, as in effect on July 1, 2010, with the following exceptions:

40.16(1) 30 CFR 774.10(b) and (c) are deleted.

40.16(2) 30 CFR 774.13 is deleted, with the exception that the notice, public participation, and notice of decision requirements of 30 CFR 773.6, 773.19(b), and 778.21 shall apply to all revisions.

These rules utilize the term "revision" to describe a change to a permit that constitutes a significant departure from the approved permit and the term "amendment" to describe a change that does not constitute a significant departure. A significant departure shall be any change in permit area, mining method or reclamation procedure that would, in the opinion of the division, significantly change the effect that mining operations would have on persons impacted by the permitted operation, on cultural resources, or on the environment.

40.16(3) Permit revisions and amendments.

a. During the term of a permit, the permittee may submit an application to the division for revision or amendment of the permit.

(1) A revision or amendment is required for any changes in the approved permit. All information related to approved revisions or amendments shall be updated in all public copies of the permit.

(2) When a permit is reviewed at any time, including midterm review, the division may, by order, require revision or amendment of the approved permit to ensure compliance with the Act and these rules. Any order of the division requiring revision or amendment of permits shall be based upon written findings, and the order shall be subject to the provisions for administrative review pursuant to Iowa Code chapter 17A.

(3) A revision or amendment shall be obtained in order to continue operation after the cancellation or material reduction of the liability insurance policy, capability of self-insurance, performance bond, or other equivalent guarantee upon which the approved permit was issued.

(4) A revision or amendment shall also be obtained as otherwise required under the Act or these rules.

b. An application for a permit revision will be approved or disapproved within 90 days following a determination of completeness for the revision application by the division. An application for an amendment will be approved or disapproved within 60 days of submittal of the application to the division.

c. Any application for an amendment or a revision under these rules shall, at a minimum, provide replacement documentation fully describing changes to be made in the same detail as required in the original permit.

d. Criteria for approval. No application for a permit revision or amendment shall be approved unless the application demonstrates and the division finds that the reclamation as required by the Act and the regulatory program can be accomplished, that the application complies with all requirements of the Act and the regulatory program, and any applicable requirements of written findings for the permit have also been met.

e. Extensions to permit area.

(1) Any increase in permit area, except for incidental boundary revisions, shall not be approved under this subrule, but shall be treated as a new permit application.

(2) Incidental boundary revisions are considered significant departures and as such shall be treated as revisions. A total of 20 acres of incidental boundary changes will be allowed over the life of a permit with individual increments being subject to approval by the division. Application for an incidental

boundary revision shall include demonstration by the applicant that the area for which mining operations are proposed is contiguous to the approved permit.

40.16(4) Delete 30 CFR 774.9 and 774.15(c)(3).

40.16(5) Add at the end of 30 CFR 774.15(a) the sentence "Renewal is not required if the division determines that the phase II bond was released over the entire permit area before the expiration of the permit term."

40.16(6) Delete from 30 CFR 774.15(b)(2)(i) the word "and" in the third line, and add at the end the words "and current status of the mine plan, other details and the time table—if different from the one previously approved—of the remaining phases of the operation and reclamation plans."

40.16(7) The general word substitution for "OSM" at rule 27—40.1(17A,207) does not apply to 30 CFR 774.17(e)(1).

27—40.17(207) General content requirements for permit applications. The following is incorporated by reference: 30 CFR Part 777, as in effect on July 1, 2010, with the following exceptions:

40.17(1) Delete 30 CFR 777.11(a)(3) and insert the following:

(3) Be filed in three copies with the format addressed by subrule and subject title.

40.17(2) Delete from 30 CFR 777.14(a) the scale of "1:6000" and insert the scale of "1:2400". Also delete the words "be in a scale determined by the regulatory authority, but in no event" and insert in lieu thereof "shall have a scale no".

40.17(3) Delete 30 CFR 777.17 and insert in lieu thereof the following:

777.17 Permit fees.

An application for a surface coal mining and reclamation permit shall be submitted to the division and accompanied by the appropriate fee. All checks shall be made payable to the Treasurer of the State of Iowa.

(1) New permits require a fee of $15 per acre to be permitted with a minimum fee of $100.

(2) Permit revisions within present permit boundaries require a fee of $2 per acre for the total permit area with a minimum of $40. Permit revisions which include additional area require the revision fee plus $5 per acre for the additional area, with a minimum of $40.

(3) Permit renewals require a fee of $100.

(4) Transfer, assignment, or sale by the permit holder requires a fee of $50.

40.17(4) Delete 30 CFR 777.10.

27—40.18(207) Permit application—minimum requirements for legal, financial, compliance, and related information. The following is incorporated by reference: 30 CFR Part 778, as in effect on July 1, 2010, with the following exceptions:

40.18(1) Amend 30 CFR Part 778 by adding the following section:

778.23 Identification of other licenses and permits. Each application shall contain a list of all other licenses and permits needed by the applicant to conduct the proposed surface mining activities. This list shall identify each license and permit by:

1. Type of permit or license;
2. Name and address of issuing authority;
3. Identification numbers of applications for those permits or licenses or, if issued, the identification numbers of the permits or licenses;
4. If a decision has been made, the date of approval or disapproval by each issuing authority; and
5. Date of expiration of permits.

40.18(2) Delete 30 CFR 778.8.

27—40.19(207) Surface mining permit applications—minimum requirements for information on environmental resources. The following is incorporated by reference: 30 CFR Part 779, as in effect on July 1, 2010, except as modified by subrule 40.1(3) and with the following exceptions:

40.19(1) Delete from 30 CFR 779.19(a) the words "if required by the regulatory authority, contain a map" and insert the words "contain a map at a scale of 1:2400 or larger".

40.19(2) Delete from 30 CFR 779.19(b) the words "When a map or aerial photograph is required, sufficient adjacent areas shall be included" and insert the words "A map at a scale of 1:2400 or larger or an aerial photo shall include sufficient adjacent areas".

40.19(3) Amend the first sentence of 30 CFR 779.25(a) to read: "The permit application shall include cross sections at a vertical exaggeration of 1:10, maps at a scale of 1:2400 or larger and plans showing—".

40.19(4) Add to 30 CFR 779.25(a)(1) the words "and a survey coordinate net".

40.19(5) Amend 30 CFR 779.25, cross sections, maps and plans, by adding the following paragraphs:

(c) Drill logs must contain the following:

(1) Must have survey coordinates (northing and easting) relating them to the map grid in the permit application.

(2) Must show surface elevation.

(3) Must be detailed enough to show all changes in material encountered in both consolidated and unconsolidated overburden.

40.19(6) Delete 30 CFR 779.1 and 779.10.

40.19(7) Delete from 30 CFR 779.18(a) the words "When requested by the regulatory authority".

40.19(8) Add a new paragraph (c) to 30 CFR 779.18 as follows:

(c) Location of the rain gauges nearest to the permit area, preferably in the same watershed as the permit itself, shall be marked on a map, and these shall be described in the text as well, along with the period of available record at these gauges.

40.19(9) Add a new paragraph (d) to 30 CFR 779.18 as follows:

(d) A brief description shall be provided about the impact of the climatological factors on operation and reclamation plans, specifically what part of the year would be more conducive than others to various mining and reclamation operations.

40.19(10) Delete from 30 CFR 779.24(g) the words "defined by the regulatory authority" and add at the end the words "Hydrologic area is the area that consists of the permit area and the adjacent area."

40.19(11) Insert the words "and its identification" between the words "road" and "located" in 30 CFR 779.24(h).

40.19(12) Insert at the beginning of 30 CFR 779.24(l) the words "Section lines and section identification, and any".

27—40.20(207) Surface mining permit applications—minimum requirements for reclamation and operation plan. The following is incorporated by reference: 30 CFR Part 780, as in effect on July 1, 2010, except as modified by subrules 40.1(3) and 40.1(5) and with the following exceptions and clarifications:

40.20(1) Delete 30 CFR 780.1 and 780.10.

40.20(2) The general word substitutions at rule 27—40.1(17A,207) do not apply at 30 CFR 780.21(a).

40.20(3) The determination of probable hydrologic consequence (PHC) made pursuant to these rules as part of a permit application shall address all proposed mining activities associated with the permit area for which authorization is sought as opposed to addressing only those activities expected to occur during the term of the permit.

40.20(4) Delete from 30 CFR 780.12 references to "Subchapter B" and "Subchapter K" and replace with "Part 1B" and "Part 6", respectively.

40.20(5) Insert at the end of 30 CFR 780.21(a) the sentence "The methodology for measurement of the quantity of both surface water and groundwater shall also be described."

40.20(6) Delete from 30 CFR 780.21(d) the words "may be required by the regulatory authority" and insert the words "is required".

40.20(7) Delete from 30 CFR 780.21(i) and (j) the word "approved" and insert the word "proposed".

27—40.21(207) Underground mining permit applications—minimum requirements for information on environmental resources. The following is incorporated by reference: 30 CFR Part 783, as in effect on July 1, 2010, except as modified by subrules 40.1(3) and 40.1(5) and with the following exceptions:

40.21(1) Delete from 30 CFR 783.18(a) the words "When requested by the regulatory authority,".

40.21(2) Delete 30 CFR 783.21(a)(1) and insert the following:

(1) A map, at the scale of 1:2400 or larger, delineating different soils;

40.21(3) Amend the first sentence in 30 CFR 783.24 to read: "The permit application shall include maps at a scale of 1:2400 or larger showing:".

40.21(4) Amend the first sentence in 30 CFR 783.25(a) to read: "The application shall include cross sections at a vertical exaggeration of 1:10, maps at a scale of 1:2400, and plans showing—".

40.21(5) Delete 30 CFR 783.1 and 783.10.

27—40.22(207) Underground mining permit applications—minimum requirements for reclamation and operation plan. The following is incorporated by reference: 30 CFR Part 784, as in effect on July 1, 2010, except as modified by subrules 40.1(3) and 40.1(5) and with the following exceptions and clarifications:

40.22(1) Delete from 30 CFR 784.14(d) the words "information may be required" and insert the words "information is required".

40.22(2) Delete from 30 CFR 784.20(b)(4) the words "if any".

40.22(3) Delete from 30 CFR 784.20(b)(6) the words "if any".

40.22(4) Amend the first sentence of 30 CFR 784.23 to read: "Each application shall contain maps at a scale of 1:2400 or larger and plans as follows:".

40.22(5) Delete 30 CFR 784.1 and 784.10.

40.22(6) The general word substitutions at rule 27—40.1(17A,207) do not apply to 30 CFR Part 784.14(a).

40.22(7) Delete from 30 CFR 784.13(a) the words "sections 515 and 516 of the Act" and insert the words "Iowa Code sections 207.7 and 207.19".

40.22(8) The determination of probable hydrologic consequence (PHC) made pursuant to these rules as part of a permit application shall address all proposed mining activities associated with the permit area for which authorization is sought as opposed to addressing only those activities expected to occur during the term of the permit.

27—40.23(207) Requirements for permits for special categories of mining. The following is incorporated by reference: 30 CFR Part 785, as in effect on July 1, 2010, with the following exceptions:

40.23(1) Delete 30 CFR 785.10, 785.11, 785.12, 785.14, 785.15, 785.16, 785.17(d)(1), (2), and (3), 785.19, and 785.22.

40.23(2) The general word substitutions for "director" and "department" at rule 27—40.1(17A,207) do not apply at 30 CFR 785.13.

40.23(3) None of the general word substitutions at rule 27—40.1(17A,207) apply at 30 CFR 785.17(c)(1)(i) and (d).

40.23(4) Delete paragraphs (d) and (e) from 30 CFR 785.21 and insert in lieu thereof a new paragraph (d) as follows:

(d) Coal preparation plants are required to obtain permanent program permits under the Iowa regulatory program after April 10, 1981, as approved by the U.S. Office of Surface Mining.

40.23(5) Delete from 30 CFR 785.18(c)(5) the words "section 515(b)(16) of the Act" and insert the words "Iowa Code section 207.7".

40.23(6) Delete from 30 CFR 785.18(c)(7) the words "section 515(b)(22) of the Act" and insert the words "Iowa Code section 207.7".

40.23(7) Delete from 30 CFR 785.18(c)(9) the words "section 515(b) of the Act" and insert the words "Iowa Code section 207.7".

40.23(8) Add the following clarifying sentence to 30 CFR 785.21(a): "An off-site processing plant operated in connection with the mine but off the mine site will be regulated without regard to its proximity to the mine."

PART 4
COAL MINING—SMALL OPERATOR ASSISTANCE

27—40.24(207) Permanent regulatory program—small operator assistance program. The following is adopted by reference: 30 CFR Part 795, as in effect on July 1, 2010, with the following exceptions:

40.24(1) Delete 30 CFR 795.4, 795.5 and 795.6(b).

40.24(2) Delete from 30 CFR 795.1 the words "section 507(c) of the Act" and insert the words "Iowa Code section 207.4, subsection 1, paragraph *"d"*."

40.24(3) Eligibility thresholds for annual production in tons at 30 CFR 795.6(a)(2) shall not apply until the same threshold at Iowa Code section 207.4(1)(d) has been amended from 100,000 tons to 300,000 tons.

40.24(4) Program services at 30 CFR 795.9(b)(3) through 795.9(b)(6) shall not apply until Iowa Code section 207.4(1)(d) has been amended to authorize these services.

PART 5
COAL MINING—BONDING AND INSURANCE

27—40.25(207) Bond and insurance requirements for surface coal mining and reclamation operations under regulatory programs. The following is incorporated by reference: 30 CFR Part 800, as in effect on July 1, 2010, with the following exceptions:

40.25(1) Add to 30 CFR 800.40(c) a paragraph (4) that shall read as follows:

(4) The maximum liability under performance bonds applicable to a permit which may be released at any time prior to the release of all acreage from the permit area shall be calculated by multiplying the ratio between the acreage on which a reclamation phase has been completed and the total acreage in the permit area, times the total liability under performance bonds applicable to a permit, times 0.6 if reclamation phase I has been completed, or 0.25 if reclamation phase II has been completed.

Acreage may be released from the permit area only after reclamation phase III has been completed. The maximum performance bond liability applicable to a permit which may be released at any time prior to the completion of reclamation phase III on the entire permit area shall be calculated by multiplying the ratio between the acreage on which reclamation phase III has been completed and the total acreage in the permit area, times the total liability under performance bonds applicable to a permit, times 0.15.

40.25(2) Delete from 30 CFR 800.60(a) the words "authorized to do business in the United States" and insert the words "authorized to do business in the State of Iowa".

40.25(3) Delete 30 CFR 800.10, 800.11(e), and 800.70.

40.25(4) Delete from 30 CFR 800.40(a)(1) the words "established in the regulatory program or".

40.25(5) Delete from 30 CFR 800.40(c)(2) the words "sections 515 and 515(b)(10) of the Act" and insert the words "Iowa Code section 207.7". Delete also from 30 CFR 800.40(c)(2) the words "performed pursuant to section 507(b)(16) of the Act" and insert the words "information included in the permit application and obtained from the official soil survey for the county in which the permit is located,".

40.25(6) Delete from 30 CFR 800.40(h) the words "section 513(b) of the Act" and insert the words "Iowa Code section 207.5".

40.25(7) An application for bond release shall not be considered filed until a written determination of completeness for the bond release application has been provided to the applicant by the division. The division will make a determination of completeness for the bond release application within 30 days following receipt of such application.

PART 6
COAL MINING—PERMANENT PROGRAM PERFORMANCE STANDARDS

27—40.26(207) Permanent program performance standards—general provisions. The following is incorporated by reference: 30 CFR Part 810, as in effect on July 1, 2010, with the following exceptions:

40.26(1) Delete 30 CFR 810.3 and 810.4(a).

40.26(2) Delete 30 CFR 810.4(b) and substitute in lieu thereof the following:

(b) The division shall ensure that performance standards and design requirements are implemented and enforced under the Iowa program.

40.26(3) Delete 30 CFR 810.4(c) and substitute in lieu thereof the following:

(c) Each person conducting coal exploration or surface coal mining and reclamation operations is responsible for complying with the performance standards and design requirements of the approved Iowa program.

40.26(4) Delete the phrase "Parts 818 through 828" at 30 CFR 810.11 and substitute in lieu thereof "Parts 819, 823, and 827".

27—40.27(207) Permanent program performance standards—coal exploration. The following is incorporated by reference: 30 CFR Part 815, as in effect on July 1, 2010.

27—40.28(207) Permanent program performance standards—surface mining activities. The following is incorporated by reference: 30 CFR Part 816, as in effect on July 1, 2010, except as modified by subrules 40.1(3), 40.1(4), and 40.1(5) and with the following exceptions:

40.28(1) Delete 30 CFR 816.61(c)(1) and insert the following:

(c) Blasters. (1) All blasting operations shall be conducted under the direction of a blaster certified by the division.

40.28(2) Delete 30 CFR 816.101. For "Backfilling and grading: Time and distance requirements," the following shall apply:

a. Except as provided in paragraph 40.28(2)*"b,"* rough backfilling and grading for surface mining activities shall be completed within 180 days following coal removal, and not more than four spoil ridges behind the pit being worked, the spoil from the active pit constituting the first ridge.

b. The division may extend the time allowed for rough backfilling and grading for the entire permit area or for a specified portion of the permit area if the permittee demonstrates in accordance with 27—40.20(207) / 30 CFR 780.18(b)"3" that additional time is necessary.

40.28(3) Add to 30 CFR 816.131(b) the sentence "The notice shall state a specific date when operations will resume."

40.28(4) Add to 30 CFR 816.131 a paragraph (c) that shall read as follows:

(c) The period of temporary cessation shall be a period of two years after which cessation will become permanent cessation and subject to the conditions of 30 CFR 816.132. The applicant may request one 12-month extension of the two-year time period. Approval of the extension request shall be at the discretion of the division administrator.

40.28(5) Delete 30 CFR 816.10.

40.28(6) The following is incorporated by reference: "Revegetation Success Standards and Statistically Valid Sampling Techniques," dated April 1999, as approved on December 27, 2001, and as amended December 27, 2004.

40.28(7) Add at the end of 30 CFR 816.49(a)(11)(i) the sentence "Yearly inspection of the impoundments shall be done in the second quarter of each calendar year, and the inspection report shall be submitted to the division with the second quarter water monitoring report."

40.28(8) Delete 30 CFR 816.89 and insert in lieu thereof the following:

816.89 Disposal of noncoal mine wastes.

(a) Noncoal mine wastes including, but not limited to, grease, garbage, abandoned mining machinery, lumber and other combustible materials generated during mining activities shall be placed and stored in a controlled manner in a landfill permitted by the Iowa department of natural resources (DNR) pursuant to 561 IAC 101, 102, and 103. Lubricants, paints, and flammable liquids may not be buried in the State of Iowa but, along with other toxic wastes, must be disposed of in the legally prescribed manner. Iowa law prohibits final disposal of noncoal wastes within the permit area.

Pending final disposal at a permitted DNR facility, noncoal mine waste shall be placed and stored in a controlled manner in a designated portion of the permit area so as to ensure that leachate and surface runoff do not degrade surface or groundwater, that fires are prevented and that the area remains stable and suitable for reclamation and revegetation compatible with the natural surroundings.

Noncoal mine waste shall at no time be deposited in a refuse pile or impounding structure.

No excavation for or storage of noncoal mine waste shall be located within eight feet of any coal outcrop or coal storage area.

(b) Final disposal of noncoal mine wastes shall be in a designated, State-approved solid waste disposal site permitted by the Iowa department of natural resources pursuant to 561 IAC 101, 102, and 103.

(c) Notwithstanding any other provision in this chapter, any noncoal mine waste defined as "hazardous" under section 3001 of the Resource Conservation and Recovery Act (RCRA) (Public Law 94-580 as amended) and 40 CFR Part 261 shall be handled in accordance with the requirements of Subtitle C of RCRA and any implementing regulations.

27—40.29(207) Permanent program performance standards—underground mining activities. The following is incorporated by reference: 30 CFR Part 817, as in effect on July 1, 2010, except as modified by subrules 40.1(3), 40.1(4), and 40.1(5) and with the following exceptions:

40.29(1) Delete 30 CFR 817.10 and 817.107.

40.29(2) Delete 30 CFR 817.61(c)(1) and insert the following:

(c) Blasters (1) All blasting operations shall be conducted under the direction of a blaster certified by the division.

40.29(3) The following is incorporated by reference: "Revegetation Success Standards and Statistically Valid Sampling Techniques," dated April 1999, as approved on December 27, 2001, and as amended December 27, 2004.

40.29(4) Add to 30 CFR 817.131 a paragraph (c) that shall read as follows:

(c) The period of temporary cessation shall be a period of two years after which cessation will become permanent cessation and subject to the conditions of 30 CFR 817.132. The applicant may request one 12-month extension of the two-year time period. Approval of the extension request shall be at the discretion of the division administrator.

27—40.30(207) Special permanent program performance standards—auger mining. The following is incorporated by reference: 30 CFR Part 819, as in effect on July 1, 2010.

27—40.31(207) Special permanent program performance standards—operations on prime farmland. The following is incorporated by reference: 30 CFR Part 823, as in effect on July 1, 2010, except for 30 CFR 823.11(a), which is deleted.

27—40.32(207) Permanent program performance standards—coal preparation plants not located within the permit area of a mine. The following is incorporated by reference: 30 CFR Part 827, as in effect on July 1, 2010, except for the following:

40.32(1) Delete 30 CFR 827.1.

40.32(2) Delete 30 CFR 827.13(a) and insert the following:

(a) Persons operating or who have operated coal preparation plants after April 10, 1981, shall comply with the applicable interim or permanent program performance standards for the Iowa program.

40.32(3) Proximity shall not be the decisive factor in deciding to regulate an off-site processing plant.

PART 7
COAL MINING—INSPECTION AND ENFORCEMENT

27—40.33(207) State regulatory authority—inspection and enforcement. The following is incorporated by reference: 30 CFR Part 840, as in effect on July 1, 2010, with the following exceptions:

40.33(1) Delete 30 CFR 840.1, 840.10, and 840.13.

40.33(2) The general word substitution for "director" does not apply in 30 CFR 840.14.

40.33(3) Delete from 30 CFR 840.11(d)(2) the words "section 521(a)(2) of the Act" and insert the words "Iowa Code section 207.14".

40.33(4) Delete from 30 CFR 840.11(g)(3)(ii) the words "section 518(e), 518(f), 521(a)(4) or 521(c) of the Act" and insert the words "Iowa Code subsections 207.15(6), 207.15(7), 207.14(3) and 207.14(8)", respectively.

40.33(5) Delete from 30 CFR 840.15 the words "43 CFR Part 4" and insert the words "Iowa Code section 207.14".

27—40.34(207) Inspections and monitoring.

40.34(1) *Requests for inspections.*

a. A person may request an inspection under Iowa Code section 207.13 by furnishing to an authorized representative of the administrator a signed, written statement (or an oral report followed by a signed, written statement) giving the authorized representative reason to believe that a violation exists. The statement shall set forth a phone number and address where the person can be contacted.

b. The identity of any person supplying information to the division relating to a possible violation or imminent danger or harm shall remain confidential with the division, if requested by that person, unless that person elects to accompany the inspector on the inspection, or unless disclosure is required under Iowa Code section 22.7(18).

c. If an inspection is conducted as a result of information provided to the division by a person as described in paragraph 40.34(1)*"a,"* the person shall be notified as far in advance as practicable when the inspection is to occur and shall be allowed to accompany the authorized representative of the administrator during the inspection. Such person has a right of entry to, upon and through the coal exploration or surface coal mining and reclamation operation about which the person supplied information but only if in the presence of and under the control, direction and supervision of the authorized representative while on the mine property. Such right of entry does not include a right to enter buildings without consent of the person in control of the building or without a search warrant.

d. Within 10 days of the inspection or, if there is no inspection, within 15 days of receipt of the person's written statement, the division shall send the person the following:

(1) If an inspection was made, a description of the enforcement action taken, which may consist of copies of the inspection report and all notices of violation and cessation orders issued as a result of the inspection, or an explanation of why no enforcement action was taken;

(2) If no inspection was conducted, an explanation of the reason why; and

(3) An explanation of the person's right, if any, to informal review of the action or inaction of the division under subrule 40.34(3).

e. The division shall give copies of all materials in subparagraphs 40.34(1)*"d"*(1) and *"d"*(2) within the time limits specified in those paragraphs to the person alleged to be in violation, except that the name of the person supplying information shall be removed unless disclosure of the person's identity is permitted under paragraph 40.34(1)*"b."*

40.34(2) *Review of adequacy and completeness of inspections.* Any person who is or may be adversely affected by a surface coal mining and reclamation operation or a coal exploration operation may notify the administrator or designee in writing of any alleged failure on the part of the division to make adequate and complete or periodic State inspections. The notification shall include sufficient information to create a reasonable belief that these rules are not being complied with and to demonstrate that the person is or may be adversely affected. The administrator or designee shall within 15 days of receipt of the notification determine whether adequate and complete or periodic inspections have been made. The administrator or designee shall furnish the complainant with a written statement of the reasons for such determination and the actions, if any, taken to remedy the noncompliance.

40.34(3) *Review of decision not to inspect or enforce.*

a. Any person who is or may be adversely affected by a coal exploration or surface coal mining and reclamation operation may ask the administrator or designee to review informally an authorized representative's decision not to inspect or take appropriate enforcement action with respect to any violation alleged by that person in a request for inspection under subrule 40.34(1). The request for review shall be in writing and include a statement of how the person is or may be adversely affected and why the decision merits review.

b. The administrator or designee shall conduct the review and inform the person, in writing, of the results of the review within 30 days of receipt of the request. The person alleged to be in violation shall also be given a copy of the results of the review, except that the name of the person who is or may be adversely affected shall not be disclosed unless confidentiality has been waived or disclosure is required under Iowa Code section 22.7(18).

c. Informal review shall not affect any right to formal review under Iowa Code section 207.14 or to a citizen's suit under Iowa Code section 207.17.

d. Any determination made under paragraph 40.34(3)*"b"* shall constitute a decision of the division within the meaning of Iowa Code section 207.14 and shall contain a right of appeal to the division in accordance with Iowa Code section 207.14.

27—40.35(207) Enforcement.

40.35(1) *Definitions.* As used in this Part 7, the following terms have the specified meanings:

"Unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of the permit or any requirement of Iowa Code chapter 207 due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit of Iowa Code chapter 207 due to indifference, lack of diligence, or lack of reasonable care.

"Willful violation" means an act or omission that violates Iowa Code chapter 207, these rules or any permit condition required by Iowa Code chapter 207 or these rules, committed by a person who intends the result that actually occurs.

40.35(2) *Cessation orders.*

a. Cessation orders following state inspections:

(1) An authorized representative of the administrator shall immediately order a cessation of surface coal mining and reclamation operations or of the relevant portion thereof, if the representative finds, on the basis of any state inspection, any condition or practice, or any violation of Iowa Code chapter 207, these rules or any condition of an exploration approval or permit imposed under any such program, Iowa Code chapter 207 or these rules that:

1. Creates an imminent danger to the health or safety of the public; or

2. Is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.

(2) Surface coal mining and reclamation operations conducted by any person without a valid surface coal mining permit constitute a condition or practice which causes or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources, unless such operations:

1. Are an integral, uninterrupted extension of previously permitted operations, and the person conducting such operations has filed a timely and complete application for a permit to conduct such operations; or

2. Were conducted lawfully without a permit under the interim regulatory program because no permit has been required for such operations by the division.

(3) If the cessation ordered under subparagraph 40.35(2)*"a"*(1) will not completely abate the imminent danger or harm in the most expeditious manner physically possible, the authorized representative of the administrator shall impose affirmative obligations on the permittee to abate

the imminent danger or significant environmental harm. The order shall specify the time by which abatement shall be accomplished.

b. Cessation orders following expiration of abatement period:

(1) When a notice of violation has been issued under 40.35(3)*"a"* and the permittee fails to abate the violation within the abatement period fixed or subsequently extended by the authorized representative, the authorized representative of the administrator shall immediately order a cessation of coal exploration or surface coal mining and reclamation operations, or of the portion relevant to the violation.

(2) A cessation order issued under this paragraph shall require the permittee to take all steps the authorized representative of the administrator deems necessary to abate the violations covered by the order in the most expeditious manner physically possible.

c. A cessation order issued under paragraph 40.35(2)*"a"* or *"b"* shall be in writing, signed by the authorized representative who issues it, and shall set forth with reasonable specificity:

(1) The nature of the condition, practice or violation;

(2) The remedial action or affirmative obligation required, if any, including interim steps, if appropriate;

(3) The time established for abatement if appropriate; and

(4) A reasonable description of the portion of the coal exploration or surface coal mining and reclamation operation to which it applies.

The order shall remain in effect until the condition, practice or violation resulting in the issuance of the cessation order has been abated or until vacated, modified or terminated in writing by an authorized representative of the administrator, or until the order expires pursuant to Iowa Code section 207.14(6) and subrule 40.35(6).

d. Reclamation operations and other activities intended to protect public health and safety and the environment shall continue during the period of any order unless otherwise provided in the order.

e. An authorized representative of the administrator may modify, terminate or vacate a cessation order for good cause and may extend the time for abatement if the failure to abate within the time previously set was not caused by lack of diligence on the part of the permittee.

f. An authorized representative of the administrator shall terminate a cessation order by written notice to the permittee when the representative determines that all conditions, practices or violations listed in the order have been abated. Termination shall not affect the right of the division to assess civil penalties for those violations under rule 27—40.74(207).

g. Within 60 days after the issuance of a cessation order, the division shall notify in writing any person who has been identified under rule 27—40.16(207), 30 CFR 774.12, and rule 27—40.18(207), 30 CFR 778.11(c) and (d), as owning or controlling the permittee, that the cessation order was issued and that the person has been identified as an owner or controller.

40.35(3) *Notices of violation.*

a. An authorized representative of the administrator shall issue a notice of violation if, on the basis of a state inspection carried out during the enforcement of a state program, the representative finds a violation of Iowa Code chapter 207, these rules, or any condition of a permit or an exploration approval imposed under such program, Iowa Code chapter 207, or these rules, which does not create an imminent danger or harm for which a cessation order must be issued under subrule 40.35(2).

b. A notice of violation shall be in writing signed by the authorized representative who issues it, and shall set forth with reasonable specificity:

(1) The nature of the violation;

(2) The remedial action required, which may include interim steps;

(3) A reasonable time for abatement, which may include time for accomplishment of interim steps; and

(4) A reasonable description of the portion of the coal exploration or surface coal mining and reclamation operation to which it applies.

c. An authorized representative of the administrator may extend the time set for abatement or for accomplishment of an interim step, if the failure to meet the time previously set was not caused by lack of diligence on the part of the permittee. The total time for abatement under a notice of violation, including all extensions, shall not exceed 90 days from the date of issuance, except upon a showing by the permittee that it is not feasible to abate the violation within 90 calendar days due to one or more of the circumstances in paragraph 40.35(3)*"f."* An extended abatement date pursuant to this subrule shall not be granted when the permittee's failure to abate within 90 days has been caused by lack of diligence or intentional delay by the permittee in completing the remedial action required.

d. If the permittee fails to meet the time set for abatement the authorized representative shall issue a cessation order under paragraph 40.35(2)*"b."*

If the permittee fails to meet the time set for accomplishment of any interim step, the authorized representative may issue a cessation order under paragraph 40.35(2)*"b."*

e. An authorized representative of the administrator shall terminate a notice of violation by written notice to the permittee when it is determined that all violations listed in the notice of violation have been abated. Termination shall not affect the right of the division to assess civil penalties for those violations under rule 27—40.36(207).

f. Circumstances that may qualify a surface coal mining operation for an abatement period of more than 90 days are:

(1) Where the permittee of an ongoing permitted operation has timely applied for and diligently pursued a permit renewal or other necessary approval of designs or plans but such permit or approval has not been or will not be issued within 90 days after a valid permit expires or is required, for reasons not within the control of the permittee;

(2) Where there is a valid judicial order precluding abatement within 90 days as to which the permittee has diligently pursued all rights of appeal and as to which the permittee has no other effective legal remedy;

(3) Where the permittee cannot abate within 90 days due to a labor strike;

(4) Where climatic conditions preclude abatement within 90 days, or where, due to climatic conditions, abatement within 90 days clearly would cause more environmental harm than it would prevent; or

(5) Where abatement within 90 days requires action that would violate safety standards established by statute or regulation under the Mine Safety and Health Act of 1977.

g. Whenever an abatement time in excess of 90 days is permitted, interim abatement measures shall be imposed to the extent necessary to minimize harm to the public or the environment.

h. If any of the conditions in paragraph 40.35(3)*"f"* exist, the permittee may request the authorized representative to grant an abatement period exceeding 90 days. The authorized representative shall not grant such an abatement period without the concurrence of the administrator or designee and the abatement period granted shall not exceed the shortest possible time necessary to abate the violation. The permittee shall have the burden of establishing by clear and convincing proof that the permittee is entitled to an extension under the provisions of paragraphs 40.35(3)*"c"* and *"f."* In determining whether or not to grant an abatement period exceeding 90 days, the authorized representative may consider any relevant written or oral information from the permittee or any other source. The authorized representative shall promptly and fully document in the file the reasons for granting or denying the request. The authorized representative's immediate supervisor shall review this document before concurring in or disapproving the extended abatement date and shall promptly and fully document the reasons for concurrence or disapproval in the file.

i. Any determination made under paragraph 40.35(3)*"h"* shall contain a right of appeal to the division in accordance with Iowa Code section 207.14.

j. No extension granted under paragraph 40.35(3)*"h"* may exceed 90 days in length. Where the condition or circumstance that prevented abatement within 90 days exists at the expiration of any such extension, the permittee may request a further extension in accordance with the procedures of paragraph 40.35(3)*"h."*

40.35(4) *Suspension or revocation of permits.*

a. Order for show cause:

(1) The administrator shall issue an order to a permittee requiring the permittee to show cause why the permit and right to mine under Iowa Code chapter 207 should not be suspended or revoked, if the administrator determines that a pattern of violations of any requirements of Iowa Code chapter 207, these rules, or any permit condition required by Iowa Code chapter 207 exists or has existed, and that the violations were caused by the permittee willfully or through unwarranted failure to comply with those requirements or conditions. Violations by any person conducting surface coal mining operations on behalf of the permittee shall be attributed to the permittee, unless the permittee establishes that they were acts of deliberate sabotage.

(2) The administrator may determine that a pattern of violations exists or has existed, based upon two or more State inspections of the permit area within any 12-month period, after considering the circumstances, including:

1. The number of violations, cited on more than one occasion, of the same or related requirements of Iowa Code chapter 207, these rules, or the permit;

2. The number of violations, cited on more than one occasion, of different requirements of Iowa Code chapter 207, these rules, or the permit; and

3. The extent to which the violations were isolated departures from lawful conduct.

(3) The administrator shall promptly review the history of violations of any permittee who has been cited for violations of the same or related requirements of Iowa Code chapter 207, these rules, or the permit during three or more State inspections of the permit area within any 12-month period. If, after such review, the administrator determines that a pattern of violations exists or has existed, the administrator shall issue an order to show cause as provided in subparagraph 40.35(4)*"a"*(1).

b. If the permittee files an answer to the show cause order and requests a hearing under Iowa Code section 207.14, a public hearing shall be provided. The division shall give 30 days' written notice of the date, time and place of the hearing to the permittee, and any intervenor. Upon receipt of the notice, the administrator shall publish it, if practicable, in a newspaper of general circulation in the area of the surface coal mining and reclamation operations and shall post it in the division.

c. Within 60 days after the hearing, and within the time limits set forth in Iowa Code section 207.14, the division shall issue a written determination as to whether a pattern of violations exists and, if appropriate, an order. If the division revokes or suspends the permit and the permittee's right to mine under Iowa Code chapter 207, the permittee shall immediately cease surface coal mining operations on the permit area and shall:

(1) If the permit and the right to mine under Iowa Code chapter 207 are revoked, complete reclamation within the time specified in the order; or

(2) If the permit and the right to mine under Iowa Code chapter 207 are suspended, complete all affirmative obligations to abate all conditions, practices, or violations as specified in the order.

d. Whenever a permittee fails to abate a violation contained in a notice of violation or cessation order within the abatement period set in the notice or order or as subsequently extended, the administrator shall review the permittee's history of violations to determine whether a pattern of violations exists pursuant to this subrule, and shall issue an order to show cause as appropriate pursuant to subparagraph 40.35(4)*"a"*(1).

40.35(5) *Service of notices of violation, cessation orders, and show cause orders.*

a. A notice of violation, cessation order, or show cause order shall be served on the person to whom it is directed or the person's designated agent promptly after issuance as follows:

(1) By tendering a copy at the coal exploration or surface coal mining and reclamation operation to the designated agent or to the individual who, based upon reasonable inquiry, appears to be in charge. If no such individual can be located at the site, a copy may be tendered to any individual at the site who appears to be an employee or agent of the person to whom the notice or order is issued. Service shall be complete upon tender of the notice or order and shall not be deemed incomplete because of refusal to accept.

(2) As an alternative to subparagraph 40.35(5)*"a"*(1), service may be made by sending a copy of the notice or order by certified mail or by hand to the permittee or designated agent. Service shall be

complete upon tender of the notice or order or of the mail and shall not be deemed incomplete because of refusal to accept.

b. Designation by any person of an agent for service of notices and orders shall be made in writing to the division.

c. The division may furnish copies of notices and orders to any person having an interest in the coal exploration, surface coal mining and reclamation operation, or the permit area.

40.35(6) *Informal public hearing.*

a. Except as provided in paragraphs 40.35(6)*"b"* and *"c,"* a notice of violation or cessation order that requires cessation of mining, expressly or by necessary implication, shall expire within 30 days after it is served unless an informal public hearing has been held within that time. The purpose of the hearing is to provide the division with information needed to decide whether or not to extend the cessation of mining. The hearing shall be held at or reasonably close to the mine site so that it may be viewed during the hearing or at any other location acceptable to the division and the person to whom the notice or order was issued. The division office shall be deemed to be reasonably close to the mine site unless a closer location is requested and agreed to by the division. Expiration of a notice or order shall not affect the division's right to assess civil penalties with respect to the period during which the notice or order was in effect. No hearing will be required where the condition, practice, or violation in question has been abated or the hearing has been waived. For purposes of this subrule only, "mining" includes (1) extracting coal from the earth or from coal waste piles and transporting it within or from the permit area and (2) the processing, cleaning, concentrating, preparing or loading of coal where such operations occur at a place other than at a mine site.

b. A notice of violation or cessation order shall not expire as provided in paragraph 40.35(6)*"a"* if the informal public hearing has been waived, or if, with the consent of the person to whom the notice or order was issued, the informal public hearing is held later than 30 days after the notice or order was served. For purposes of this subrule:

(1) The informal public hearing will be deemed waived if the person to whom the notice or order was issued:

1. Is informed, by written notice served in the manner provided in subparagraph 40.35(6)*"b"*(2), that the person will be deemed to have waived an informal public hearing unless one is requested within 30 days after service of the notice; and

2. Fails to request an informal public hearing within that time.

(2) The written notice referred to in subparagraph 40.35(6)*"b"*(1) shall be delivered to such person by an authorized representative or sent by certified mail to such person no later than five days after the notice or order is served on such person.

(3) The person to whom the notice or order is issued shall be deemed to have consented to an extension of the time for holding the informal public hearing if a request is received on or after the twenty-first day after service of the notice or order. The extension of time shall be equal to the number of days elapsed after the twenty-first day.

c. The division shall give as much advance notice as is practicable of the time, place, and subject matter of the informal public hearing to:

(1) The person to whom the notice or order was issued; and

(2) Any person who filed a report that led to that notice or order.

d. The division shall also post notice of the hearing in the division and, where practicable, publish it in a newspaper of general circulation in the area of the mine.

e. Iowa Code chapter 17A regarding requirements for formal adjudicatory hearings shall not govern informal public hearings. An informal public hearing shall be conducted by a representative of the division, who may accept oral or written arguments and any other relevant information from any person attending.

f. Within five days after the close of the informal public hearing, the division shall affirm, modify, or vacate the notice or order in writing. The decision shall be sent to:

(1) The person to whom the notice or order was issued; and

(2) Any person who filed a report that led to the notice or order.

g. The granting or waiver of an informal public hearing shall not affect the right of any person to formal review under Iowa Code section 207.14 or 207.15.

h. The person conducting the hearing for the division shall determine whether or not the mine site should be viewed during the hearing. In making this determination the only consideration shall be whether a view of the mine site will assist the person conducting the hearing in reviewing the appropriateness of the enforcement action or of the required remedial action.

40.35(7) *Formal review of citations.*

a. A person issued a notice of violation or cessation order under subrule 40.35(2) or 40.35(3), or a person having an interest that is or may be adversely affected by the issuance, modification, vacation or termination of a notice or order, may request review of that action by filing an application for review and request for hearing under Iowa Code section 207.14 within 30 days after receiving notice of the action.

b. The filing of an application for review and request for a hearing under this subrule shall not operate as a stay of any notice or order, or of any modification, termination or vacation of either.

40.35(8) *Inability to comply.*

a. No cessation order or notice of violation issued under this Part 7 may be vacated because of inability to comply.

b. Inability to comply may not be considered in determining whether a pattern of violations exists.

c. Unless caused by lack of diligence, inability to comply may be considered only in mitigation of the amount of civil penalty under rule 27—40.36(207) and of the duration of the suspension of a permit under paragraph 40.35(4)*"c."*

40.35(9) *Compliance conference.*

a. A permittee may request an on-site compliance conference with an authorized representative to review the compliance status of any condition or practice proposed at any coal exploration or surface coal mining and reclamation operation. Any such conference shall not constitute an inspection within the meaning of Iowa Code section 207.13.

b. The division may accept or refuse any request to conduct a compliance conference under paragraph 40.35(9)*"a."* Where the division accepts such a request, reasonable notice of the scheduled date and time of the compliance conference shall be given to the permittee.

c. The authorized representative at any compliance conference shall review such proposed conditions and practices as the permittee may request in order to determine whether any such condition or practice may become a violation of any requirement of Iowa Code chapter 207 or any applicable permit or exploration approval.

d. Neither the holding of a compliance conference under this subrule nor any opinion given by the authorized representative at such a conference shall affect:

(1) Any rights or obligations of the division or of the permittee with respect to any inspection, notice of violation or cessation order, whether prior or subsequent to such conference; or

(2) The validity of any notice of violation or cessation order issued with respect to any condition or practice reviewed at the compliance conference.

27—40.36(207) Civil penalties. The following is incorporated by reference: 30 CFR Part 845, as in effect on July 1, 2010, with the following exceptions:

40.36(1) Delete from 30 CFR 845.13(b)(1) the words "One point shall be assigned for each past violation contained in a notice of violation" and insert the words "One point shall be assigned for each past notice of violation of a similar nature".

40.36(2) Delete 30 CFR 845.1.

40.36(3) Delete from 30 CFR 845.2 the words "section 518 of the Act" and insert the words "Iowa Code section 207.15".

Delete from 30 CFR 845.15(b) the words "section 521(a) of the Act" and insert the words "Iowa Code section 207.14".

Delete from 30 CFR 845.15(b)(1)(i) the words "section 525(c) of the Act" and insert the words "Iowa Code section 207.14, subsection 7".

Delete from 30 CFR 845.15(b)(1)(ii) the words "section 526 of the Act" and "section 526(c) of the Act" and insert the words "Iowa Code section 207.15".

Delete from 30 CFR 845.15(b)(2) the words "section 518(e), 518(f), 521(a)(4), or 521(c) of the Act" and insert the words "Iowa Code sections 207.15(6), 207.15(7), 207.14(3) or 207.14(8)", respectively.

Delete from 30 CFR 845.15(b)(1)(i) the words "Office of Hearings and Appeals" and insert the word "division".

40.36(4) Delete from 30 CFR 845.17(c) the phrase "Unless a conference has been requested," and add a new sentence to the end of the paragraph that reads "The reassessment shall be served as a Notice of Assessment."

40.36(5) "Procedures for assessment conference" are created by deleting 30 CFR 845.18 and establishing procedures for the same in this subrule.

a. The division will arrange for an assessment conference to review the Notice of Assessment, upon written request of the person to whom notice or order was issued, if the request is received within 30 days from the date the Notice of Assessment is mailed.

b. The division administrator or the administrator's designee shall hold the assessment conference.

(1) The assessment conference shall be considered an informal proceeding and shall not be governed by Iowa Code chapter 17A, regarding requirements for formal adjudicatory hearings. The assessment conference shall be held within 60 days of the date the conference request is received or the end of the abatement period, whichever is later. However, failure by the division to hold such a conference within 60 days from the date of the conference request shall not be grounds for dismissal of all or part of an assessment unless the person against whom the proposed penalty has been assessed proves actual prejudice as a result of the delay.

(2) The division shall post notice of the time and place of the conference at least five days prior to the conference. Any person shall have a right to attend and participate in the conference.

(3) The division administrator or the administrator's designee shall consider all relevant information on the violation. Within 30 days after the conference is held, the division shall either:

1. Settle the issues, in which case a settlement agreement shall be prepared and signed by the permittee and the division; or

2. Affirm, raise, lower, or vacate the penalty.

c. The division shall promptly serve the person assessed with a notice of the agency's action in the manner provided in 30 CFR 845.17(b), and shall provide a worksheet if the penalty has been raised or lowered. The reasons for the conference officer's actions shall be fully documented in the file.

d. Terms of settlement agreement.

(1) If a settlement agreement is entered into, the person assessed will be deemed to have waived all rights to further review of the violation or penalty in question except as otherwise expressly provided for in the settlement agreement. The settlement agreement shall contain a clause to this effect.

(2) If full payment of the amount specified in the settlement agreement is not received by the division within 30 days after the date of signing the settlement agreement, the division may enforce the agreement or rescind it and either affirm, raise, lower, or vacate the penalty within 30 days from the date of the recision.

e. The division may terminate the conference when the administrator or the administrator's designee determines that the issues cannot be resolved or that the person assessed is not diligently working toward resolution of the issues.

f. No evidence as to statements made or evidence produced by one party at a conference shall be introduced as evidence by another party or to impeach a witness at a subsequent contested case or judicial proceeding.

40.36(6) Procedures to prepare a Request for a Hearing are created by deleting 30 CFR 845.19 and establishing procedures for the same in this subrule.

a. The person charged with the violation may contest the proposed penalty or the fact of the violation by submitting a petition and an amount equal to the proposed penalty, or if a conference has been held, the reassessed or affirmed penalty to the division (to be held in escrow as provided for in paragraph 40.36(6)*"b"*) within 30 days of receipt of the proposed assessment or reassessment or 30 days from the date of service of the division's action, whichever is later. The fact of the violation may not be contested if it has been decided in a review proceeding commenced under subrule 40.35(7).

b. The division shall hold all funds submitted under paragraph 40.36(6)*"a"* in an interest-bearing escrow fund, pending completion of the administrative and judicial review process, at which time funds shall be disbursed as provided in subrule 40.36(7). Interest shall accrue at the prevailing earnings rate for the fiscal year for the pooled investment fund of the State of Iowa.

40.36(7) Procedures for determining Final Assessment are created by deleting 30 CFR 845.20 and establishing procedures for the same in this subrule.

a. If the person to whom a notice of violation or cessation order is issued fails to request a hearing as provided in paragraph 40.36(6)*"a,"* the Notice of Assessment shall become a final order of the division and the penalty assessed shall become due and payable upon expiration of the time allowed to request a hearing.

b. If any party requests judicial review of a final order of the division, the proposed penalty shall continue to be held in escrow until completion of the review.

c. If the final decision in the administrative and judicial review results in an order reducing or eliminating the proposed penalty assessed under this subrule, the division shall within 30 days of receipt of the order refund to the person assessed all or part of the escrowed amount, with interest from the date of payment into escrow to the date of the refund.

d. If the review results in an order increasing the penalty, the person or entity to whom the notice or order was issued shall pay the difference to the division within 15 days after the order is mailed to such person.

40.36(8) Use of civil penalties for reclamation. In accordance with Iowa Code section 207.10(6), the division may expend funds collected from civil penalties to perform reclamation work on sites where the bond has been forfeited and additional funds are needed to complete the reclamation of the site.

40.36(9) Delete 30 CFR 845.21.

27—40.37(207) Individual civil penalties. The following is adopted by reference: 30 CFR Part 846, as in effect on July 1, 2010, with the following exceptions:

40.37(1) Delete 30 CFR 846.1.

40.37(2) Delete 30 CFR 846.17(b)(1) and insert in lieu thereof:

(1) The individual files within 30 days of service of the notice of proposed individual civil penalty assessment a petition for review with the administrator; or

40.37(3) Delete 30 CFR 846.17(c) and insert in lieu thereof the following:

(c) Service. For purposes of this subrule, service is sufficient if it would satisfy Division III of the Iowa rules of civil procedure for service of an original notice and petition.

PART 8
COAL MINING—BLASTER CERTIFICATION

27—40.38(207) Permanent regulatory program requirements—standards for certification of blasters. The following is incorporated by reference: 30 CFR Part 850, as in effect on July 1, 2010, with the following exceptions:

40.38(1) Amend 30 CFR 850.15 by adding paragraph (f) as follows:

(f) Reciprocal certification.

(1) The division may issue an Iowa blaster certificate to a qualified applicant who holds a valid blaster's certification granted by the Office of Surface Mining Reclamation and Enforcement (OSMRE).

(2) The division may issue an Iowa blaster certificate through reciprocity to a qualified applicant that holds a valid State blaster's certification granted by a State regulatory authority under OSMRE approved blaster certification and regulatory program.

(3) A reciprocal blaster's certification issued in Iowa will expire on the same date as the expiration of the original State's certification. Renewal will be by reexamination.

(4) Blaster's certification from other states will not be honored or recognized in Iowa except by reciprocal issuance as outlined in this rule. Blasters from states without OSMRE approved blaster certification may become certified in Iowa by passing the Iowa certification test.

40.38(2) Delete 30 CFR 850.10.

27—40.39(207) Certification of blasters. The following is incorporated by reference: 30 CFR Part 955, as in effect on July 1, 2010, with the following exceptions:

40.39(1) Delete 30 CFR 955.1 and 955.2.

40.39(2) Delete 30 CFR 955.13(a)(1) and (2).

40.39(3) Delete 30 CFR 955.10.

40.39(4) Delete from 30 CFR 955.5 the definition of "Reciprocity" and delete 30 CFR 955.16.

40.39(5) Delete from 30 CFR 955.17(c) the phrase "to the Department of the Interior Board of Land Appeals under 43 CFR 4.1280 and 4.1286" and insert in lieu thereof the phrase "as a contested case action pursuant to Iowa Code chapter 17A".

PART 9
COAL MINING—CONTESTED CASES AND PUBLIC HEARINGS

27—40.40(17A,207) Procedural rules—contested cases and public hearings. These rules shall govern procedures in contested cases, as defined in Iowa Code section 17A.2(2), and public hearings required to be held pursuant to the provisions of Iowa Code chapter 207.

27—40.41(17A,207) Contested cases. Contested cases include but are not limited to the following:

40.41(1) An appeal of a decision to grant or deny a permit pursuant to Iowa Code sections 207.4 and 207.5; approval or failure to approve a transfer pursuant to Iowa Code section 207.12(5); appeal of a decision of the division on an application for coal exploration pursuant to Iowa Code section 207.18.

40.41(2) Permit suspension or revocation proceedings pursuant to Iowa Code section 207.14(3) and 207.14(4).

40.41(3) Review of a notice or order pursuant to Iowa Code section 207.14(7).

40.41(4) Employee discrimination complaints pursuant to Iowa Code section 207.28.

40.41(5) Suspension or revocation of a mining license pursuant to Iowa Code section 207.3.

40.41(6) Bond forfeiture proceedings pursuant to Iowa Code section 207.14.

40.41(7) Appeal of the determination by the division of the amount of a bond pursuant to Iowa Code section 207.10.

40.41(8) A request to conduct mining in areas where otherwise prohibited by Iowa Code section 207.8 and 30 CFR 761.11, revised July 1, 2010.

40.41(9) A petition requesting designation of an area as unsuitable for mining, or termination of such a designation, pursuant to Iowa Code section 207.8 and rule 27—40.23(207).

40.41(10) Review of a civil penalty pursuant to Iowa Code section 207.15.

27—40.42(17A,207) Commencement of proceeding. A notice of order by the division shall be served as in civil actions, delivered by certified mail, or personally served by a division employee with a signed acknowledgment of receipt being taken from an employee or agent of the permittee. In bond forfeiture, the surety shall also be served.

27—40.43(17A,207) Appeals of division notices and orders.

40.43(1) An appeal of a notice or order for which a contested case hearing is requested shall be mailed or personally delivered to the administrator and:

a. Shall be made in writing and signed by the requesting party or representative;

b. Shall identify the notice or order being appealed;

c. Shall be served in a timely manner as stated in Iowa Code section 207.14;

d. May state other relevant information as desired by the requesting party.

40.43(2) In a bond forfeiture proceeding a copy of the notice of appeal shall be served to the surety.

40.43(3) Upon receipt of an appeal, the administrator shall assign a docket number to the appeal as follows: D.S.C. (coal) (State fiscal year in which received)—(number, being consecutively numbered in each year).

27—40.44(17A,207) Prehearing motions. To the greatest extent possible and not inconsistent with Iowa Code chapters 17A and 207, prehearing motions may be filed and ruled upon in a manner consistent with the Iowa rules of civil procedure. In considering a prehearing motion, the administrative law judge may consider the practicality of receiving evidence or consolidating the motion into the full evidentiary hearing.

27—40.45(17A,207) Issuance of notices of hearing.

40.45(1) A hearing date shall be set upon the request of the division or any party and shall be arranged by the division through the department of inspections, appeals, and licensing. The department of inspections, appeals, and licensing shall assign an administrative law judge to the proceeding. The request shall be served to all parties of record.

40.45(2) The administrative law judge shall issue notice of hearing to all parties at least 30 days prior to the date of hearing, unless an earlier date is agreed to by all parties.

40.45(3) The notice of hearing shall conform to Iowa Code section 17A.12(2).

27—40.46(17A,207) Hearing procedures.

40.46(1) An administrative law judge selected pursuant to Iowa Code section 17A.11 shall preside at all contested cases.

40.46(2) Oral proceedings of a contested case shall be recorded by electronic or mechanized means or by certified shorthand reporters.

27—40.47(17A,207) Posthearing procedures.

40.47(1) Within 20 days of the conclusion of the hearing, each party may file with the administrative law judge and all parties of record proposed findings of fact, conclusions of law, a proposed order, or a brief in support of specified findings and conclusion. Said brief shall contain all arguments concerning evidentiary rulings made during hearing or challenges to the jurisdiction of the division to conduct the hearing and order the relief requested by the division or a party of record.

40.47(2) Within 20 days of receipt of proposed findings of fact, conclusions of law, order, or brief, parties may file a brief responding to opposing briefs, and may submit additional proposed findings of fact, conclusions of law, or order.

27—40.48(17A,207) Decision of the administrative law judge, procedure in appeals before the committee, extensions of time, public hearings, and judicial review of the committee decision.

40.48(1) *Decision of the administrative law judge.*

a. Decisions of the administrative law judge shall conform to the provisions of Iowa Code section 17A.16(1).

b. A decision of the administrative law judge is a proposed decision pursuant to Iowa Code section 17A.15(2).

c. An appeal to the committee may be initiated by the division or a party of record by filing with the administrator, and serving on all parties, a written statement captioned "Notice of Appeal to the State Soil Conservation and Water Quality Committee," which shall also state the number of the notice or order involved in the hearing and the docket number assigned by the administrator to the contested case proceeding.

d. Appeal of the decision of the administrative law judge shall be made pursuant to Iowa Code section 17A.15(3). If an application for a rehearing has been filed, appeal to the committee shall be made within 30 days after the issuance of a decision after rehearing, a decision denying a rehearing, or the date on which the rehearing is deemed denied pursuant to Iowa Code section 17A.16(2).

40.48(2) *Procedure in appeals before the committee.*

a. An appeal before the committee shall be conducted according to the provisions of Iowa Code section 17A.15(3).

b. The administrator shall set a date for the committee hearing at least 30 days after receipt of the notice of appeal to the committee.

c. A decision of the committee shall be issued within 60 days of the close of the hearing before them.

40.48(3) *Extensions of time.* The period of time in which an action is required by Part 9 of these rules may be extended for good cause by the administrative law judge or the committee, as appropriate.

40.48(4) *Public hearings.* Public hearings, also referred to as informal conferences, are held by the division to gather information prior to making a decision regarding the approval of a permitting action, issues relating to lands unsuitable for mining, or the extension of cessation of mining.

The administrator or designee shall act as the administrative law judge.

The division will provide notice to the public by publishing in a newspaper of local circulation at least 14 days prior to the hearing the following: purpose of the hearing, the place, date, and time of the hearing.

40.48(5) *Judicial review of committee decision.* Judicial review of a decision of the committee shall be in accordance with Iowa Code chapter 17A. In the case of judicial review of a civil penalty assessment, the petitioner shall post a bond in the district court equal to the amount of the assessed penalty or shall deposit a sum equal in amount to the assessed penalty in an interest-bearing escrow fund approved by the division, as required under Iowa Code section 207.15.

These rules are intended to implement Iowa Code chapter 207.

ARC 0569D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to Iowa abandoned mined land reclamation program and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 50, "Iowa Abandoned Mined Land Reclamation Program," Iowa Administrative Code, and to adopt a new Chapter 50 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 161A.4 and 207.29.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 207.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 50 to reorganize and modernize the rules governing the Iowa Abandoned Mined Land Reclamation Program. The proposed rules retain the existing framework for program funding, eligible lands and waters, reclamation priorities and project evaluation, property entry and acquisition, management and disposition of reclaimed lands, appraisals, liens, and program forms while eliminating reserved provisions, renumbering and consolidating rules, and making other technical and administrative updates. The rulemaking does not substantially change the purpose or operation of the Abandoned Mined Land Reclamation Program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 50 and adopt the following **new** chapter in lieu thereof:

CHAPTER 50
IOWA ABANDONED MINED LAND RECLAMATION PROGRAM

27—50.1(207) Authority and scope.

50.1(1) This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in accordance with the policies of the state soil conservation and water quality committee, to participate in the federal abandoned mined land and reclamation program as established in the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, and Iowa Code chapter 207.

50.1(2) These rules will also provide for the establishment of a state abandoned mined land fund for use in conducting the Iowa abandoned mined land reclamation program, and will also establish authority for the division to request, receive and administer grant moneys for use in the program.

27—50.2(207) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

27—50.3(207) Definition of terms.

"Emergency" means a sudden danger or impairment that presents a high probability of substantial physical harm to the health, safety or general welfare of people before the danger can be abated under normal program operation procedures.

"Extreme danger" means a condition that could reasonably be expected to cause substantial physical harm to persons, property, or the environment and to which persons or improvements on real property are currently exposed.

"Left or abandoned in either an unreclaimed or inadequately reclaimed condition" means land and water:

1. Where all mining processes ceased and no current permit for continuing operations existed as of August 3, 1977, or, if a permit did exist on that date, but all mining processes had ceased, it has since lapsed and has not been renewed or superseded by a new permit as of the date of the request for reclamation assistance; and
2. That continue, in their present condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of the land or water resources, or endanger the health or safety of the public.

"Reclamation activities" means restoration, reclamation, abatement, control or prevention of adverse effects of mining.

"State abandoned mined land fund" or *"fund"* means a separate fund established by the division for the purpose of accounting for moneys granted by the director of the office of surface mining reclamation and enforcement (OSM) under an approved state reclamation program and other moneys authorized by these rules to be deposited in the fund.

"State reclamation program" or *"program"* means a program established by the division in this chapter for reclamation of land and water adversely affected by past mining, including the reclamation plan and annual applications for grants under the plan.

27—50.4(207) State abandoned mined land fund. Revenue to the fund shall include:

50.4(1) Amounts granted to the state by OSM for purpose of conducting the Iowa reclamation plan.

50.4(2) Moneys collected by the state from charges for uses of land acquired or reclaimed with moneys from the fund.

50.4(3) Moneys recovered by the state through the satisfaction of liens filed against privately owned lands reclaimed with moneys from the fund.

50.4(4) Moneys recovered by the state from the sale of lands acquired with moneys from the fund.

50.4(5) Such other moneys as the state decides should be deposited in the fund for use in carrying out the Iowa abandoned mined land program.

27—50.5(207) Eligible lands and water.

50.5(1) Coal mined lands and associated waters are eligible for reclamation activities if:

a. They were mined or affected by mining processes;

b. They were mined prior to August 3, 1977, and left or abandoned in either an unreclaimed or inadequately reclaimed condition; and *c.* There is no continuing responsibility for reclamation by the operator, permittee or agent of the permittee under statutes of the state or federal government, or the state as a result of bond forfeiture. Bond forfeiture will render lands or water ineligible only if the amount forfeited is sufficient to pay the total cost of the necessary reclamation.

50.5(2) Lands and water that were mined or affected by mining for minerals and materials other than coal shall be eligible for reclamation activities if:

a. The conditions of subrule 50.5(1) have been met;

b. The reclamation has been requested by the governor;

c. All reclamation with respect to abandoned coal mined land and water has been accomplished within the state or the reclamation is necessary for the protection of the public health and safety.

27—50.6(207) Reclamation objectives and priorities.

50.6(1) Reclamation projects shall reflect the priorities set out in Section 403 of Public Law 95-87 (30 U.S.C. 1233) and should be accomplished in accordance with OSM's "Final Guidelines for Reclamation Programs and Projects" (45 FR 14810-14819, March 6, 1980).

50.6(2) Reclamation of eligible noncoal mined lands and waters shall comply with the provisions of Section 409 of Public Law 95-87 (30 U.S.C. 1239).

27—50.7(207) Reclamation project evaluation. Proposed reclamation projects and completed reclamation work shall be evaluated in terms of the factors stated in this rule. The factors shall be used to determine whether or not proposed reclamation will be undertaken and to assign priorities to proposals intended to meet the same objective as rule 27—50.6(207). Completed reclamation shall be evaluated in terms of the factors set forth below as a means of identifying conditions that should be avoided, corrected, or improved in plans for future reclamation work. The factors shall include:

50.7(1) The need for reclamation work to accomplish one or more specific reclamation objectives.

50.7(2) The availability of technology to accomplish the reclamation work with reasonable assurance of success. In the case of research and demonstration projects, the research capability and plans shall provide reasonable assurance of beneficial results without residual adverse impacts.

50.7(3) The specific benefits of reclamation that are desirable in the area in which the work will be carried out. Benefits to be considered include but are not limited to:

a. Protection of human life, health, or safety.

b. Protection of the environment, including air and water quality, abatement of erosion sedimentation, fish, wildlife, and plant habitat, visual beauty, historic or cultural resources and recreation resources.

c. Protection of public or private property.

d. Abatement of adverse social and economic impacts of past mining on persons or property, including employment, income, and land values or uses, or assistance to persons disabled, displaced or dislocated by past mining practices.

e. Improvement of environmental conditions that may be considered to generally enhance the quality of human life.

f. Improvement of the use of natural resources, including postreclamation land uses that:

(1) Increase the productive capability of the land to be reclaimed.

(2) Enhance the use of surrounding lands consistent with existing land use plans.

(3) Provide for construction or enhancement of public facilities.

(4) Provide for residential, commercial, or industrial developments consistent with the needs and plans of the community in which the site is located.

g. Demonstration to the public and industry of methods and technologies that can be used to reclaim areas disturbed by mining.

50.7(4) The acceptability of any additional adverse impacts to people or the environment that will occur during or after reclamation and of uncorrected conditions, if any, that will continue to exist after reclamation.

50.7(5) The costs of reclamation. Consideration shall be given to both the economy and efficiency of the reclamation work and to the results obtained or expected as a result of reclamation.

50.7(6) The availability of additional coal or other mineral or material resources within the project area that:

a. Results in a reasonable probability that the desired reclamation will be accomplished during the process of future mining; or

b. Requires special consideration to ensure that the resource is not lost as a result of reclamation and that the benefits of reclamation are not negated by subsequent, essential resource recovery operations.

50.7(7) The acceptability of postreclamation land uses in terms of compatibility with land uses in the surrounding area; consistency with applicable state, regional, and local land use plans and laws; and the needs and desires of the community in which the project is located.

50.7(8) The probability of postreclamation management, maintenance and control of the area consistent with the reclamation completed.

27—50.8(207) Consent to entry. The division shall take all reasonable actions to obtain written consent from the owner of record of the land or property to be entered in advance of such entry. The consent shall be in the form of a signed statement by the owner of record or the owner of record's authorized agent that, as a minimum, includes a legal description of the land to be entered, the projected nature of work to be performed on the lands and any special conditions for entry. This statement shall not include any commitment by the division to perform reclamation work nor to compensate the owner for entry.

27—50.9(207) Entry for studies or exploration.

50.9(1) The division or its agents, employees, or contractors shall have the right to enter upon any property for the purpose of conducting studies or exploratory work to determine the existence of adverse effects of past coal mining practices and the feasibility of restoration, reclamation, abatement, control, or prevention of such adverse effects.

50.9(2) If the owner of the land to be entered under this rule will not provide consent to entry, the division shall give notice in writing to the owner of its intent to enter for purposes of study and exploration to determine the existence of adverse effects of past coal mining practices that may be harmful to public health, safety, or general welfare. The notice shall be by mail, return receipt requested, to the owner, if known, and shall include a statement of the reasons why entry is believed necessary. If the owner is not known, the current mailing address of the owner is not known, or the owner is not readily available, the notice shall be posted in one or more places on the property to be entered where it is readily visible to the public and advertised once in a newspaper of general circulation in the locality in which the land is located. Notice shall be given at least 30 days before entry.

27—50.10(207) Entry and consent to reclaim.

50.10(1) The division or its agents, employees, or contractors may enter upon land to perform reclamation activities if the consent of the owner cannot be obtained.

50.10(2) Prior to entry under this rule, the division shall find in writing with support reasons that:

a. Land or water resources have been adversely affected by past coal mining practices;

b. The adverse effects have advanced, so that in the interest of public health, safety, or the general welfare, action to restore, reclaim, abate, control or prevent should be taken; and

c. The owner of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices is not known or readily available; or

d. The owner will not give permission for the division or its agents, employees, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices.

50.10(3) The division shall give notice of its intent to enter for purposes of conducting reclamation at least 30 days before entry upon the property. The notice shall be in writing and shall be mailed, return receipt requested, to the owner, if known, with a copy of the findings required by this rule. If the owner is not known, or if the current mailing address of the owner is not known, notice shall be posted in one or more places on the property to be entered where it is readily visible to the public and advertised once in a newspaper of general circulation in the locality in which the land is located. The notice posted on the property and advertised in the newspaper shall include a statement of where the findings required by this rule may be inspected or obtained.

27—50.11(207) Land eligible for acquisition.

50.11(1) Land adversely affected by past coal mining practices may be acquired with moneys from the fund if approved in advance by OSM. OSM will determine whether:

a. The acquired land will serve recreation, historic, conservation, or reclamation purposes or provide open space benefits after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices; or

b. Permanent facilities such as a mine drainage treatment plant or a relocated stream channel will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices.

50.11(2) Coal refuse disposal sites and all coal refuse thereon may be acquired with moneys from the fund if approved in advance by OSM and if the acquisition of the land is necessary for successful reclamation and will serve the purposes of the program or if public ownership is desirable to meet an emergency situation and prevent reoccurrence of adverse effects of past coal mining practices.

50.11(3) The division shall acquire only such interests in the land as are necessary for the reclamation work planned or the postreclamation use of the land. Interest in improvements on the land, mineral rights, or associated water rights may be acquired if:

a. The interests are necessary to the reclamation work planned or the postreclamation use of the land; and

b. Adequate written assurance cannot be obtained from the owner of the severed interest that future use of the severed interest will not be in conflict with the reclamation to be accomplished.

27—50.12(207) Procedures for acquisition.

50.12(1) An appraisal of the fair market value of all land or interest in land to be acquired shall be obtained from a professional appraiser. The appraisal shall state the fair market value of the land as adversely affected by past mining and shall otherwise conform to the requirements of the handbook on "Uniform Appraisal Standards for Federal Land Acquisitions" (Interagency Land Acquisition Conference, 1973).

50.12(2) When practical, acquisition shall be by purchase from a willing seller. The amount paid for interests acquired shall reflect the fair market value of the interests as adversely affected by past mining.

50.12(3) When necessary, land or interests in land may be acquired by condemnation. Condemnation procedures shall not be started until all reasonable efforts have been made to purchase the land or interests in lands from a willing seller.

27—50.13(207) Acceptance of gifts of land.

50.13(1) The division may accept donations of title to land or interest in land that is necessary for reclamation activities. A donation shall not be accepted if the terms or conditions of acceptance are inconsistent with the objectives or requirements of the program.

50.13(2) Offers to make a gift of the land or interests in land shall be in writing and shall include:

a. A statement of the interest that is being offered.

b. A legal description of the land and a description of any improvements on it.

c. A description of any limitations on the title or conditions as to the use or disposition of the land existing or to be imposed by the donor.

d. A statement that:

(1) The donor is the record owner of interest being offered.

(2) The interest offered is free and clear of all encumbrances except as clearly stated in the offer.

(3) There are no adverse claims against the interest offered.

(4) There are not unredeemed tax deeds outstanding against the interest offered.

(5) There is no continuing responsibility by the operator under state or federal statutory law for reclamation.

e. An itemization of any unpaid taxes or assessments levied, assessed or due that could operate as a lien on the interest offered.

50.13(3) If the offer is accepted, a deed of conveyance shall be executed, acknowledged and recorded. The deed shall state that it is made "as a gift under the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, and Iowa Code chapter 207." Title to donated land shall be in the name of the state of Iowa.

27—50.14(207) Management of acquired lands.

50.14(1) Land acquired under this rule may be used pending disposition under rule 27—50.15(207) for any lawful purpose that is not inconsistent with the reclamation activities and postreclamation uses for which it was acquired.

50.14(2) Any user of land acquired under this part shall be charged a use fee. The fee shall be determined on the basis of the fair market value of the benefits granted to the user, charges for comparable uses within the surrounding area, or the cost to the state for providing the benefit, whichever is appropriate. The division may waive the fee if found in writing that such a waiver is in the public interest.

50.14(3) All use fees collected shall be deposited in the state abandoned mined land fund, unless previously appropriated or otherwise authorized by the general assembly, for the specific purpose of operating and maintaining improvement of the land.

27—50.15(207) Disposition of reclaimed lands.

50.15(1) Prior to disposition of any acquired land, the division shall publish a notice that describes the proposed disposition of the land in a newspaper of general circulation in the area where the land is located for a minimum of four successive weeks. The notice shall provide at least 30 days for public comment and state where copies of plans for disposition of the land may be obtained or reviewed and the address to which comments on the plans should be submitted. The notice shall also state that a public hearing will be held if requested by a person.

50.15(2) The division may transfer administrative responsibility for land acquired under this part to any agency or political subdivision of the state with or without cost to that agency. The agreement, including amendments, under which a transfer is made shall specify:

a. The purposes for which the land may be used consistent with the authorization under which the land was acquired; and

b. That the administrative responsibility for the land will revert to the division if, at any time in the future, the land is not used for the purposes specified.

50.15(3) The division may transfer title to abandoned and unreclaimed land to the United States to be reclaimed and administered by OSM, and maintain a preference right to purchase land from OSM after reclamation is completed. The price shall be the fair market value of the land in its reclaimed condition less any portion of the land acquisition price paid by the division.

50.15(4) The division may sell land acquired under this part by public sale if the land is suitable for industrial, commercial, residential, or recreational development and if the development is consistent with local, state or federal land use plans for the area in which the land is located.

a. Land shall be sold by public sale only if it is found that retention by the state or disposal under other paragraphs of this rule is not in the public interest.

b. Land shall be sold for not less than the fair market value under a system of competitive bidding that includes at a minimum:

(1) Publication of a notice once a week for four weeks in a newspaper of general circulation in the locality in which the land is located. The notice shall describe the land to be sold, state the appraised value, state any restrictive covenants that will be a condition of the sale, and state the time and place of the sale.

(2) Provisions for sealed bids to be submitted prior to the sale date followed by an oral auction open to the public.

50.15(5) All moneys received from the disposal of land under this rule shall be deposited in the state abandoned mined land fund.

27—50.16(207) Operations on private land. Reclamation activities may be carried out on private land if a consent to enter is obtained or if entry is required and made.

27—50.17(207) Appraisals.

50.17(1) A notarized appraisal of the fair market value of private land to be reclaimed shall be obtained from an independent professional appraiser, with exceptions as noted in subrule 50.17(4). Such appraisal shall meet the quality of appraisal practices found in the handbook on "Uniform Appraisal Standards for Federal Land Acquisitions" (Interagency Land Acquisition Conference, 1973). The appraisal shall be obtained before any reclamation activities are started, unless the work must start without delay to abate an emergency. Where an emergency exists, the appraisal shall be completed at the earliest practical time and before related nonemergency work is commenced. The appraisal shall state the fair market value of the land as adversely affected by past mining.

50.17(2) An appraisal of the fair market value of all land reclaimed shall be obtained after all reclamation activities have been completed. The appraisal shall be obtained in accordance with subrule 50.17(1) and shall state the market value of the land reclaimed.

50.17(3) The landowner shall receive a statement of the increase in market value, an itemized statement of reclamation expenses and notice that a lien will or will not be filed against the property.

50.17(4) Appraisals for privately owned land that fall under subrule 50.18(1) shall be obtained from an independent professional appraiser.

27—50.18(207) Liens.

50.18(1) The division shall place a lien against land reclaimed if the reclamation results in an increase in the fair market value based on the pre- and postreclamation appraisals.

a. A lien shall not be placed against the property of a surface owner who acquired title prior to May 2, 1977, and who did not consent to, participate in, or exercise control over the mining operations that necessitated the reclamation work.

b. The division may waive the lien if the cost of filing it, including indirect costs, exceeds the increase in fair market value as a result of reclamation activities.

c. The lien may be waived if the reclamation work performed on private land primarily benefits health, safety or environmental values of the greater community or area in which the land is located, or if reclamation is necessitated by an unforeseen occurrence and the work performed to restore that land will not result in a significant increase in the market value of the land as it existed immediately before the occurrence.

50.18(2) If a lien is to be filed, the division shall, within six months after completion of the reclamation work, file a statement in the district court of the county for the lands to be liened. Such statement shall consist of an account of moneys expended for the reclamation work, together with notarized copies of the appraisals obtained. The amount reported to be the increase in value of the property shall constitute the amount of the lien recorded and shall have priority as a lien second only to the lien of real estate taxes imposed upon the land.

50.18(3) Within 60 days after the lien is filed by the division, the landowner may bring civil action in the district court of the county in which the reclaimed land lies to determine the increase in market value of the land as a result of reclamation work. Any aggrieved party may appeal in the manner provided by law.

27—50.19(207) Satisfaction of liens.

50.19(1) A lien placed on private property shall be satisfied to the extent of the value of the consideration received at the time of transfer of ownership. Any unsatisfied portion shall remain as a lien on the property and shall be satisfied in accordance with this subrule. Testate and intestate transfers are excluded from this rule if the entire parcel of land subject to the lien is transferred and the transferee is related to the transferor within the second degree of consanguinity or affinity.

50.19(2) The department shall maintain or renew liens from time to time as may be required.

50.19(3) Moneys derived from the satisfaction of liens established under this chapter shall be deposited in the state abandoned mined land fund.

These rules are intended to implement Iowa Code chapter 207.

27—50.20(207) Abandoned mined land (AML) program forms.

50.20(1) *Availability of forms.* Copies of forms utilized in the AML program are available at the following address: Division of Soil Conservation and Water Quality, Iowa Department of Agriculture and Land Stewardship, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319.

50.20(2) *Bidding forms for construction projects.*

Form number	Description
AML-001	*Proposal.* This form is used to document bid proposals from potential contractors for conducting reclamation work on abandoned mined lands. The form also includes a noncollusion affidavit. 2 pages.
AML-002	*Proposal Guarantee Bond.* This form identifies the bidder and the surety, lists the amount of the bid guarantee bond and provides for notarization of the signatures of the bound parties. 1 page.
AML-003	*Nondiscrimination Clause.* This form is used to document that the contractor is morally and legally committed to nondiscrimination in employment. 1 page.
AML-004	*Minority and Women Business Enterprise Solicitation Reporting Form.* This form is used to document the contractor's solicitation of subcontract or subsubcontract bids from minority or women business enterprises. 1 page.
AML-005	*Certificate of Nonsegregated Facilities.* This form is used to certify that the construction contractor does not maintain or provide employees any segregated facilities at any of contractor's establishments. 1 page.
AML-006	*Contract.* This form documents the agreement between the contractor and the division for the fulfillment of work in accordance with performance set forth and the payment therefor in accordance with the agreed-upon price. 2 pages.
AML-007	*Performance Bond.* This form identifies the contractor and the surety and binds them to the state of Iowa performing the contract in accordance with the plans, specifications, and contract documents. The form lists the amount of the bond and provides for notarization of the signatures of the contractor and surety. 2 pages.

This rule is intended to implement Iowa Code section 207.21.

ARC 0568D

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Notice of Intended Action

Proposing rulemaking related to mineral program and providing an opportunity for public comment

The Soil Conservation and Water Quality Division hereby proposes to rescind Chapter 60, "Minerals Program," Iowa Administrative Code, and to adopt a new Chapter 60 with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapter 208.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 208.

Purpose and Summary

This proposed rulemaking rescinds and replaces Chapter 60 to modernize and streamline the rules governing Iowa's Minerals Program. The proposed rules retain the existing requirements for licensing and registration, bonding, mine-site transfers, reporting, reclamation, setbacks, variances, enforcement, and penalties while reorganizing the chapter, simplifying definitions, updating Department contact information, and clarifying required forms and application materials. The rulemaking also expressly requires a reclamation plan as part of a mine-site registration application and does not otherwise substantially change the operation of the program.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 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 Division for a waiver of the discretionary provisions, if any.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
1305 East Walnut Street, Fifth Floor
Des Moines, Iowa 50319
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 27—Chapter 60 and adopt the following **new** chapter in lieu thereof:

CHAPTER 60
MINERALS PROGRAM

27—60.1(208) Authority and scope.

60.1(1) This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in implementing the requirements of Iowa Code chapter 208 to ensure reclamation upon completion of mining operations for gypsum, clay, stone, sand, gravel, and other ores or mineral solids, except coal.

60.1(2) Information and forms can be obtained on the department's website or by contacting: Mines and Minerals Bureau, Division of Soil Conservation and Water Quality, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319. Telephone: 515.306.1636.

27—60.2(208) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without the invalid provision or application, and to this end, the provisions of these rules are severable.

27—60.3(208) Definitions. When used in this chapter, the following definitions apply:

"Acceptable species" means plant species recognized as desirable permanent species and normally used in conjunction with agriculture, forestry, wildlife or similar plans for reclamation.

"Angle of repose" means the maximum angle of slope (measured from horizontal) at which loose cohesion materials will come to rest on a pile of similar material.

"Critical slope angle" means the maximum slope incline that the soil and rock materials underlying the slope can support, without failure, under existing climate, vegetation, and land use.

"Department" means the department of agriculture and land stewardship.

"Dredge operation" means an operation to mine sand, gravel, or other nonfuel minerals for sale or for processing or consumption in the regular operation of a business by removing the product directly from its natural state beneath the surface of a river, lake or other body of water.

"Official notice" means service of a written notice or order to an operator via personal service or certified mail to the last-known address. Service shall not be deemed incomplete because of refusal to accept.

"Reclamation" means the process of restoring disturbed or affected lands to the premined uses of the lands or other productive uses.

"Registered site" means a site that meets the requirements of Iowa Code chapter 208 and for which the operator has received a valid registration certificate from the division.

"Water impoundment" means the collection or storage of water within a defined structure at the normal water line but shall not include the surrounding banks, shorelines, or land adjacent to the impoundment.

27—60.4(208) License.

60.4(1) *Application for mining license.* All operators wanting to mine minerals in Iowa shall apply for a mining license. The application shall be complete only if submitted on the form supplied by the division, signed by the operator or an authorized representative, and accompanied by a license application fee.

60.4(2) *Fees.* Licensing and license renewal fees are established by Iowa Code section 208.7 at $50 for an initial license and $20 for a license renewal.

60.4(3) *License term and expiration.*

a. A license shall be maintained by the operator until all sites have been properly reclaimed or transferred to another licensed operator.

b. The initial license shall expire on December 31 of the year in which the license was obtained. A license for renewal shall expire on December 31 of the second year in which the license was issued. Any applications for renewal received within 30 days of the expiration date shall be accepted as renewals for the previous license. New licenses obtained after November 1 shall remain valid for a period to include the next calendar year or years.

60.4(4) *License renewal.* Any operator who fails to renew the mining license within the 30-day period following the expiration deadline established in subrule 60.4(3) will be required to apply for an initial license. Failure to renew a license within 30 days after official notice will invalidate all registrations.

60.4(5) *Valid license.* A license to mine is valid only if approved by the division and acknowledged by a license certificate that has been signed by the administrator and lists the operator and the assigned license number.

27—60.5(208) Registration.

60.5(1) *Registration required.* All mine sites shall be registered at least seven days prior to the beginning of mining or the removal of overburden. Exploration activities are exempt from registration requirements unless they affect more than 10,000 square feet of surface area.

60.5(2) *Application fee.* The registration application fee shall be $50 per site.

60.5(3) *Application for registration.* An application for registration shall be acceptable only if completed on the form provided by the division and signed by the operator or an authorized representative and accompanied by a bond or bond increase, a map of the area to be mined, a reclamation plan, and the registration fee. The completed registration application, registration fee, map, reclamation plan, and bond or bond increase shall be received at least seven days prior to the removal of overburden.

60.5(4) *Valid registration.* A registration is valid only if approved by the division and acknowledged by a registration certificate signed by the division administrator, listing site name, location, and operator to which the site is registered.

a. Failure to fulfill the requirements of this rule or chapter may result in the invalidation of a site registration following notification to the operator by the division.

b. The division may request additional information or materials to further distinguish a site from other sites.

c. A single registration shall consist of contiguous describable tracts of land that can be enclosed by a single unbroken boundary line and including only that property upon which the operator has a legal right to conduct mining.

60.5(5) *Registration conflicts.* If more than one operator is extracting minerals from a given contiguous site within the same time frame, then each operator shall file with the division a statement signed by the operator, including a map defining the scope of operations and bond responsibility of each operator in regard to the final reclamation of the site.

60.5(6) *Registration information.* It shall be the responsibility of the operator to ensure that all information in connection with the application for registration and the registration certificate is correct.

60.5(7) *Registration exclusion.* No site or portion thereof will be released by exclusion from registration under subrules 60.5(1) through 60.5(6).

60.5(8) *Sign.* Any signs required by other governmental bodies may be used to comply with Iowa Code section 208.9(2) provided that the sign is posted at the main entrance of the site or at the scale house, if the scale house is visible from the nearest roadway, and includes the operator's name, telephone number, and the site registration number.

60.5(9) *Duration of registration.* A valid registration shall be maintained by the operator until approval for release has been granted by the division.

27—60.6(208) Registration renewal and fee.

60.6(1) *Registration renewal.* All site registrations shall expire on December 31 of the second year. Registrations shall be renewed by the division upon submittal of renewal fee by the operator within 30 days of the expiration date.

60.6(2) *Notice of registration renewal and fee.*

a. All registrations shall be renewed by the operator upon receipt of a fee statement from the division.

b. The registration renewal fee shall be $70 per site.

60.6(3) *Changes in a registration.* If, in the course of operation, any changes in the description, size or boundaries of a site become necessary the licensee shall be required to file a new registration application in accordance with rule 27—60.5(208).

27—60.7(208) Bonding. Bond is required by these rules and by Iowa Code chapter 208 to ensure that all applicable mineral operations are properly reclaimed. Failure on the part of an operator to accomplish required reclamation may result in forfeiture of the bond by the division.

60.7(1) *Bonding requirements.* Each registration application shall be accompanied by a bond or a bond endorsement increasing an already existing bond. The bond or bond increase shall be equal to the amount set forth by a representative of the division or, if no amount is stipulated, the minimum set forth in subrule 60.7(6).

60.7(2) *Bond form.* All surety bonds shall be written on the form provided and approved by the division. In lieu of a surety bond, the operator may deposit cash or certificates of deposit with the division on the same conditions as prescribed by Iowa Code section 208.23.

60.7(3) *Surety bond.*

a. A surety bond shall be written by a company authorized to do business in Iowa and shall be made on a form provided by the division. A surety bond shall be signed by the operator or an authorized representative of the operator as well as a representative of the surety.

b. The surety bond shall be written to cover all acres affected by the mining process pursuant to Iowa Code chapter 208. An attachment shall be included as part of the bond document that lists the sites by name and location (county, township, range, section, and legal description). This attachment shall be signed by representatives of the surety and the principal.

60.7(4) *Certificates of deposit.* Certificates of deposit posted as bond shall be made payable to the State of Iowa, Division of Soil Conservation and Water Quality AND (Operator). All interest earned shall be paid to the operator.

60.7(5) *Cash.* Cash deposited as bond does not pay interest to the operator.

60.7(6) *Minimum bond.*

a. The minimum required bond on each site shall be the greater of $2,000 per site or $500 per affected acre on the site.

b. Actual bond shall be based on factors including but not limited to affected lands, size of the site, thickness of overburden, type of mineral extracted, type of mining process, and stockpiling procedures for topsoil, overburden and product.

60.7(7) *Interest-bearing account.* Penalties, interest, bond reversions and bond forfeitures collected under the provisions of Iowa Code chapter 208 or these rules shall be deposited in an interest-bearing account and may be used for the cost and administrative expense of reclamation or rehabilitation activities for any mine site as deemed necessary and appropriate by the division.

27—60.8(208) Bond release.

60.8(1) *Release of bond.* No bond shall be released unless the bonded area has met reclamation requirements of Iowa Code section 208.17, a replacement bond has been filed, or the site has been registered by another licensed operator who agrees, in writing, to complete all remaining required reclamation and has a valid registration for the site(s) in question.

60.8(2) *Bond release request.* When a bond needs to be decreased, replaced, or is no longer needed, a Request for Bond Release form shall be filed by the operator, a registered agent, or an authorized representative. One Request for Bond Release form shall be filed for each bond.

60.8(3) *Return of bond.*

a. Upon release of a certificate of deposit or cash posted as bond, the certificate of deposit or cash payment shall be returned to the operator.

b. Upon the release of a surety bond, the original bond shall be returned to the surety company and the operator shall be notified of the action by the mailing of a courtesy copy.

60.8(4) *Reverting of cash bond.* If the operator fails to request a release of cash bond after termination or expiration of a mining license, cash bond funds held shall revert to an interest-bearing account maintained by the division, provided a period of at least five years has elapsed since the license expiration. These funds may be used for the cost and administrative expenses of reclamation or rehabilitation activities for any mine site as deemed necessary and appropriate by the division.

27—60.9(208) Transfers.

60.9(1) *Registration transfer request.* If control of a registered site is acquired by an operator other than the operator holding authorization to conduct surface mining on the site, then both operators shall fill out the required portions of a Transfer Application form. The completed form shall then be filed with the division within 30 days of the actual transfer and prior to the start of any work by the new operator.

60.9(2) *Transfer information.* In addition to the Transfer Application form, the new operator shall file a Registration Application form in accordance with rule 27—60.5(208). A Request for Bond Release may be filed by the original operator in accordance with rule 27—60.8(208).

60.9(3) *Transfer action.* No action shall be taken in relation to bond releases for the original operator or registration of the new operator regarding the site in question until the transfer request has been filed with the division and approved.

60.9(4) *Other agreements.* A transfer request does not prevent the new operator from making any agreement with the previous operator or any other party dealing with reclamation or mining of the site.

27—60.10(208) Registration cancellation.

60.10(1) *Reclamation approval request.* Upon completion of reclamation activities on a mine site or any part thereof, the operator may file a Reclamation Approval Request with the division. The form shall be completed and signed by the operator.

60.10(2) *Inspection for approval.* Upon receiving a request, the division shall, within 12 months, visit the site in question and shall respond, in writing, to the operator indicating either the approval or disapproval of the site condition.

60.10(3) *Approval denied.* If the site condition is not approved, the division shall notify the operator, in writing, and explain the reason for the disapproval. The operator shall then complete the reclamation specified by the division and reapply for approval.

27—60.11(208) Enforcement actions.

60.11(1) *Notice of violation.* Notice to an operator of violations of these rules or Iowa Code chapter 208 shall include:

a. A description of the violation, including a citation of the rule or statute violated,

b. A description of the action required to abate the violation, and

c. A deadline for abatement.

60.11(2) *Issuance of administrative order.* If an operation fails to complete abatement measures in the time allowed, the division may initiate an administrative order in accordance with these rules and Iowa Code chapter 208.

60.11(3) *Referral to attorney general.* Pursuant to Iowa Code section 208.10A, the division may also notify the attorney general in the event of noncompliance by the operator following notice. The attorney general shall institute a civil action in district court for injunctive relief and for the assessment of a civil penalty not to exceed $10,000. The division may make such referral either in lieu of or in conjunction with the issuance of an administrative order.

27—60.12(208) Annual mining report.

60.12(1) *Annual reports—surface operations.* Annual reports shall be filed for each site on the form provided by the division. These reports may include but shall not be limited to information concerning the location of the mine site, types of material mined, thickness and types of overburden materials, area of land disturbed during the report year, and area of land reclaimed during the report year, as well as any other pertinent information concerning the mining operation and deemed necessary by the division.

60.12(2) *Underground mine maps.* The state geologist shall provide the division with copies of each map and map extension received pursuant to Iowa Code section 456.11.

60.12(3) *Filing date.* Reports shall be filed by January 31 for the previous year. Reports not received within 30 days after the specified date shall invalidate the registration of a site.

27—60.13(208) General mining activities.

60.13(1) *Topsoil and overburden stockpiles.* Topsoil shall not be buried or mixed with nontopsoil materials. All stockpiles (topsoil and overburden) shall be seeded and stabilized if they are to remain in place for a period of time in excess of 12 months.

60.13(2) *Erosion control.* Affected areas that will not be disturbed by future operations shall be graded, disked, mulched, fertilized, and seeded as necessary within a period of nine months to attain substantial and appropriate grass, legume, shrub, tree, crop, or other acceptable species and to ensure viable erosion control.

60.13(3) *Setback.*

a. A minimum excavation setback distance of 25 feet shall be maintained from all registered site boundaries to protect the adjacent property from erosion or damage that might result from mining activities.

b. In areas where excavation depth exceeds 25 feet, a minimum excavation setback distance of at least 50 feet shall be maintained from registered site boundaries.

c. A minimum excavation setback distance of 50 feet shall be maintained from all buildings, dwellings, public right-of-way boundaries and other man-made structures not associated with the mining operation.

d. The requirements of this subrule shall not apply to registered operations where mining has exceeded the setback limitation as of January 1, 1991, provided that the operator has filed adequate documentation as of July 1, 1991, detailing the area being grandfathered into these requirements.

The operator shall be responsible for maintaining a permanent record of all documentation once approved by the division.

e. The division may grant a variance from this subrule, provided the operator submits a complete application that meets the requirements of rule 27—60.15(208) at least 60 days prior to the proposed starting date of any mining within the setback limitations.

27—60.14(208) Reclamation.

60.14(1) *Schedule.* The operator, upon filing a mine report indicating the conclusion of all mining activities, will have a period of three years to complete all reclamation activities.

60.14(2) *Requirements.* The operator shall grade all remaining affected lands, except stockpiles, processing areas, pit floors, and highwalls, to allowable slopes within six months following the filing of the final report. Stockpiles and processing areas shall be graded or the material exported from the site within one year following the final report.

60.14(3) *Extension of time.* The operator shall be allowed a three-month extension of time on subrule 60.14(2) provided a written request is filed at least 30 days (or 20 working days) prior to the original deadline. Only one extension will be allowed the operator per release request.

60.14(4) *Grading.* All lands affected by the mining process, with the exception of pit floors, highwalls and water impoundments, shall be graded to slopes having a maximum one-foot vertical rise for every four feet horizontal distance or graded to blend with the surrounding terrain.

60.14(5) *Waste disposal.*

a. In grading the site, all mining-related waste products and machinery incompatible with the care and growth of vegetation shall be removed from the site and disposed of in a manner consistent and acceptable with state law. Materials acceptable for on-site disposal, such as concrete and clay products free of reinforcing shall be buried a minimum of three feet below final grade.

b. Boulders and stones incompatible with the proposed postmining use of the site shall be buried or removed from the site.

60.14(6) *Vegetation.*

a. Seeding of an area with grasses and legumes shall be accomplished within three months following the conclusion of all earthwork, weather permitting. Erosion control methods shall be used where necessary to prevent rill and gully formation. The operator shall be responsible for attaining a ground cover of acceptable species of grass, legume, shrub, tree or crop.

b. The vegetation shall be allowed at least one growing season to become established prior to the filing of a release request by the operator.

c. If necessary, additional seedings shall be performed to establish a viable vegetative cover.

60.14(7) *Failure to comply.* Failure to adhere to the reclamation schedule may be grounds for an administrative order, revocation of the operator's license to mine, or initiation of bond forfeiture proceedings.

60.14(8) *Variance.* The division may grant a variance from rule 27—60.14(208) provided the operator submits a complete application that meets the requirements of rule 27—60.15(208). Examples of variances would include wetland areas, building sites, or use of overburden materials for protective berms and screens.

27—60.15(208) Criteria for variance application and approval.

60.15(1) *Application for variance.* A complete application for a variance must include:

a. Site name, registration number, and location by county, township, range, section and quarter section.

b. A copy of an aerial photograph or a topographic map of the site on an 8½″ × 11″ page, in a scale not less than 1 to 24,000 (2½″ to the mile), showing the areas to be affected by the proposed encroachment.

c. A reclamation plan that will address the final grading and revegetation for the area in question and a statement as to the postmining land use.

d. Name, address, and telephone number for current owner or owners of property adjacent to the area for which the variance is being requested.

e. Estimated time period when the mineral extraction will occur.

f. A brief narrative stating why the variance is being sought and how adverse effects of mining will be mitigated.

g. Other information requested by the division as needed for clarification.

h. Additional bond, if determined to be necessary by the division.

60.15(2) *Criteria for approval of a variance.* A variance filed with the division shall be approved or disapproved within 30 days of receiving a completed application for a variance.

In either approving or disapproving the variance request, the division will consider the reclamation plan, the postmining land use, the effects on the adjacent properties, the extent to which reclamation requirements are being met, and other relevant factors.

27—60.16(208) Administrative orders and assessment of penalties. The division may issue an administrative order directing an operator to desist in an activity or practice that constitutes a violation of these rules or to take corrective action to abate the violation.

60.16(1) *Issuance of administrative order.* Any administrative order issued by the division shall be signed by the division administrator and shall include:

a. A description of the violation or violations being addressed, including a citation to each rule or provision being violated, a summary of the facts and legal requirements, and a general rationale for the prescribed penalty.

b. A description of corrective measures or actions required to abate the violation or violations.

c. A time period for commencing and completing corrective actions called for in the administrative order.

d. A proposed penalty assessment.

e. The time allowed for filing an appeal to contest the order.

60.16(2) *Assessment of penalty.* An administrative order issued by the division shall include a proposed penalty assessment for the violation or violations being cited. The proposed penalty called for in the order shall not exceed $5,000 for each violation.

a. A point system will be used in assessing each violation. Criteria for assigning points shall be as follows:

(1) For history, up to 20 points may be assigned based on the history of previous violations.

(2) For seriousness,

1. Up to 20 points may be assigned based on the seriousness of the violation in terms of its potential or actual damage, or

2. Up to 15 points may be assigned for a violation of the administrative requirements of these rules. Administrative requirements would include items such as license and registration, payment of fees, posting of signs, and submittal of reports.

(3) For negligence, up to 10 points may be assigned on the basis of negligence on the part of the operator to whom the order is issued for failing to correct the cause of the violation. Up to 25 points may be assigned for a violation that occurs through a greater degree of fault than negligence, which means reckless, knowing, or intentional conduct. The division may also consider the degree to which the operator gained an economic benefit as a result of failing to comply with these regulations.

A reduction of the assigned points by up to 20 points may be allowed for good-faith efforts by the operator to achieve better than normal compliance.

b. The dollar value for points assigned shall be $20 for each point from 1 to 25 and $100 for each point thereafter to a maximum of 70 points. An abridged table summarizing dollar values for point assessments is as follows:

Points	$		Points	$
5	100		40	2,000
10	200		45	2,500
15	300		50	3,000
20	400		55	3,500
25	500		60	4,000
30	1,000		70 and above	5,000
35	1,500			

c. When a penalty will be assessed.

(1) The division may assess a penalty for a proposed order that becomes a final order when 30 or fewer points are assigned to the administrative order.

(2) The division shall assess a penalty for a proposed assessment that becomes a final order when 31 or more points are assigned to the administrative order.

d. A proposed assessment worksheet shall accompany each administrative order issued by the division.

60.16(3) *Waiver of point system.*

a. Upon the division administrator's own initiative or upon written request from an operator within 15 days of receipt of an administrative order, the division may waive the use of the point system as a means of determining a proposed penalty. In so doing, the administrator must determine that the penalty is demonstrably unjust based upon factors present in the particular case.

b. When the division has waived the use of the point system in determining a penalty, the division administrator shall document the basis for the waiver in the case record and shall also provide a written explanation of the basis for the assessment made to the operator to whom the administrative order was issued.

60.16(4) *Submittal of information.* Within 15 days of receipt of an administrative order, an operator may provide the division information about the violation or violations addressed in the order. The division will consider any such information in determining the facts of the violation or violations and the amount of the final penalty.

60.16(5) *Final assessment and payment of penalty.*

a. Unless an appeal contesting the administrative order has been received, the proposed assessment shall become a final order within 30 days following service of the administrative order and the penalty assessed shall become due and payable. If the administrative order is appealed, the proposed assessment shall become a final order and the penalty assessed due and payable within 30 days following service of a final decision on the appeal.

b. All penalties shall be paid within 30 days of the date that the order assessing the penalty becomes final. An operator who fails to pay an administrative penalty assessed by a final order of the division shall pay, in addition, interest at the rate of 1.5 percent of the unpaid balance of the assessed penalty for each month or part of a month that the penalty remains unpaid.

(1) Failure to pay all penalties within 30 days of the date that the order assessing the penalty becomes final shall constitute a violation of these rules.

(2) The division may request the attorney general to institute proceedings to recover all penalties assessed in the event of failure of the operator to make payment.

60.16(6) *Deposit of penalty moneys.* Penalties collected under the provisions of these rules shall be deposited in an interest-bearing account and may be used for the cost and administrative expenses of reclamation or rehabilitation activities for any mine site as deemed necessary and appropriate by the division.

27—60.17(208) Forms.

60.17(1) *Annual mine report.* This two-sided, one-page form requires identification of the operator and legal description of the mine site. This form requests a listing of the number of acres affected during the report year, the number of acres reclaimed, the number of acres estimated to be affected in the coming year and the number of acres presently bonded.

60.17(2) *Assignment form.* This one-page form will be used by the operator to assign a certificate of deposit (CD) to the division when the CD is used in lieu of a surety bond or by the division to assign a CD to the operator, when the division is releasing a CD to the operator.

60.17(3) *Bonding form.* This one-page form identifies the operator and the bonding company, lists the amount of the bond, the operator's license number, the bond number, the enforcement date, the surety's mailing address and provides for notarization of the signature for the surety.

60.17(4) *Final report.* Upon conclusion of mining at any site the operator shall file a mining report indicating that all mining activity is completed. This report shall be filed regardless of any other reports filed in connection with subrule 60.12(3).

60.17(5) *Interest release form.* This one-page form is used by the division to authorize banking authorities to release interest accumulated on a certificate of deposit, held in lieu of bond, to the operator.

60.17(6) *License application.* This one-page form is used for both new applications and annual license renewals. This form serves to identify the person, firm, partnership or corporation applying for or renewing the license to mine minerals.

60.17(7) *License certificate.* This one-page form is issued by the division upon successful application by the person, firm, partnership or corporation for a mining license.

60.17(8) *Reclamation approval request.* This one-page form identifies the operator and the name and location of the site. This form also requires operator certification that all reclamation work has been completed as set forth in Iowa Code sections 208.17 and 208.19 and rule 27—60.14(208).

60.17(9) *Reclamation plan.* This form is used to inform the division of the mining company's reclamation plans for the registered mine site per Iowa Code sections 208.17 and 208.19 and rule 27—60.14(208).

60.17(10) *Registration application.* This one-page form is used by the applicant desiring to engage in surface mining. This form includes the name of the licensee, the site name and location, the material produced, the source of the operator's legal right to mine the described area and the owner(s) of the mineral rights and the land to be surface mined.

60.17(11) *Registration certificate.* This one-page form is issued by the division upon successful application by an operator for site registration or updated registration.

60.17(12) *Request for bond release.* This one-page form identifies the operator and the bonding company, lists the amount of bond and the bond number, states the reason for the release request, and provides for an approval signature by the division.

60.17(13) *Transfer application.* This one-page form identifies the transferee and the transferor and their respective surety companies, lists the site and site location, and provides a prewritten agreement for transfer of all bonding and site reclamation responsibilities to the transferee.

27—60.18(208) Political subdivisions engaged in mining. Any political subdivision of the state of Iowa that engages in or intends to engage in operating a mine as defined under rule 27—60.3(208) shall meet all requirements of this chapter except that the subdivision shall not be required to pay the license fee under rule 27—60.4(208) and shall not be required to post bonds as required under rule 27—60.7(208). An official representative of the political subdivision shall complete a license application form for informational purposes only.

27—60.19(208) Subsidence.

60.19(1) *Notification.* An operator of a registered mine site shall notify the division within 48 hours of discovery of a subsidence. Upon notification to the division, the operator shall submit an initial assessment of the subsidence to the division within 14 business days. An initial assessment must include but is not limited to the estimated depth and width of the subsidence, a map of the surface area affected, and a map of the underground collapse.

60.19(2) *Subsidence repair plans.* Following an initial assessment, an operator shall submit a subsidence repair plan to the division within a time period determined by the division. In consultation with the division, the plan shall include, to the extent necessary, all of the following:

a. A scaled and georeferenced map indicating the location of the subsidence.

b. A detailed description of the proposed methods and steps to address and repair any damage caused by the subsidence.

c. A proposed timeline outlining the phases and expected duration of the repair.

d. Written approval of plans, observations, and completion of the repair by a licensed professional engineer or an experienced and qualified mining professional to the satisfaction of the division.

These rules are intended to implement Iowa Code chapter 208.

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 September is 6.50%.

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 September 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 1.60%
180-364 days	Minimum 1.60%
One year to 397 days	Minimum 1.85%
More than 397 days	Minimum 1.95%

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 0602D

UTILITIES COMMISSION[199]

Notice of Intended Action

Proposing rulemaking related to citations and administrative corrections and providing an opportunity for public comment

The Utilities Commission hereby proposes to amend Chapter 6, “Complaint Procedures,” Chapter 9, “Restoration of Agricultural Lands During and After Pipeline Construction,” Chapter 10, “Intrastate Gas Pipelines and Underground Gas Storage,” Chapter 11, “Electric Lines,” Chapter 13, “Hazardous Liquid Pipelines and Underground Storage,” Chapter 14, “Electronic Filing,” Chapter 15, “Cogeneration and Small Power Production,” Chapter 16, “Accounting,” Chapter 17, “Assessments,” Chapter 18, “Utility Records,” Chapter 20, “Service Supplied by Rate-Regulated Electric Utilities,” Chapter 24, “Location and Construction of Electric Power Generating Facilities,” Chapter 25, “Iowa Electrical Safety Code,” Chapter 26, “Rate Cases, Tariffs, and Rate Regulation Election Practice and Procedure,” Chapter 31, “Access to Affiliate Records, Requirements for Annual Filings, and Service and Asset Transfer Costing Standards,” Chapter 35, “Energy Efficiency and Demand Response Planning and Reporting for Rate-Regulated Natural Gas and Electric Utilities,” Chapter 39, “Universal Service,” Chapter 41, “Ratemaking Principles Proceeding,” Chapter 42, “Crossing of Railroad Rights-of-Way,” Chapter 45, “Electric Interconnection of Distributed Generation Facilities,” and Chapter 2506, “Contested Cases,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code chapters 476, 479 and 479B and sections 17A.3, 17A.4, 17A.9, 474.4, 474.5, 476.1, 476.1B, 476.2, 476.73, 476.74, 476A.12, 478.19 and 478.20.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 476A, 478, 479 and 479B and sections 17A.2 to 17A.4, 17A.5, 17A.6, 17A.7, 17A.9, 474.5, 476.1, 476.2, 476.3, 476.6, 476.7, 476.8, 476.20, 476.31, 476.33, 476.54, 476.66, 476.73, 476.74, 476.78, 476.83, 476.95B, 476.102, 478.18 through 478.20 and 479.29.

Purpose and Summary

This rulemaking is proposed to ensure that the Commission's rules contain correct citations and grammar post-Executive Order 10 review. This rulemaking will help make utility regulation more efficient in Iowa. Additional amendments that help make utility regulation more efficient for the Commission and stakeholders are also being proposed. The Commission issued an order commencing rulemaking on August 21, 2026. The order is available on the Commission's electronic filing system, efs.iowa.gov, under Docket No. RMU-2025-0199.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on November 26, 2025. A public hearing was held on the following date(s):

- December 22, 2025

Fiscal Impact

This rulemaking is intended to correct citations and grammar following the Commission's Executive Order 10 review.

Jobs Impact

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

Waivers

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

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Commission no later than 4:30 p.m. on October 6, 2026. Comments should be directed to:

IT Support
Iowa Utilities Board
Phone: 515.725.7300
Email: ITSupport@iub.iowa.gov

Public Hearing

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

October 29, 2026 9 to 11 a.m.	Commission Hearing Room 1375 East Court Avenue Des Moines, Iowa Also via Zoom

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

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

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subrule 6.4(1) as follows:

6.4(1) After the utility's response is received, commission staff may request additional information deemed necessary to complete the investigation and resolve the complaint. When all necessary information has been received and the investigation is complete, commission staff shall, within 30 days, send a letter with a proposed resolution of the complaint to the complainant, the utility, and the consumer advocate. Staff shall notify the complainant, the utility, and consumer advocate when the investigation is complete and the 30-day time period to issue a proposed resolution commences. A staff finding that the utility subject to a complaint has properly followed Iowa law, the commission's rules, the company's tariff, or a combination thereof, or a finding that the company has resolved the complaint, may be considered sufficient to satisfy the proposed resolution requirement.

ITEM 2. Amend rule 199—6.6(476) as follows:

199—6.6(476) Applicable procedures. When the complaint is docketed as a formal proceeding, the procedures set forth in ~~199—Chapter 7~~ 199—Chapter 2506 will apply.

ITEM 3. Amend rule 199—6.7(476) as follows:

199—6.7(476) Record. The written complaint and all information obtained during the informal investigation shall be uploaded into the electronic filing system formal complaint docket and be made part of the record in the formal complaint proceeding. The information from the informal complaint investigation shall be redacted pursuant to requirements in ~~199—Chapter 7~~ 199—Chapter 2506.

ITEM 4. Amend rule 199—6.8(476), introductory paragraph, as follows:

199—6.8(476) Special procedures for complaints alleging unauthorized changes in telecommunications services. Notwithstanding the deregulation of a communications service or facility pursuant to Iowa Code section 476.1D, complaints alleging an unauthorized change in telecommunications service (more information is contained in ~~the "Unauthorized changes in telecommunications service" rule in 199—Chapter 22~~ rule 199—22.9(476)) will be processed pursuant to this chapter with the following additional or substituted procedures:

ITEM 5. Amend paragraph **9.2(1)"d"** as follows:

d. The point of contact for landowner inquiries or claims as provided for in rule ~~199—9.5(479,479B)~~ 199—9.6(479,479B).

ITEM 6. Amend subrule 9.2(2) as follows:

9.2(2) *Plan variations.* The commission may by waiver allow variations from the requirements in this chapter if the pipeline company requesting a waiver is able to satisfy the standards set forth in ~~rule 199—1.3(17A,474,476)~~ 7—Chapter 2504 and if the alternative methods proposed by the pipeline company would restore the land to a condition as good as or better than provided for in this chapter.

ITEM 7. Amend rule 199—10.5(479) as follows:

199—10.5(479) Hearing. A hearing shall be set and held in accordance with Iowa Code sections 479.7 and 479.8. Any prehearing proceedings and the hearing shall be conducted in accordance with ~~199—Chapter 7~~ 199—Chapter 2506.

ITEM 8. Amend subparagraph **11.5(1)"b"(1)** as follows:

(1) A map showing the route of the transmission line drawn with reasonable accuracy, considering the scale. The map may be to any scale appropriate for the level of detail to be shown but not smaller than one inch to the mile and is to be legible when printed on paper no larger than ~~11 by 17 inches~~ 11" by 17". ~~The filing company shall provide the following information:~~ The electric company shall include necessary data files with geographical identifiers that are readable by common internet or software mapping applications (KMZ, shapefile, JSON, etc.) showing the proposed route of the transmission line. The following minimum information shall be provided on the maps:

1. to 12. No change.

ITEM 9. Adopt the following **new** subparagraph **11.5(1)"e"(7)**:

(7) An updated electronic file with geographic identifiers as required by paragraph 11.5(1)*"b"* to show the locations and boundaries of the property and the easement boundaries for which the electric company is seeking eminent domain.

ITEM 10. Amend paragraph **11.7(2)"b"** as follows:

b. Exhibit B. A map showing the route of the transmission line drawn with reasonable accuracy, considering the scale. The map may be to any scale appropriate for the level of detail to be shown but not smaller than one inch to the mile and legible when printed on paper no larger than ~~11 by 17 inches~~ 11" by 17". ~~The following information shall be provided:~~ The electric company shall include necessary data files with geographical identifiers that are readable by common internet or software mapping applications (KMZ, shapefile, JSON, etc.) showing the proposed route of the transmission line. The following minimum information shall be provided on the maps:

(1) to (7) No change.

ITEM 11. Amend paragraph **11.7(2)"e"** as follows:

e. Exhibit E. A statement that the right of eminent domain is not being requested~~.~~ and an updated electronic file with geographic identifiers as required by paragraph 11.5(1)*"b."*

ITEM 12. Amend paragraph **11.8(1)"b"** as follows:

b. Exhibit B. A map showing the route of the transmission line drawn with reasonable accuracy, considering the scale. The map may be to any scale appropriate for the level of detail to be shown but not smaller than one inch to the mile and legible when printed on paper no larger than ~~11 by 17 inches~~ 11" by 17". ~~The following information shall be provided:~~ The electric company shall include necessary data files with geographical identifiers that are readable by common internet or software mapping applications (KMZ, shapefile, JSON, etc.) showing the proposed route of the transmission line. The following minimum information shall be provided on the maps:

(1) to (6) No change.

ITEM 13. Amend rule 199—13.6(479,479B) as follows:

199—13.6(479,479B) Hearing. Hearings required under this chapter will comply with Iowa Code chapter 17A and sections 479.7 and 479B.6 and ~~199—Chapter 7~~ 199—Chapter 2506.

ITEM 14. Amend rule **199—14.3(17A,476)**, definition of "Registered user," as follows:

"Registered user" means a person who has complied with the commission's requirements in rule 199—14.6(17A,476) to obtain a user ID and password in order to view or submit filings for the commission's consideration through EFS.

ITEM 15. Rescind the definition of "Guest user" in rule **199—14.3(17A,476)**.

ITEM 16. Rescind subrule 14.5(1) and adopt the following **new** subrule in lieu thereof:

14.5(1) Signatures. The use of a user ID and password in accordance with the registration procedures specified in rule 199—14.6(17A,476) constitutes the filer's signature. Filers should use "/s/" followed by the signer's name to indicate a signature where applicable. All pleadings shall include a signature block containing the signer's name, title, address, email address, and telephone number.

ITEM 17. Amend rule 199—14.8(17A,476) as follows:

199—14.8(17A,476) Maps, plan and profile drawings, and other oversized documents. Any map, plan and profile drawing, or oversized document that is to be filed with the commission should be electronically filed as a PDF (Portable Document Format) or such electronic format as designated by the commission. If the map, drawing, or oversized document cannot be printed on ~~11- by 17-inch~~ 11" by 17" or smaller-sized paper in legible and usable form, as determined by the commission, the original and four paper copies of each map, drawing, or other document filed pursuant to this rule should also be filed unless more copies are directed by commission order or request. Maps and other documents should be drawn to a scale appropriate for the level of detail to be shown. However, if the map, drawing, or other document is not electronically filed, then the number of paper copies filed is governed by other applicable rules, including ~~the "hearings" rule in 199—Chapter 7~~ rule 199—2506.23(17A,476), which concerns the required number of copies for evidence introduced at hearing, and 199—Chapter 26, which contains additional requirements regarding the number of paper copies of minimum filing requirements required to be filed in rate and tariff proceedings.

ITEM 18. Amend rule 199—14.11(17A,476) as follows:

199—14.11(17A,476) Documents containing confidential material. Confidential documents will not be published in EFS. When filing a document containing confidential information, a person shall file one public version of the document with the confidential information redacted according to the commission's standards for electronic information and one version of the document containing the confidential information. The two versions of the document should be named according to the following convention: "Document Title—Public" and "Document Title—Confidential." It is the responsibility of the person submitting a public version of the electronic document to take appropriate measures to ensure that any embedded information for which confidential treatment is sought is nonviewable, nonsearchable, and nonreversible. Each page of the confidential version of the document shall be marked in a way that identifies it as belonging to the confidential version of the document. The confidential material itself is to be highlighted or otherwise distinguished on the page to identify what specific information is confidential. A filing including a document the filer asserts contains confidential information is also to include a separate document containing the request for confidential treatment pursuant to ~~199—Chapter 1~~ 7—Chapter 2505 and 199—Chapter 2505. Documents that the filer asserts contain confidential information will not be electronically served by EFS~~, as provided in 199—Chapter 14~~.

ITEM 19. Rescind rule **199—14.12(17A,476)**.

ITEM 20. Renumber rules **199—14.13(17A,476)** and **199—14.14(17A,476)** as **199—14.12(17A,476)** and **199—14.13(17A,476)**.

ITEM 21. Amend renumbered subrule 14.13(2) as follows:

14.13(2) *Service on parties for whom electronic service is not available.* The service list in each proceeding will be available in EFS. The list will identify the representatives for each party and will also indicate the parties for whom electronic service is not available. A filer is to serve a paper copy of any electronically filed document on parties entitled to paper service under ~~the "general information" rule in 199—Chapter 7~~ rule 199—2506.4(17A,474,476) unless the parties agree to other arrangements. The date of service is the day when the document served is deposited in the United States mail or overnight delivery, is delivered in person, or otherwise as the parties may agree. A party serving a paper copy of any electronically filed document on a person for whom electronic service is not available is to file a certificate of service stating the manner in which service on such person was accomplished.

ITEM 22. Amend rule 199—15.1(476) as follows:

199—15.1(476) Definitions. Terms defined in the Public Utility Regulatory Policies Act of 1978 (PURPA), in effect on ~~October 24, 1992~~ [effective date of this rule], 16 U.S.C. 2601, et seq., have the same meaning for purposes of these rules as they have under PURPA, unless further defined in this chapter.

"AEP facility" means: (1) an electric production facility that derives 75 percent or more of its energy input from solar energy, wind, waste management, resource recovery, refuse-derived fuel, agricultural crops or residues, or wood burning; (2) a hydroelectric facility at a dam; (3) land, systems, buildings, or improvements that are located at the project site and are necessary or convenient to the construction, completion, or operation of the facility; or (4) transmission or distribution facilities necessary to conduct the energy produced by the facility to the purchasing utility.

"Alternate energy purchase program" or *"AEP program"* means a utility program that allows customers to contribute voluntarily to the development of alternate energy in Iowa.

"Avoided costs" means the incremental costs to an electric utility of electric energy or capacity or both that, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source.

"Backup power" means electric energy or capacity supplied by an electric utility to qualifying facilities and AEP facilities to replace energy ordinarily generated by a facility's own generation equipment during an unscheduled outage of the facility.

"CFR" means the Code of Federal Regulations, which contains the general administrative rules adopted by federal departments and agencies, in effect as of July 16, 2025, unless a separate effective date is identified in a specific rule.

"Distributed generation facility" means a qualifying facility, an AEP facility, or an energy storage facility.

"Interconnection costs" means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with qualifying facilities and AEP facilities, to the extent the costs are in excess of the corresponding costs that the electric utility would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs do not include any costs included in the calculation of avoided costs.

"Interruptible power" means electric energy or capacity supplied by an electric utility subject to interruption by the electric utility under specified conditions.

"Maintenance power" means electric energy or capacity supplied by an electric utility during scheduled outages of qualifying facilities and AEP facilities.

"Purchase" means the purchase of electric energy or capacity or both from qualifying facilities and AEP facilities by an electric utility.

"Qualifying facility" means a cogeneration facility or a small power production facility that is a qualifying facility under 18 CFR Part 292, Subpart B~~, in effect April 5, 2021~~.

"Sale" means the sale of electric energy or capacity or both by an electric utility to qualifying facilities and AEP facilities.

"Supplementary power" means electric energy or capacity supplied by an electric utility, regularly used by qualifying facilities and AEP facilities in addition to that which the facility generates itself.

"System emergency" means a condition on a utility's system that is likely to result in imminent significant disruption of service to customers or is imminently likely to endanger life or property.

ITEM 23. Amend rule 199—15.3(476) as follows:

199—15.3(476) Information to commission. In addition to the information required to be supplied to the commission under 18 CFR 292.302, ~~in effect April 9, 1980,~~ all rate-regulated electric utilities will maintain records of contracts executed for the purchase, sale, or resale of energy or capacity, which will be made available to the commission upon request. If the purchases or sales are made other than pursuant to the terms of a written contract, then information as to the relevant prices and conditions shall be maintained and made available to the commission upon request.

ITEM 24. Amend subrule 15.7(2) as follows:

15.7(2) The commission may waive this requirement pursuant to ~~rule 199—1.3(17A,474)~~ 199—Chapter 2504 only after notice in the area served by the utility and an opportunity for public comment. The waiver may be granted if compliance with this rule will:

a. and *b.* No change.

ITEM 25. Amend paragraph **15.9(1)"a"** as follows:

a. Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces, IEEE Standard 1547, ~~in effect April 6, 2018~~ as amended through March 9, 2020. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) and (2) No change.

ITEM 26. Amend rule **199—16.1(476)**, definition of "Code of Federal Regulations," as follows:

"Code of Federal Regulations" or *"CFR"* means the Code of Federal Regulations, which contains the administrative rules adopted by federal departments and agencies, in effect as of ~~July 16, 2025~~ [effective date of this rule], unless a separate effective date is identified in a specific rule.

ITEM 27. Amend rule 199—16.2(476), introductory paragraph, as follows:

199—16.2(476) Uniform systems of accounts—electric. The uniform systems of accounts for public utilities and licensees subject to the provisions of the Federal Power Act, 18 CFR Part 101 published in the Federal Energy Regulatory Commission's (FERC's) rules and regulations, and the ~~July 16, 2025~~ [effective date of this rule], uniform systems of accounts for rural electric cooperatives prescribed for electric borrowers of the Rural Utilities Service (RUS), as applicable, are adopted with the following modifications:

ITEM 28. Amend subrule 17.8(2) as follows:

17.8(2) Wireless carriers and wireline local exchange carriers shall file the number of telecommunications service phone numbers with the commission. The number of telecommunications service phone numbers may be filed as confidential and may be withheld from public inspection pursuant to the procedures in ~~199—Chapter 1~~ 7—Chapter 2505 and 199—Chapter 2505.

ITEM 29. Adopt the following **new** definition of "Code of Federal Regulations" in rule **199—18.1(476)**:

"Code of Federal Regulations" or *"CFR"* means the Code of Federal Regulations, which contains the administrative rules adopted by federal departments and agencies, in effect as of [effective date of this rule], unless a separate effective date is identified in a specific rule.

ITEM 30. Amend rule 199—18.4(476) as follows:

199—18.4(476) Electric utilities other than rural electric cooperatives.

18.4(1) *Units of property.* Rate-regulated electric utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Electric Plant in accordance with ~~the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16~~ rule 199—16.2(476).

18.4(2) *Preservation of records.* All electric utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of Part 125 of the FERC rules, 18 CFR Part 125, Preservation of Records of Public Utilities and Licensees~~, as issued on August 15, 2000~~. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

ITEM 31. Amend subrule 18.5(1) as follows:

18.5(1) *Units of property.* Rural electric cooperatives (RECs) subject to rate regulation by the commission shall adopt the RUS rules contained in 7 CFR Part 1767 ~~published May 27, 2008~~. The

REC shall maintain sufficient records to support additions to plant, retirement units, and replacements of electric plant, in accordance with 7 CFR Section 1767.10, Definitions; 7 CFR Section 1767.15, General Instructions; 7 CFR Section 1767.16, Electric Plant Instructions; and 7 CFR Section 1767.20, Plant Accounts.

ITEM 32. Amend rule 199—18.6(476) as follows:

199—18.6(476) Gas utilities.

18.6(1) *Units of property.* Rate-regulated gas utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Gas Plant in accordance with ~~the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16~~ rule 199—16.3(476).

18.6(2) *Preservation of records.* All gas utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of FERC rules, 18 CFR Part 225, Preservation of Records of Natural Gas Companies~~, as issued August 15, 2000~~. Rate-regulated companies shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

ITEM 33. Amend rule 199—18.7(476) as follows:

199—18.7(476) Water, sanitary sewage, and storm water drainage utilities.

18.7(1) *Units of property.* Rate-regulated water, sanitary sewage, and storm water drainage utilities shall maintain an accounting system for Units of Property in Accounting for Additions and Retirements of Water Plant in accordance with ~~the "Uniform systems of accounts—electric rules" rule in 199—Chapter 16~~ rules 199—16.4(476) and 199—16.5(476).

18.7(2) *Preservation of records.* All water, sanitary sewage, and storm water drainage utilities subject to regulation by the commission shall preserve the records of their operations in accordance with the provisions of the NARUC guidelines: Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, revised ~~October 2007~~ 2024 edition. Regulated water, sanitary sewage, and storm water drainage utilities shall further ensure the preservation of records of associated companies, whether or not the associated companies are themselves utilities, as necessary to support the cost of services rendered to the utility by the associated companies.

ITEM 34. Amend paragraph **20.3(1)"d"** as follows:

d. Master-metering to multiple buildings is prohibited, except for multiple buildings owned by the same person or entity. Multitenant buildings within a multiple building complex may be master-metered pursuant to this paragraph only if the requirements of paragraph ~~20.3(1)*"c"*~~ 20.3(1)*"b"* have been met.

ITEM 35. Amend rule **199—24.2(476A)**, definition of "Intervenor," as follows:

"Intervenor" means a person who received notice under paragraph 24.6(2)*"b," "c," "d," "e,"* or *"f"* and has filed with the commission a written notice of intervention, or a person granted permission to intervene by the commission after filing a petition pursuant to rule ~~199—7.13(17A,476)~~ 199—2506.13(17A,476).

ITEM 36. Amend paragraph **24.6(1)"b"** as follows:

b. Provision for the publication of notice of the schedule for the hearing held by the commission in the form provided in Iowa Code section 17A.12(2), which notice shall be published ~~in a newspaper of general circulation in each county in which the proposed site is located once each week for two consecutive weeks with the second publication being no later than 30 days after acceptance of the application~~ as required by Iowa Code section 476A.6.

ITEM 37. Amend rule 199—24.8(476A) as follows:

199—24.8(476A) Hearing procedure.

24.8(1) *General.* The proceedings conducted by the commission pursuant to this chapter shall be treated in the same manner as a contested case pursuant to the provisions of Iowa Code chapter

17A. Except where contrary to express provisions below, the hearing procedure shall conform to the commission's rules of practice and procedure, ~~199—Chapter 7~~ 199—Chapter 2506. The proceeding for the issuance of certificate may be consolidated with the contested case proceeding for determination of applicable ratemaking principles under Iowa Code section 476.53.

24.8(2) *Intervention.*

a. No change.

b. *Petition to intervene.* Any other person wishing to become a party to the contested case proceeding may request to intervene in the proceeding by filing a petition to intervene pursuant to rule ~~199—7.13(17A,476)~~ 199—2506.13(17A,476) by the deadline set in the procedural schedule.

c. *Commission discretion.* The commission may, in its discretion, grant or deny such petition in accordance with rule ~~199—7.13(17A,476)~~ 199—2506.13(17A,476).

24.8(3) No change.

24.8(4) *Application for rehearing.* All applications for rehearing will be made and processed in accordance with Iowa Code sections 17A.16(2) and 476.12 and rule ~~199—7.27(17A,476)~~ 199—2506.27(17A,476).

ITEM 38. Amend subrule 24.10(4) as follows:

24.10(4) *Denial.* In the event the applicant fails to amend in a timely fashion, or after amendment or reopening the record, or both, the commission remains unable to make an affirmative finding, the commission will deny the application. The applicant may request rehearing on such denial in accordance with Iowa Code sections 17A.16(2) and 476.12 and rule ~~199—7.27(17A,476)~~ 199—2506.27(17A,476).

ITEM 39. Amend subrule 24.14(2) as follows:

24.14(2) In addition to any other service requirements, an applicant requesting a waiver must serve a copy of the waiver on all owners ~~or~~ of record of real property that adjoins the proposed facility site.

ITEM 40. Amend subparagraph **25.2(2)"b"(4)** as follows:

(4) Except for clearances near grain bins, for measurements made under field conditions, the commission will consider compliance with the overhead vertical line clearance requirements of Subsection 232 and Table 232-1 of the 1987 NESC indicative of compliance with the 1990 through ~~2017~~ 2023 editions of the NESC. (For an explanation of the differences between 1987 and subsequent code edition clearances, see Appendix A of the 1990 through ~~2017~~ 2023 editions of the NESC.)

ITEM 41. Amend subrule 26.1(1) as follows:

26.1(1) This chapter contains utilities commission procedural rules and filing requirements for utility rate cases, other rate tariff filings, and rate regulation election of electric cooperatives. The general contested case procedural rules in ~~199—Chapter 7~~ 199—Chapter 2506 apply to these types of proceedings where the rules in this chapter do not provide specific guidance.

ITEM 42. Amend paragraph **26.3(1)"b"** as follows:

b. Proposed new or changed rates, charges, schedules, or regulations that contain energy efficiency expenditures and related costs for demand-side programs shall not be included in a utility's proposed tariff that relates to a general increase in revenue. A utility may propose to recover the costs of process-oriented industrial assessments not related to energy efficiency as defined in ~~the definitions rule of 199—Chapter 35~~ rule 199—35.2(476).

ITEM 43. Amend subparagraph **26.4(1)"a"(4)** as follows:

(4) The notice requirements in this paragraph are not applicable to rate increases for telecommunications services. Notice requirements for intrastate access service rates are subject to the requirements of ~~the "intrastate access charge application, tariff procedures, and rates" rule of 199—Chapter 22~~ rule 199—22.4(476).

ITEM 44. Amend subparagraph **26.4(1)"b"(2)** as follows:

(2) At a minimum, a nonstandard customer notice shall include the following information:

1. If the utility is proposing to place ~~interim~~ temporary rates in effect, an explanation of the ~~interim~~ temporary rate process applicable to the proceeding and, with respect to such proposed

~~interim~~ temporary rates, all of the information that this subrule requires a utility to submit concerning final rates.

2. to 10. No change.

11. A statement indicating that, after a thorough investigation, the commission will make a determination on final rates, which may be different from those that the utility proposes, and that, if final rates are lower than ~~interim~~ temporary rates or the ~~interim~~ temporary rates are not based upon previously established regulatory principles, the utility shall make refunds, including interest, to customers.

12. No change.

ITEM 45. Amend subparagraph **26.4(4)"d"(23)** as follows:

(23) All testimony and exhibits in support of the rate filing, attached to affidavits of the sponsoring witnesses. All known and measurable changes in costs and revenues upon which the utility relies in its application shall be included.

1. Unless otherwise required, all testimony, exhibits, and other information shall be filed in the commission's electronic filing system as described in ~~the "Electronic filing procedures and required formats" rule of 199—Chapter 14~~ rule 199—14.5(17A,476). In addition, three paper copies of any documents filed electronically in the commission's electronic filing system, including confidential information, shall be provided to the commission and three copies to the consumer advocate within five days of the date the application is filed. The utility is not required to print voluminous workpapers that only provide supporting information as long as the utility has filed a summary of the information and the utility includes a page in the printed material that indicates the information in the workpapers that has not been printed and where that information is found in the application or minimum filing requirements. The commission or the consumer advocate may request a printed copy of this information if the information is required for review of the application or minimum filing requirements. The paper copies shall be certified by an officer of the utility or by an attorney representing the utility.

2. No change.

ITEM 46. Amend subrule 26.14(1) as follows:

26.14(1) Any utility filing an application with the commission requesting a determination of the reasonableness of its rates, charges, schedules, service, or regulations shall submit at the time the application is filed testimony and exhibits to fully support the utility's filing. All such testimony and exhibits shall be given or presented by competent witnesses, under oath or affirmation, at the proceeding ordered by the commission as a result of the application, and the proceeding shall be governed by the applicable provisions of ~~199—Chapter 7~~ 199—Chapter 2506 and rule 199—26.4(17A,476).

ITEM 47. Amend subrule 31.3(2) as follows:

31.3(2) Contracts, arrangements, or other similar transactions with an affiliate where the consideration is not in excess of $250,000 ~~or 5 percent of the capital equity of the utility, whichever is smaller,~~ are exempt from this filing requirement. In lieu of the filing requirement, the public utility shall file on or before June 30 of each year a report of the total amount of each contract, arrangement, or other similar transactions with affiliates qualifying under this exemption. Each affiliate is to be identified separately.

ITEM 48. Amend subrule 35.6(2) as follows:

35.6(2) Within 30 days after filing, each application for approval of an energy efficiency and demand response plan that is submitted with the information and supporting documentation required by this chapter, and that complies with the filing requirements of 199—Chapter 14, shall be docketed as a contested case proceeding. The Iowa economic development authority shall be considered a party to the proceeding. The proceeding shall follow the applicable provisions of ~~199—Chapter 7~~ 199—Chapter 2506.

ITEM 49. Amend rule 199—35.12(476) as follows:

199—35.12(476) New structure energy conservation standards. A utility providing natural gas or electric service shall not provide service to any structure completed after April 1, 1984, unless the owner or builder of the structure has certified to the utility that the building conforms to the energy conservation requirements adopted under ~~661—Chapter 303~~ 481—Chapter 301, Part 3. If this compliance is already being certified to a state or local agency, a copy of that certification shall be provided to the utility. If no state or local agency is monitoring compliance with these energy conservation standards, the owner or builder shall certify that the structure complies with the standards by signing a form provided by the utility. No certification will be required for structures that are not governed by ~~661—Chapter 303~~ 481—Chapter 301, Part 3.

ITEM 50. Amend paragraph **39.3(2)"g"** as follows:

g. A detailed description, including a map or maps, of the geographic service area for which the applicant requests an ETC designation from the commission. An applicant seeking designation in connection with a support mechanism through which support is allocated to specific census blocks or locations shall file a list of the census blocks or locations in or at which the applicant will serve as an ETC, in addition to the map included with the description required by this paragraph. Wireless telecommunications carriers, defined as commercial mobile radio service providers in 47 CFR Parts 20 and 24, shall file coverage area maps and maps that depict signal strength. Requests to withhold from public inspection maps depicting signal strength will be deemed granted as provided in ~~199—Chapter 1~~ 7—Chapter 2505 and 199—Chapter 2505.

ITEM 51. Amend rule 199—39.8(476) as follows:

199—39.8(476) Relinquishment of ETC designation.

39.8(1) The commission may permit an ETC to relinquish its designation as such a carrier in any area served by more than one ETC. An ETC that seeks to relinquish its designation for an area served by more than one ETC shall give 30 days' advance notice to the commission of such relinquishment. Additionally, the relinquishing carrier must certify to at least one of the following:

a. The carrier made a good faith effort to provide 30 days' advance notice to other ETCs operating in the relinquished service area;

b. The carrier has no active customers in the relinquished service area; or

c. The carrier has taken the necessary steps to transition all of its customers in the relinquished service area to an alternative ETC.

39.8(2) A carrier that is granted ETC status in connection with a federal universal support program but that ultimately does not receive the support shall, within 30 days after the FCC issues a public notice regarding the award of support, file a notice of relinquishment of the carrier's designation for any service areas where the carrier is not awarded funds and does not plan to offer service.

ITEM 52. Amend paragraph **41.5(1)"c"** as follows:

c. A proposed procedural schedule that, at a minimum, provides proposed dates for direct testimony, rebuttal testimony, and a hearing for cross-examination of all testimony. The proposed schedule should generally comply with the commission's procedural rules in ~~199—Chapter 7~~ 199—Chapter 2506.

ITEM 53. Amend subrule 41.5(6) as follows:

41.5(6) *Expedited timeline.* The shortened time limits applicable to expedited proceedings in ~~199—Chapter 7~~ 199—Chapter 2506 shall apply to proceedings commenced under this rule.

ITEM 54. Amend subrule 42.18(5) as follows:

42.18(5) *Expedited timeline.* The commission recognizes that the parties will ordinarily require a swift decision. Therefore, the shortened time limits applicable to expedited proceedings in ~~199—Chapter 7~~ 199—Chapter 2506 shall apply to contested cases brought under this chapter.

ITEM 55. Amend rule **199—45.1(476)**, definition of "UL Standard 1741," as follows:

"UL Standard 1741" means the standard titled "Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources," ~~January 28, 2010, edition~~ September 28, 2021, Underwriters Laboratories Inc., 333 Pfingsten Road, Northbrook, IL 60062-2096.

ITEM 56. Amend paragraph **45.3(1)"a"** as follows:

a. Standard for Interconnection and Interoperability of Distributed Energy Resources and Associated Electric Power System Interfaces, IEEE Standard 1547, ~~in effect April 6, 2018~~ as amended through March 9, 2020. For guidance in applying IEEE Standard 1547, the utility may refer to:

(1) and (2) No change.

ITEM 57. Amend subrule 2506.23(10) as follows:

2506.23(10) *Record.* The record of the case is maintained in the commission's electronic filing system. Unless the record is held confidential pursuant to ~~the "public information and inspection of records" rule in 199—Chapter 1~~ 199—subrule 2505.5(4), parties and members of the public may examine the record and obtain copies of documents, including the transcript, when available.

ARC 0582D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to description of organization

The Division of Banking hereby rescinds Chapter 1, "Description of Organization," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 524.213.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 524.213.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 1 relating to the organization and administration of the Division, thereby eliminating language that duplicates statutory language, eliminating unnecessary and inconsistent language, and removing unnecessarily restrictive terms.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0362D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rescission. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **187—Chapter 1**.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0583D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to application procedures

The Division of Banking hereby rescinds Chapter 2, "Application Procedures," Iowa Administrative Code, and adopts a new Chapter 2 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 524.213.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 524.213, 524.303, 524.305, 524.312, 524.544, 524.802, 524.825, 524.901, 524.1201, 524.1303, 524.1401 through 524.1405, 524.1410, 524.1413 through 524.1415, 524.1505, 524.1508 and 524.1509.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 2 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0361D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 2 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2
APPLICATION PROCEDURES

187—2.1(17A,524) Organization of a state-chartered bank. Persons desiring to organize a state-chartered bank should first meet with the superintendent to discuss the proposal.

This rule is intended to implement Iowa Code section 524.303.

187—2.2(17A,524) Conversion into state bank.

2.2(1) *Application.* A national bank, federal savings association, out-of-state bank, or state or federally chartered credit union desiring to become a state bank should first meet with the superintendent to discuss the proposal.

2.2(2) *Commencement of business as state bank.* The superintendent's "Authorization To Do Business" as a state bank will be issued to be effective on the date of conversion.

2.2(3) *Resulting state bank.* The resulting state bank shall submit the oath of directors, list of shareholders, and certificate of elections and appointments to the superintendent on forms to be provided by the superintendent. The oath of directors is to be signed prior to the first meeting of the board of directors following the effective date of the conversion. The list of shareholders is to be completed as of the effective date of conversion.

This rule is intended to implement Iowa Code sections 524.1410 and 524.1413 through 524.1415.

187—2.3(17A,524) Merger or purchase and assumption.

2.3(1) *Definition.* For purposes of this rule, "merger" means a merger in which the resulting bank is a state bank. "Purchase and assumption" means a transaction in which a state bank purchases the assets and assumes the liabilities of another bank or credit union.

2.3(2) *State bank as seller.* In the case of a purchase and assumption, if the bank being acquired is a state bank, appropriate forms and instructions for the voluntary liquidation of the bank may be obtained from the superintendent.

2.3(3) *Examination and investigation.* The superintendent may conduct an examination or investigation as deemed necessary.

2.3(4) *Decision.* The superintendent shall approve or deny the application within 90 days after the purchase and assumption application has been accepted for processing and within 180 days after the merger application has been accepted for processing.

This rule is intended to implement Iowa Code sections 524.1401 through 524.1405.

187—2.4(17A,524) Establishment of a bank office.

2.4(1) *Application.* A state bank desiring to establish and operate a bank office shall submit to the superintendent an "Application to Establish a Bank Office."

2.4(2) *Guidelines.* In determining whether to approve or deny a bank office application for other than a mobile office, a bank-owned courier service, or a convenience office, the superintendent will consider the following factors:

a. Whether the convenience and needs of the public and existing customers of the applicant bank will be served by the proposed office.

b. Whether the capital structure of the applicant bank is adequate in relation to the costs and anticipated increased business, if any, occasioned by the proposed office.

c. The history of operation and management of the applicant bank.

d. Such other factors as the superintendent may determine are relevant.

2.4(3) *Decision.* The superintendent shall approve or deny the application within 120 days after the application has been accepted for processing. If the application is approved, the superintendent shall issue a bank office certificate for the establishment and operation of the bank office to be effective on a specific date and at a designated location.

This rule is intended to implement Iowa Code sections 524.312 and 524.1201.

187—2.5(17A,524) Change of location of principal place of business or bank office. A state bank desiring to relocate its principal place of business or a bank office shall submit to the superintendent an "Application to Relocate the Principal Place of Business" or "Application to Relocate a Bank Office."

This rule is intended to implement Iowa Code section 524.312.

187—2.6(17A,524) Change of control.

2.6(1) *Application.* An application by any person to purchase or otherwise acquire, directly or indirectly, outstanding shares of a state bank that would result in control or a change in control shall be submitted in the format requested by the superintendent and, at a minimum, contain the following information:

a. Copy of the agreement between the purchaser and seller for the sale of stock that results in the buyer acquiring a majority interest in the state bank.

b. Terms of any financing, including any bank stock loan, including the amount to be borrowed, rate of interest, number of years the loan is to run, collateral pledged to secure the indebtedness, and any other pertinent information relating to such loan.

c. Financial statement of the purchaser and a résumé related to the purchaser's past experience and affiliations.

d. Pro forma statement of the purchaser's income and expenses during the term of any bank stock loan and a statement from the purchaser indicating which assets will be converted to cash or pledged as security to provide the initial equity.

e. Projections of statement of condition of the state bank to be purchased during the term of any bank stock loan.

f. Projections of income and expenses of the state bank to be purchased during the term of any bank stock loan.

g. Any plans that the purchaser may have that would represent major changes in the present staff or policies of the state bank involved.

h. When requested by the superintendent, an affidavit signed by the purchaser stating that the majority interest in the state bank is not being acquired for the benefit of another person or company.

2.6(2) *Decision.* The superintendent shall approve or deny the application within 90 days after the application has been accepted for processing. Upon receipt of a certificate of approval, the applicant may proceed to conclude the purchase transaction, subject to such terms and conditions as the superintendent may impose.

This rule is intended to implement Iowa Code section 524.544.

187—2.7(17A,524) Amendment or restatement of articles of incorporation.

2.7(1) *Application.* State banks desiring to effect a reverse stock split or similar change in capital structure by such renewal, amendment, or restatement should contact the superintendent to discuss the proposal prior to its adoption.

2.7(2) *Decision.* Upon filing such articles, the secretary of state will return the original to the state bank and will also issue a certificate to the state bank indicating the date the filing was effective.

This rule is intended to implement Iowa Code sections 524.1505, 524.1508, and 524.1509.

187—2.8(17A,524) Supplemental application procedures.

2.8(1) *Hearings.* If the superintendent deems a public hearing necessary with respect to any application, the superintendent may establish appropriate procedures to provide a method by which all persons interested in the subject matter of such applications may present their views. Interested persons may also present their views in a more informal manner when deemed appropriate by the superintendent.

2.8(2) *Public file.*

a. The public file in each case consists of the application with supporting data and supplementary information, with the exception of material deemed by the superintendent to be confidential. In addition, the public file shall contain all data and information submitted by interested persons in favor of or in opposition to such application, excluding any material deemed by the superintendent to be confidential. The superintendent or the superintendent's designee shall not deem information confidential for purposes of the two immediately preceding sentences unless the person submitting the information requests that such information be deemed confidential. All factual information contained in any internal investigation report made by a bank examiner shall also be made a part of the public file unless deemed confidential by the superintendent. The person submitting the application shall not request that the entire application be deemed confidential.

b. The public file is available for inspection in the office of the superintendent upon request pursuant to Iowa Code chapter 22 and 187—Chapter 7.

2.8(3) *General application procedures.* Unless otherwise provided by statute or rule, the following general provisions cover all applications:

a. Application forms are available on the division's website or upon request.

b. The superintendent may conduct an investigation in association with an application as deemed necessary.

c. The decision by the superintendent shall be conveyed in writing to the applicant.

d. If the application is approved, the superintendent will deliver a certificate of approval or other appropriate form of authorization to the applicant.

This rule is intended to implement Iowa Code sections 17A.3, 524.305, 524.312, 524.1201, 524.1303, and 524.1403.

187—2.9(524) Investment in a bank service corporation or other subsidiary.

2.9(1) *Application.* An application by a state bank to invest in a bank service corporation or other subsidiary for purposes of engaging in an authorized activity shall be in letter form and contain, at a minimum, the following information.

a. A detailed description of the proposed authorized activity of the bank service corporation or other subsidiary.

b. A detailed description of the location(s) where the bank service corporation or other subsidiary proposes to conduct its authorized activity.

c. Evidence that the bank service corporation or other subsidiary will:

(1) Be adequately capitalized in relation to the risks associated with the proposed authorized activity;

(2) Have sufficient managerial resources to perform the proposed authorized activity;

(3) Obtain all licenses and approvals from other regulatory agencies necessary to perform the proposed authorized activity;

(4) Maintain a separate and adequate accounting system and other corporate records; and

(5) Conduct its authorized activity pursuant to independent policies and procedures designed to inform customers and prospective customers of the bank service corporation or other subsidiary that it is a separate organization from the state bank.

d. A legal opinion that the proposed authorized activity of the bank service corporation or other subsidiary is permissible under state and federal laws and regulations if requested by the superintendent.

e. The amount that the state bank proposes to initially invest in the bank service corporation or other subsidiary.

f. A copy of the resolution adopted by the state bank's board of directors authorizing the investment in the bank service corporation or other subsidiary.

2.9(2) *Investment limitation.* Unless state or federal statutes impose specific limitations relating to investments in the shares of a corporation by a state bank, a state bank's maximum permissible investment in an individual bank service corporation or other subsidiary is 15 percent of its aggregate capital as defined in Iowa Code section 524.103 and a state bank's maximum permissible investment in all bank service corporations or subsidiaries is 5 percent of its total assets. At the superintendent's discretion, a higher investment limitation may be established for an investment by a state bank in an operations subsidiary as defined in Iowa Code section 524.103. For purposes of this rule, "invest" or "investment" includes any advance of funds to a bank service corporation or other subsidiary, whether by the purchase of stock, the making of a loan, or otherwise.

2.9(3) *Decision.* The superintendent shall approve or deny the application within 60 days after the application is received.

2.9(4) *Revocation.* The superintendent may revoke a previously granted approval to invest in a bank service corporation or another subsidiary and order divestiture of the shares, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur:

a. The financial condition of the state bank has significantly deteriorated;

b. The superintendent determines the authorized activity is being conducted unlawfully or in an unsafe or unsound manner; or

c. Other relevant factors exist that the superintendent may determine are grounds to revoke the authorized activity.

This rule is intended to implement Iowa Code section 524.802.

187—2.10(524) Securities activities.

2.10(1) *Scope.* Iowa law authorizes state banks to engage in any aspect of the securities business. Recommending and selling interests in mutual funds, annuities, and other nondeposit investment products on bank premises may be conducted directly by a state bank, through a subsidiary or an affiliate of a state bank, or through an arrangement with a third-party vendor.

2.10(2) *Board responsibilities.* The board of directors of a state bank shall evaluate the risks associated with the securities activities proposed and the method by which the securities activities will be conducted on its premises. The board of directors shall be responsible for ensuring that any securities activities conducted on its premises will comply with all applicable state and federal laws and regulations as well as any policy statements issued that relate to securities activities. Specifically, if a state bank develops and implements a particular program where nondeposit investment products are recommended and sold to retail customers, that program shall ensure that customers are clearly and fully informed of the nature of and risks associated with those types of products. If an affiliate, a subsidiary, or a third-party vendor is used to recommend and sell nondeposit investment products, all signs, advertisements and other promotional material should clearly identify the affiliate, subsidiary, or third-party vendor as the seller and should not suggest by use of a trade name that the state bank is the seller. The board of directors shall be responsible for complying with the joint federal Interagency Statement on Retail Sales of Nondeposit Investment Products or any substitution therefor or revision thereof.

2.10(3) *Application.* An application by a state bank to engage in any securities activities shall be in letter form and contain, at a minimum, the following commitments:

a. That the proposed securities activities will be conducted either directly by the state bank, through a subsidiary or an affiliate of the state bank, or through an arrangement with a third-party vendor. In specific cases, it may be necessary for the applicant to provide a legal opinion stating that the proposed activities are authorized.

b. That the state bank's board of directors has evaluated the risks associated with the proposed securities activities and has adopted a written statement that addresses these risks and the procedures to be used to ensure compliance with all applicable laws, regulations and policy statements. The scope and level of detail of the written statement should reflect the state bank's level of involvement in the securities activities. If securities activities are to be conducted on bank premises by an affiliate, a subsidiary, or a third-party vendor, the written statement should also address the scope of those activities, as well as the procedures for monitoring compliance by the affiliate, subsidiary, or third-party vendor with all applicable laws, regulations, and policy statements.

c. That, if securities activities are to be conducted through an affiliate, a subsidiary, or a third-party vendor, the board of directors has performed an appropriate review of the affiliate, subsidiary, or third-party vendor. A copy of the written agreement between the parties shall accompany the application.

d. That the location(s) on bank premises where the proposed securities activities will be conducted will be physically distinct and separate from the area where deposits are taken. Proper signs or other means must be used to distinguish the area where the sale of retail nondeposit investments products will be conducted from the area where insured deposits are normally taken. If securities activities are to be conducted on bank premises by an affiliate, a subsidiary, or a third-party vendor, all signs or other means used to identify this area shall provide to the retail customer a clear and accurate representation of the entity conducting the securities activities.

e. That clear and concise oral and written disclosures will be provided to retail customers. A copy of the proposed written disclosures shall accompany the application.

f. That the state bank, its subsidiary or affiliate, or a third-party vendor will complete background checks on all personnel authorized to recommend and sell nondeposit investment products and that all such personnel will be properly trained and appropriately licensed prior to commencing any securities activities and thereafter while conducting securities activities on the premises of the state bank.

Notwithstanding the application requirements set forth herein, if the securities activity being conducted is limited to discount brokerage or referral services, then the state bank only needs to notify the superintendent that it intends to engage in the limited securities activity.

2.10(4) *Revocation.* The superintendent may revoke a previously granted approval to conduct securities activities on the premises of the state bank, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur.

a. The financial condition of the state bank has significantly deteriorated.

b. The superintendent determines the securities activities are being conducted unlawfully or in an unsafe or unsound manner.

c. Other relevant factors exist that the superintendent may determine are grounds for a revocation of the securities activities.

This rule is intended to implement Iowa Code section 524.825.

187—2.11(524) Futures, forward, and standby contracts.

2.11(1) *Scope.*

a. Futures contracts are defined as standardized contracts traded on and guaranteed by organized exchanges to purchase or sell a specified security or a bank certificate of deposit on a future date at a specified price. Forward contracts are defined as over-the-counter contracts for forward placement or delayed delivery of securities in which one party agrees to purchase and another to sell a specified security at a specified price for future delivery. Contracts specifying settlement in excess of 30 days following the trade date are deemed to be forward contracts. Standby contracts are defined as optional forward contracts. For example, the buyer of a standby contract (put option) pays a fee for the right or option to sell securities to the other party at a stated price at a future time. The seller of a standby contract receives the fee and must stand ready to buy the securities at the other party's option.

b. Futures contracts, forward contracts, and standby contracts may be used by state banks to reduce their existing interest rate risk exposure resulting from their overall investment activities and as a general hedge against interest rate exposure associated with undesired mismatches in interest-sensitive assets and liabilities. At no time shall futures, forward, and standby contracts be used to speculate on future interest rate movements.

c. State banks may, without the prior approval of the superintendent, purchase shares in permissible investment companies, up to a maximum of 15 percent of aggregate capital, which use futures contracts, forward contracts, and standby contracts, as well as repurchase agreements and securities lending arrangements as a part of their portfolio management strategies. It remains the responsibility of the board of directors making these purchases to ensure that a particular investment company is a proper holding for the state bank's investment portfolio.

2.11(2) *Application.* An application by a state bank to engage in futures contracts, forward contracts, and standby contracts shall be in letter form and contain, at a minimum, the following information:

a. A description of the type(s) of contracts the state bank proposes to purchase and sell.

b. A copy of the board of directors' resolution authorizing the specific type(s) of contracts proposed to be purchased and sold.

c. A copy of the policy adopted by the state bank's board of directors that shall include specific policy objectives that outline permissible contract strategies and their relationship to overall investment activities and asset-liability management; the names, responsibilities, and authority limits of the personnel authorized to engage in futures, forward, and standby contracts; limitations applicable to futures, forward, and standby contract positions; the personnel to be used to review at least monthly the state bank's contract positions to ascertain compliance with such limits; the exchanges and firms through which authorized personnel may conduct futures, forward, and standby contracts; and the dollar limit on transactions with each firm.

d. A representation that the state bank has sufficient managerial resources to engage in futures, forward, and standby contracts.

2.11(3) *Revocation.* The superintendent may revoke the approval of the state bank to engage in futures, forward and standby contracts, pursuant to the contested case provisions of Iowa Code chapter 17A, if any of the following occur.

a. The financial condition of the state bank has significantly deteriorated.

b. The superintendent determines the futures, forward, or standby contract activities are being conducted unlawfully or in an unsafe or unsound manner.

c. Other relevant factors exist that the superintendent may determine are grounds for a revocation of the activities.

This rule is intended to implement Iowa Code section 524.901.

187—2.12(17A,524) Mobile offices, courier services, and convenience offices.

2.12(1) *Definitions.*

"Bank-owned courier service" means a service that has the sole purpose of serving specific customers with pick-up or delivery services for banking activities such as deposits, withdrawals, and loan transactions.

"Convenience office" means a bank office at a fixed site that is open only at certain times or dates, such as at a nursing home, college orientation, or fair. The sole purpose of a convenience office is to serve the convenience of the bank's customers at specified special events or who may have limited mobility.

"Mobile office" means a bank office that does not have a permanent site and functions out of a mobile banking unit that stops at predetermined locations to conduct banking activities.

2.12(2) *Scope.* A state bank may provide courier services to its customers by using a third-party provider operated under the provider's name or using the state bank's employees operating in the state bank's own name. Customer deposits picked up by a courier service become deposits of the state bank at the time the deposits are picked up by the courier service. A state bank that establishes and operates courier services in its own name using its own employees must establish the vehicle it uses to provide courier services as a bank office in accordance with the provisions of this rule.

A state bank that uses a third party to provide courier services to its customers may pay the third party directly for those services and may charge its customers for third-party courier services as the state bank deems appropriate. Superintendent approval is not required for a state bank to provide courier services to its customers by using a third party.

2.12(3) *Policy.* The board of directors of a state bank that operates a mobile office, bank-owned courier service, or convenience office shall adopt a policy governing operation of the mobile office, bank-owned courier service, or convenience office. The policy shall be appropriate for the nature and scope of the state bank's use of the mobile office, bank-owned courier service, or convenience office and shall at a minimum:

a. Address the steps the bank will take to protect the security of the office, its customers, employees, its customers' financial information and deposits. The security plan may include implementation of customer and employee security systems such as security cameras, external lighting, and internal or attached protection zones.

b. Require the bank to maintain deposit insurance coverage for the mobile office, bank-owned courier service, or convenience office.

c. Require the bank to main adequate insurance coverage covering the bank in case of robbery, accident, other loss of items, delay in the delivery of items to other destinations, and other liabilities associated with operating the office.

d. Address types of activities the bank will conduct from the mobile office, bank-owned courier service, or convenience office.

e. Require the bank to maintain a daily log of operations including descriptions of the time and locations of each stop made by the mobile office or bank-owned courier service, the locations and the hours a convenience office was operated, and the names of the bank personnel working at the mobile office, bank-owned courier service, or convenience office during those times.

f. Address what, if any, signage the state bank will place on the mobile office, bank-owned courier service, or convenience office.

g. For mobile offices and bank-owned courier services, address how the state bank will determine the locations at which it will provide services and the times it will be at those locations, including how the state bank will ensure that the mobile office, bank-owned courier service, or convenience office is located in a safe location and has the necessary permission of the owner of the property where the mobile office, bank-owned courier service, or convenience office is located to operate at that location.

2.12(4) *Necessary federal approval.* If the state bank must receive approval from any federal agency, such as the Federal Deposit Insurance Corporation (FDIC), prior to operating a mobile office, bank-owned courier service, or convenience office, such federal approval will be a condition of approval by the superintendent of banking of the application to operate a mobile office, bank-owned courier service, or convenience office.

2.12(5) *Interstate banking.* A mobile office or bank-owned courier service shall not operate in another state unless the state bank has obtained any required permissions from the other state and the appropriate federal regulator.

This rule is intended to implement Iowa Code sections 524.213 and 524.1201.

187—2.13(17A,524) Required fees. The following is a schedule of the fees for corporate applications filed by state banks adopted by the superintendent:

Conversion to a state bank:	$5,000 + examination fee
New (de novo) state bank:	$15,000
Certificate of Good Standing or Proof of Official Records:	$25

This rule is intended to implement Iowa Code sections 524.213, 524.303, 524.305, 524.1410, 524.1413, and 524.1415.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0584D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to State banking council

The Division of Banking hereby rescinds Chapter 4, "State Banking Council," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 524.213.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 524.213.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 4 relating to the organization and administration of the State Banking Council, thereby eliminating language that duplicates statutory language, eliminating unnecessary and inconsistent language, and removing unnecessarily restrictive terms.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0363D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rescission. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **187—Chapter 4**.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0585D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to approved rating services

The Division of Banking hereby rescinds Chapter 8, "General Banking Powers," and adopts a new Chapter 8, "Approved Rating Services," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 12B.10 and 524.213.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 12B.10.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 8 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language. This includes eliminating existing rule 187—8.9(524) to eliminate unnecessary and outdated language and consolidating relevant language from rule 187—8.10(524) into similar rules in 197—Chapter 2 (**ARC 0583D**, IAB 9/16/26).

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0360D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
APPROVED RATING SERVICES

187—8.1(12B) Approved rating services. Rating services approved by the superintendent as provided by Iowa Code section 12B.10 for use by the treasurer of state and the treasurer of each political subdivision in determining qualifying commercial paper investments include all nationally recognized statistical rating organizations registered with the United States Securities and Exchange Commission.

This rule is intended to implement Iowa Code section 12B.10.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0586D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to investment and lending powers

The Division of Banking hereby rescinds Chapter 9, "Investment and Lending Powers," Iowa Administrative Code, and adopts a new Chapter 9 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 524.213, 524.905 and 524.908.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 524.905 and 524.908.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 9 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0359D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 9 and adopt the following **new** chapter in lieu thereof:

CHAPTER 9
INVESTMENT AND LENDING POWERS

187—9.1(17A,524) Real estate lending. This rule applies to real estate loans originated by a state bank or acquired by purchase, assignment, or otherwise.

9.1(1) *Written policy.*

a. The board of directors of a state bank shall formulate and maintain a written real estate lending policy that is appropriate for its size and the nature and scope of its operation. Each policy must be comprehensive and consistent with safe and sound lending practices. The standards and limits established in the policy must be reviewed and approved at least annually by the board. The real estate lending policy should reflect the level of risk that is acceptable to the board and should provide clear and measurable underwriting standards that enable the state bank's lending staff to evaluate all relevant credit factors. The real estate lending policy, at a minimum, should:

(1) Identify the geographic area where the state bank will consider lending.

(2) Establish loan portfolio diversification standards.

(3) Set appropriate terms and conditions by type of real estate loan.

(4) Establish loan origination and approval procedures.

(5) Establish prudent underwriting standards that include clear and measurable loan-to-value limitations.

(6) Establish review and approval procedures for exempted loans.

(7) Establish loan administration procedures.

(8) Establish real estate appraisal and evaluation programs.

(9) Require the bank to monitor the portfolio and provide timely reports to the board of directors.

(10) Establish procedures for conformance with secondary market investor requirements where applicable.

b. When formulating the real estate policy, the board should consider both internal and external factors, such as size and condition of the state bank, expertise of its lending staff, avoidance of undue concentrations of risk, compliance with all real estate-related laws and rules, and general market conditions.

9.1(2) *Loan-to-value limits.* The board of directors of the state bank shall establish its own internal loan-to-value (LTV) limits for real estate loans.

9.1(3) *In-transit loans.* Real estate loans made for sale into the secondary market are considered in transit for a period of 90 days after being sold and are not considered risk assets for reserving purposes during this time period.

9.1(4) *Evidence of title.* The state bank shall obtain, when lending for the purpose of acquisition or for the purpose of refinance of acquisition of an interest in real estate that is an owner-occupied one- to four-family dwelling occupied or used or intended to be occupied for residential purposes, when a new mortgage, deed of trust, or similar instrument is filed, one of the following:

a. A written legal opinion by an attorney admitted to practice in the state in which the real estate is located showing marketable title in the mortgagor and describing any existing liens and stating that the state bank's mortgage, deed of trust, or similar instrument is a lien on the real estate. An Iowa title guaranty certificate issued by the Iowa title guaranty division of the Iowa finance authority satisfies this requirement.

b. Title insurance written by an insurance company licensed to do business in the state in which the real property is located describing any existing liens and insuring the title to the real property and the validity and enforceability of the mortgage, deed of trust, or similar instrument as a lien on the real property.

9.1(5) *Exceptions.* Because other factors significantly outweigh the need to apply the provisions of this rule in certain real estate transactions, the following transactions are exempt from this rule:

a. Loans guaranteed, insured, or for which a written commitment for such has been issued by the U.S. government or its agencies.

b. Loans guaranteed, insured, or for which a written commitment for such has been issued by the state of Iowa, a political subdivision, or agency thereof, provided that the state bank has determined that the guarantor or insurer has the financial capacity and willingness to perform under the terms of the agreement.

c. Acceptance of real estate as collateral to secure debts previously contracted in good faith.

d. Securities collateralized by real estate, but in which a state bank may invest pursuant to Iowa Code section 524.901.

e. With the prior approval of the superintendent, any other loans approved, issued, insured, or guaranteed by any other federal or state-sponsored program.

9.1(6) *Exempted transactions.* In addition to the exemptions set forth in subrule 9.2(5), it may be appropriate, in light of all relevant credit considerations, including community reinvestment factors, for state banks, in certain instances, to originate or purchase real estate loans that do not meet the requirements of this rule. State banks are allowed to make such loans; however, the aggregate amount of all real estate loans that fall into this category shall not exceed aggregate capital as reflected on the state bank's most recent consolidated report of condition, unless prior approval to exceed this limitation has been obtained from the superintendent. These exempted loans must be identified by the board of directors by name and outstanding balance and be reviewed by the board at least annually. Examiners, during the course of their examinations, will determine whether these exempted loans are adequately documented and appropriate in light of overall safety and soundness considerations. No real estate loans to directors, officers, or principal shareholders or their related interests shall be allowed in the exempted category of this subrule.

This rule is intended to implement Iowa Code section 524.905.

187—9.2(17A,524) Leasing.

9.2(1) *Definitions.* For purposes of this rule, the following definitions apply.

"Aggregate rentals payable" means the total of minimum lease payments (net of unearned income) that the lessee is obligated to make or can be required to make plus any guarantee of the residual value or of rental payments beyond the lease term by an eligible guarantor, provided the guarantor is financially capable of discharging the obligation.

"Full payout lease" means one in which the lessor's service is limited to the financing of the asset, with the lessee paying all other costs, including maintenance and taxes, and has the option of purchasing the asset at the end of the lease for a nominal price. The lease shall be fully amortized over the term of the lease or lifetime of the asset, whichever is less.

"Inception" means the date of the lease agreement or commitment, if earlier, or the date the lease is purchased by the state bank. For purposes of this definition, a commitment shall be in writing, signed by the parties in interest to the transaction, and specifically set forth the principal terms of the transaction. However, if the property covered by the lease is a fixture yet to be constructed or has not been acquired by the lessor at the date of the lease agreement or commitment, the inception is the date that construction of the property is completed or the property is acquired by the lessor. The inception date of a lease assumed in a business combination accounted for as a purchase is the date the combination is recorded for accounting purposes.

"Independent third-party appraiser" means an individual not involved with the lease transaction, except as the appraiser, with no direct or indirect interest, financial or otherwise, in the property appraised or the parties involved with the transaction. The bank shall take appropriate steps to ensure the appraiser exercises independent judgment and that the appraisal is adequate.

"Lease servicer" means an entity that collects monthly principal and interest payments from the lessee and then forwards the payments to the purchasing institution or maintains lease records for a fee.

"Leasing company" means an enterprise that makes leases or assembles leases for resale to a bank. Leases acquired by a state bank from an affiliated leasing company will be treated for purposes of this rule the same as if the lease was originated by the bank itself. The provisions of Iowa Code section 524.1101 apply when determining if an affiliate relationship exists.

"Lessee" means the party using the leased property.

"Lessor" means the party owning the leased property.

"Residual value" means the estimated fair value of the leased property at the end of the lease term.

9.2(2) *General direct and purchased lease guidelines.*

a. The board of directors of the state bank shall formulate and maintain a written lease policy that is appropriate for the size, nature and scope of the bank's operation. Each policy must be comprehensive and consistent with safe and sound banking practices. The standards and limits established in the policy must be reviewed and approved at least annually by the board. The bank's lease policy, at a minimum, should:

(1) Identify acceptable lease servicers and lessors (purchased leases only).

(2) Establish aggregate volume of paper to be purchased from approved servicers and lessors (purchased leases only).

(3) Identify the geographic area where the bank will consider purchasing or originating leases.

(4) Establish lease portfolio diversification standards.

(5) Set appropriate terms and conditions by type of leases.

(6) Establish lease origination and approval procedures.

(7) Establish prudent underwriting standards.

(8) Establish lease administration procedures.

(9) Establish appraisal and evaluation programs.

(10) Monitor the portfolio and provide timely reports to the board of directors.

(11) Set forth permitted exceptions to the policy.

When formulating the lease policy, the board should consider both internal and external factors, such as size and condition of the state bank, expertise of the lending staff, avoidance of undue concentrations of risk, and general market conditions.

b. Whether the bank is serving as lessor or acquiring a lease through purchase, a bank employee shall perform an independent credit analysis of the lessee.

c. The bank or an affiliated leasing company shall obtain collateral values, lien status, lease agreements, participation agreements, and title documentation within 45 calendar days from inception with original documentation being maintained in the bank's or affiliated leasing company's credit files.

d. A bank employee, an officer of an affiliated lease originator, or an independent third-party appraiser shall conduct at inception, and at least annually thereafter, an inspection of the leased tangible personal property, unless prior approval to waive the inspection requirements has been obtained from the superintendent. For a lease to a governmental unit, the bank shall conduct an inspection at inception or maintain written verification by an official of the governmental unit to confirm the existence of the leased property.

e. Ongoing documentation requirements to support the lease are the same as if the bank had made a direct loan to the lessee for purchase of the asset being leased.

f. The lease shall be a full payout lease that is a noncancelable obligation of the lessee with the obligation serving the same purpose as other forms of bank financing. For purposes of this rule, a lease to a governmental unit that contains a fiscal funding clause would be considered a noncancelable lease if the likelihood of exercise of the fiscal funding clause is assessed as being remote.

g. Property covered by the lease is limited to tangible personal property, excluding livestock. In addition, a state bank may purchase or construct a municipal building, and, as holder of legal title, lease the same to a municipality or other public authority having resources sufficient to make payment of all rentals as they become due. The lease agreement shall address liability issues and provide that upon its expiration the lessee will become owner of the building or facility.

h. The lease shall require rental payments to be made on a periodic basis, but at least annually.

i. The term of a lease shall not exceed seven years if made to a nongovernmental unit or ten years if made to a governmental unit without the prior approval of the superintendent.

j. Aggregate rentals payable by the customer under leases of personal property shall conform to the limits imposed by Iowa Code section 524.904.

k. All lease receivables shall be booked in accordance with the instructions for preparation of the consolidated reports of condition and income.

l. Unguaranteed residual value established by the lessor for any lease, whether originated by the state bank or acquired through purchase, shall not exceed 25 percent of the original cost of the leased property. The amount of any estimated residual value guaranteed by a manufacturer, the lessee, or a third party that is not an affiliate of the bank may exceed 25 percent of the original cost of property where the bank has determined and can provide full supporting documentation that the guarantor has the resources to meet the guarantee. While this guideline prohibits unguaranteed residual values that exceed 25 percent of the original cost, the estimated residual value shall be reasonable in relation to the type of property leased so the primary risk taken by the bank is the creditworthiness of the lessee and not the market value of the leased property. All estimated residual values shall be reviewed at least annually. If the state bank carries the estimated residual value on its books and a review of the estimated residual value results in a lower estimate than had been previously established, the accounting for the transactions shall be revised using the new estimate. The resulting reduction in the net investment shall be recognized as a loss in the period in which the estimate is changed. An upward adjustment of the residual value shall not be made.

m. Consumer leases, whether originated or purchased by a state bank, shall conform to Iowa Code section 537.3202 and Chapter 5 of the Truth-in-Lending Act (15 U.S.C. 1601 et seq.).

n. If an affiliate of a state bank is regarded as the originator of a lease, the affiliate is subject to the provisions of Iowa Code section 524.1105.

9.2(3) *Specific purchased lease guidelines.*

a. If the obligations acquired carry full recourse endorsements, guaranty, or an agreement to repurchase of the lessor or servicer negotiating the sale of the leases, then the endorser, guarantor, or repurchaser shall also be deemed to be a customer of the bank. This customer's obligation would be limited to 15 percent of aggregate capital of the state bank.

b. The bank shall obtain on any lease servicer, at least annually, financial information or evidence of insurance coverage for errors, omissions, and fraudulent acts, and evaluate this information to determine the creditworthiness of the lease servicer. The bank shall maintain on file documentation that this insurance coverage is in an amount sufficient for the volume of leases being serviced by the lease servicer.

9.2(4) *Specific direct leasing guidelines.* Acceptable methods of accounting for investment tax credits shall be used.

9.2(5) *Exempted transactions.* In some instances it may be appropriate, in light of all relevant credit considerations, to originate or purchase leases that do not conform with the requirements of paragraphs 9.3(2)*"c," "d,"* and *"e."* The outstanding aggregate rentals payable of all originated and purchased leases that fall into this category shall not exceed 25 percent of aggregate capital as reflected on the state bank's most recent consolidated report of condition, unless prior approval to exceed this limitation has been obtained from the superintendent. These exempted leases shall be identified by the board of directors by name and outstanding balance and reviewed by the board at least annually. Examiners, during the course of their examinations, will determine whether these exempted leases are adequately documented and appropriate in light of overall safety and soundness considerations. No leases to directors, officers, or substantial shareholders or their related interests shall be allowed in the exempted category of this subrule.

This rule is intended to implement Iowa Code section 524.908.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0587D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to regulated loans

The Division of Banking hereby rescinds Chapter 15, "Regulated Loans," Iowa Administrative Code, and adopts a new Chapter 15 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 524.213, 536.21 and 536.30.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 536.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 15 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0358D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 but made no comments on the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15
REGULATED LOANS

187—15.1(17A,536) Definitions. For the purposes of this chapter, the definitions in Iowa Code chapter 536 shall apply. In addition, unless the context otherwise requires:

"Nationwide multistate licensing system" or *"NMLS"* means the same as "nationwide mortgage licensing system and registry" as defined in Iowa Code section 535D.3.

"Regulated loan" means a loan made by a licensee acting under the terms of the Iowa regulated loan Act.

187—15.2(17A,536) Utilization of NMLS.

15.2(1) All application and licensing information shall be submitted through NMLS, including but not limited to the following: original application information; changes in application information; license renewal information; changes in name, location, and control; and notices of significant events.

15.2(2) The applicant or licensee shall pay any fees required by NMLS, including but not limited to the following: initial set-up fee and annual processing fees, background check fees, credit background check fees, and a loan sponsorship transfer fee.

187—15.3(17A,536) Application for license.

15.3(1) An application for a license to operate a regulated loan business in Iowa shall be submitted to the superintendent, on the form provided and with the information requested, through NMLS. The superintendent may consider an application withdrawn if it does not contain all required information and the missing information is not submitted to the superintendent within 30 days after the superintendent requests the missing information. The applicant may also request that the application be withdrawn at any time before the superintendent has decided to grant or deny the application.

15.3(2) Each officer, director, and individual who has control of an applicant must provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation (FBI).

15.3(3) The applicant must submit the application fee and the initial license fee specified in Iowa Code section 536.2. The superintendent shall refund the initial license fee if the application is denied, but the application fee is not subject to refund.

15.3(4) If any information material to the application changes after the applicant files the initial application, the applicant shall provide updated information to the superintendent within ten days of the change. When such a material change in information has occurred, the superintendent may deny an application if the applicant fails to provide updated information within the prescribed time frame.

15.3(5) An applicant for a regulated loan company license must file with the superintendent a bond complying with the provisions of Iowa Code section 536.3. For an applicant or a licensee who does not make, arrange, broker, process, or underwrite any residential mortgage loans as defined in Iowa Code section 535D.3(13), the bond shall be in the amount of $25,000. For an applicant or a licensee who makes, brokers, processes, or underwrites residential mortgage loans as defined in Iowa Code section 535D.3(13), the bond amount required to be filed and maintained shall be set and adjusted annually by March 31 using the following scale, based on the volume of residential mortgage loans made, originated, arranged, brokered, processed, and underwritten by the applicant or licensee during the preceding calendar year:

Loans	Bond Amount
\$0 – \$5,000,000	\$25,000
\$5,000,001 – \$20,000,000	\$50,000
\$20,000,001 – \$50,000,000	\$75,000
\$50,000,001 – \$100,000,000	\$100,000
Over \$100,000,000	\$150,000

187—15.4(17A,536) Grounds for approval or denial.

15.4(1) The superintendent shall approve or deny a license application in accordance with the provisions of Iowa Code section 536.4.

15.4(2) The following may be considered evidence that the business of the applicant may not be operated lawfully and honestly within the purposes of Iowa Code chapter 536 and may therefore be considered grounds for denial of an application:

a. An applicant, or an officer, director, or individual who has control of an applicant, has had a mortgage loan originator license or any lending license revoked in any governmental jurisdiction.

b. An applicant, or an officer, director, or individual who has control of an applicant, has been convicted of, or has pleaded guilty or no contest to, a felony in a domestic, foreign, or military court if such felony involved an act of fraud, dishonesty, or breach of trust, or money laundering.

187—15.5(17A,536) Renewal of license.

15.5(1) A licensee must renew a license before the expiration date of the license to remain authorized to make regulated loans. A license expires on the next December 31 after the license is issued, but a license granted on or after November 1 but before January 1 does not expire until December 31 of the following year.

15.5(2) An application to renew a license shall be submitted to the superintendent, on the form provided and with the information requested, including any material change to information contained in the original application, through NMLS by December 1 of the year of expiration.

15.5(3) The superintendent shall grant an application to renew a license if:

a. The licensee submits the application and the appropriate renewal fee by December 1 or the licensee submits the application after December 1 but before January 1 and pays the appropriate renewal fee and the appropriate late fee;

b. The application is fully completed and includes all necessary information; and

c. The application does not reveal grounds to deny a license.

15.5(4) The superintendent may reject for processing a renewal application submitted after December 31 or treat such an application as an application for a new license.

187—15.6(17A,536) Changes in the licensee's name, location, or control; fees.

15.6(1) A licensee wishing to change the name or location of a regulated loan business shall notify the superintendent through NMLS at least 30 days prior to the effective date of the requested change and submit the appropriate fee. The notice shall include proof that the licensee has either obtained a new bond or amended the existing bond to reflect the new name or location.

15.6(2) When a change of control of a licensee is proposed, the party that will assume control of the licensee shall give notice to the superintendent through NMLS at least 60 days before the proposed change will take effect. The party that will assume control of the licensee shall furnish the superintendent through NMLS with the same information required of initial applicants for a license, along with the appropriate fee. The party that will assume control may be required to provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the FBI. The superintendent shall approve or deny the request in accordance with the provisions of Iowa Code section 536.4 and rule 187—15.4(17A,536).

187—15.7(17A,536) Notice of significant events. A licensee shall notify the administrator in writing within ten days of the occurrence of any of the following events:

15.7(1) The licensee or any of the licensee's officers, directors, principal stockholders, or affiliates file for bankruptcy protection.

15.7(2) A prosecuting authority files criminal charges against the licensee or any of a licensee's officers, directors, principal stockholders, or affiliates.

15.7(3) Another state or jurisdiction institutes license denial, cease and desist, suspension, or revocation procedures, or other formal or informal regulatory action against the licensee or any of the licensee's officers, directors, principal stockholders, or affiliates.

15.7(4) The attorney general of Iowa, the Federal Trade Commission, or the enforcer of the consumer protection laws of any other jurisdiction initiates an action to enforce any consumer protection laws against the licensee or any of the licensee's officers, directors, principal stockholders, or affiliates.

187—15.8(17A,536) Administrative fees.

15.8(1) *Late fees for failing to respond.* In the process of administering Iowa Code chapter 536, the superintendent may require a person to provide a response to a formal order, an examination, or a complaint inquiry. If the person fails to respond within 30 days of the request, the superintendent may assess a penalty of $10 per day after the initial 30 days.

15.8(2) *NMLS system processing fees.* The applicant or licensee shall pay any fee required by NMLS or attributed to the licensee's record in NMLS pursuant to rule 187—15.2(17A,536).

187—15.9(17A,536) Licensee records.

15.9(1) *General records requirements.* A licensee must keep records that allow the superintendent to determine the licensee's compliance with relevant statutes and regulations.

a. The licensee may keep the records as a hard copy or in an electronic equivalent.

b. The licensee shall maintain all books and records in good order and produce books and records for the superintendent upon request.

c. The obligation to maintain records continues even after the licensee ceases business operations in Iowa and turns in or surrenders the licensee's license. The owners and directors of the licensee are responsible for ensuring that this requirement is met.

15.9(2) *Required records.* A licensee shall keep, at the licensee's principal place of business, a loan register, an account ledger, an account ledger control, a loan file, an index, and a disbursement voucher.

15.9(3) *Loan register.* The loan register shall be kept chronologically in the order the loans closed and include the following information for every loan that is made: the account number, the date of the transaction, the name of the borrower, and the amount financed.

15.9(4) *Account ledger.*

a. An individual account ledger shall be kept for each account and show at least the loan number; name and address of the borrower; date of loan; date of first payment; date of final payment; terms of repayment, including maturity date, amount financed, total of payments, face amount of note if different from amount financed or total payments, cash advanced to borrower, cash advanced to pay balance of previous regulated loan, interest or discount charge, service charge, attorney fee, fee paid or to be paid to a public official for recording or filing a mortgage or for satisfying a judgment or lien on any real or personal property securing the loan, nature of security, type and cost of each credit insurance policy and any other insurance policy with each premium stated separately; and name of each endorser, comaker or surety.

b. All payments shall be posted on the account ledger as of the date received. Corrections to the transaction history in the account ledger shall be made by corrective entry and not by erasure. The entries on the account ledger shall correspond with the receipts given to the borrower.

c. If payment is made in any way other than in the ordinary course of business, the method of payment shall be so designated on the account ledger. When a death claim is filed, the exact date of death is to be recorded on the account ledger.

d. The account ledger for an interest-bearing loan shall show the amount of the loan if different from the amount financed, the amount and date of each payment received, the allocation of the payment to principal and interest, and the remaining principal balance. If a portion of the interest earned is not paid at the time payment is made, the account ledger for an interest-bearing loan must show either the date to which interest is paid or the amount of interest then due but unpaid.

e. The account ledger for a precomputed loan shall show the actual amount of the loan, excluding the precomputed interest; the amount of the precomputed interest and the face amount of the note, including interest; the amount and date of each payment applied to the note; the unpaid balance of the note after application of such payment; and the type and amount of any additional charges collected or assessed. If a deferment charge is collected in whole or in part, the account ledger shall indicate any uncollected portion of the deferment charge, the particular installment deferred, the number of times deferred, and the date of the final installment.

f. When any loan is prepaid in full, the account ledger must show the date of prepayment, the amount paid to discharge the loan, the amount of the interest rebate, and any deduction from the rebate for previously earned but uncollected charges, and refunds of the unearned premiums of each credit insurance policy or other insurance policy. Each insurance refund shall be separately recorded on the account ledger.

g. Account ledgers relating to each type of business operation must be filed in separate groups. Paid-in-full and renewed account ledgers must also be filed in a similar manner and be retained from one examination to the next. After the examination, the account ledgers may be filed in a permanent file.

15.9(5) *Account ledger control.* A record showing the total number of accounts and total amount receivable for each type of business shall be maintained in the licensed office and posted either daily or weekly.

15.9(6) *Loan file.* A separate file shall be maintained for each borrower in the office where the loan is outstanding. Such file shall contain the note, security agreement, wage assignment, and all other evidence of indebtedness or security pertaining to the loan except when the note is kept in a separate promissory note file or when said papers are in custody of a court or an agent for collection or are hypothecated. When a borrower is also a comaker, guarantor or endorser on another loan, the file of such borrower shall be cross-referenced to the other unless such cross-referencing is included on the alphabetical record required by subrule 15.9(7) or on the individual account ledger required by subrule 15.9(4). All instruments taken in connection with a loan and signed by a borrower must bear the loan number.

15.9(7) *Index.* An alphabetical record shall be maintained and show the name of each borrower, endorser, comaker, or surety that is currently indebted to the licensee, together with sufficient information to locate the account ledger.

15.9(8) *Disbursement voucher.* Licensees shall use, in conjunction with each loan, a disbursement voucher or equivalent document showing a detailed itemization of the distribution of the loan proceeds.

15.9(9) *Denial file.* For each application the licensee denies, the licensee shall retain a copy of the application and a copy of the adverse action notice. The licensee may maintain this information in one file in either alphabetical or chronological order.

15.9(10) *General business records.* A licensee must keep the following general business records for at least 36 months:

a. All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the regulated loan business of the licensee.

b. Complete records (including invoices and supporting documentation) for all expenses and fees paid on behalf of each loan applicant, including a record of the date and amount of all such payments actually made by each loan applicant.

c. Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a licensee in connection with the conduct of the regulated loan business.

d. All correspondence and other records relating to the maintenance of any bond required by Iowa Code chapter 536.

e. Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the superintendent or any other regulatory or supervisory authority.

f. Copies of all advertisements and solicitations concerning regulated loans directed at Iowa residents, including advertisements and solicitations on the internet or by other electronic means, in the format in which the advertisements and solicitations were published or distributed. An advertisement shall clearly show the licensee's unique NMLS identification number.

15.9(11) *Disposal of records.* If a licensee or former licensee disposes of records at the end of the retention period, the licensee or former licensee shall dispose of the records in a reasonable manner that safeguards any "identification information" as defined in Iowa Code section 715A.8(1)*"a."* The owners and directors of licensees and former licensees are responsible for ensuring that this requirement is met.

187—15.10(17A,536) Complaints and investigations.

15.10(1) The superintendent may, at any time and as often as the superintendent deems necessary, investigate or examine a licensee pursuant to Iowa Code section 536.10, including investigating complaints about, or alleged violations by, any licensee.

15.10(2) A complaint or alleged violation means:

a. A written complaint received from a consumer, member of the public, employee, business affiliate, or other governmental agency.

b. Notice to the superintendent from any source that the licensee has been the subject of disciplinary proceedings in another jurisdiction.

c. Notice to the superintendent from any source that an individual with control of the licensee has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States, or in any foreign jurisdiction.

187—15.11(17A,536) Disciplinary action.

15.11(1) Grounds for discipline. The superintendent may impose any of the disciplinary sanctions set out in Iowa Code section 536.9(2) when the superintendent makes any of the findings in Iowa Code section 536.9(1) or when the superintendent finds any of the following:

a. The licensee has abandoned the licensee's place of business for 60 or more days.

b. The licensee fails to respond to an inquiry from the superintendent within 30 days of the date the superintendent mails a written communication directed to the licensee's last-known address on file with the superintendent.

c. Another state or jurisdiction has denied, suspended, revoked, or refused to renew the licensee's license, registration, or authorization to engage in the business of making loans under the other state's or jurisdiction's law.

15.11(2) The superintendent shall not refund the license fee, in whole or in part, of a license that has been suspended, revoked, or surrendered.

187—15.12(17A,536) Annual report. Licensees must file with the superintendent an annual report as required by Iowa Code section 536.11(2), and the superintendent may assess a late fee of $10 for each day a licensee's annual report is delinquent. The information contained in the annual report is confidential, and the superintendent may publish the information only in aggregate form.

187—15.13(17A,536) Restrictions on making regulated loans. The following restrictions apply to making regulated loans.

15.13(1) *Jurisdiction.* A licensee has the authority to make and complete loans by mail, or by comparable electronic means, from the lender's licensed office.

15.13(2) *Default charge.* Default charges are not to be collected if payment is made by a credit accident and health insurance claim.

15.13(3) *Branch locations.* Licensees cannot establish branch locations outside of the United States.

These rules are intended to implement Iowa Code chapters 17A and 536.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0588D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to industrial loans

The Division of Banking hereby rescinds Chapter 16, "Industrial Loans," Iowa Administrative Code, and adopts a new Chapter 16 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 536A.28 and 536A.32.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 536A.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 16 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0365D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 but made no comment on the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16
INDUSTRIAL LOANS

187—16.1(17A,536A) Definitions. For the purposes of this chapter, the definitions in Iowa Code chapter 536A shall apply. In addition, unless the context otherwise requires:

"Industrial loan" means a loan made by a licensee acting under the terms of the Iowa industrial loan law.

"Industrial loan business" means the business of operating an "industrial loan company" as defined in Iowa Code section 536A.2.

"Nationwide multistate licensing system" or *"NMLS"* means the same as "nationwide mortgage licensing system and registry" as defined in Iowa Code section 535D.3.

187—16.2(17A,536A) Utilization of NMLS.

16.2(1) All application and licensing information shall be submitted through NMLS, including but not limited to the following: original application information; changes in application information; license renewal information; changes in name, location, and control; and notices of significant events.

16.2(2) The applicant or licensee shall pay any fees required by NMLS, including but not limited to the following: initial set-up fee and annual processing fees, background check fees, credit background check fees, and a loan sponsorship transfer fee.

187—16.3(17A,536A) Application for license.

16.3(1) An application for a license to engage in the business of operating an industrial loan company in Iowa shall be submitted to the superintendent, on the form provided and with the information requested, through NMLS. The superintendent may consider an application withdrawn if it does not contain all of the required information and the missing information is not submitted to the superintendent within 30 days after the superintendent requests the missing information. The applicant may also request that the application be withdrawn at any time before the superintendent has decided to grant or deny the application.

16.3(2) Each officer, director, and individual who has control of an applicant must provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation (FBI).

16.3(3) The applicant must submit the application fee and the initial license fee specified in Iowa Code section 536A.7(2). The superintendent shall refund the initial license fee if the application is denied, but the application fee is not subject to refund.

16.3(4) If any information material to the application changes after the applicant files the initial application, the applicant shall provide updated information to the superintendent in writing within ten days of the change. When such a material change in information has occurred, the superintendent may deny an application if the applicant fails to provide updated information within the prescribed time frame.

16.3(5) An applicant for an industrial loan company license must file with the superintendent a bond complying with the provisions of Iowa Code section 536A.7A. For an applicant or a licensee who does not make, arrange, broker, process, or underwrite any residential mortgage loans as defined in Iowa Code section 535D.3(13), the bond shall be in the amount of $25,000. For an applicant or a licensee who makes, brokers, processes, or underwrites residential mortgage loans as defined in Iowa Code section 535D.3(13), the bond amount required to be filed and maintained shall be set and adjusted annually by March 31 using the following scale, based on the volume of residential mortgage loans made, originated, arranged, brokered, processed, and underwritten by the applicant or licensee during the preceding calendar year:

Loans	Bond Amount
$0 – $5,000,000	$25,000
$5,000,001 – $20,000,000	$50,000
$20,000,001 – $50,000,000	$75,000
$50,000,001 – $100,000,000	$100,000
Over $100,000,000	$150,000

187—16.4(17A,536A) Grounds for approval or denial.

16.4(1) The superintendent shall approve or deny a license application in accordance with the provisions of Iowa Code sections 536A.10 and 536A.11.

16.4(2) The following may be considered evidence that the business of the applicant may not be operated lawfully and honestly within the purposes of Iowa Code chapter 536A and may therefore be considered grounds for denial of an application:

a. An applicant, or an officer, director, or individual who has control of an applicant, has had a mortgage loan originator license or any lending license revoked in any governmental jurisdiction.

b. An applicant, or an officer, director, or individual who has control of an applicant, has been convicted of, or has pleaded guilty or no contest to, a felony in a domestic, foreign, or military court if such felony involved an act of fraud, dishonesty, or breach of trust, or money laundering.

187—16.5(17A,536A) Renewal of license.

16.5(1) A licensee must renew a license before the expiration date of the license to remain authorized to make industrial loans. A license expires on the next December 31 after the license is issued, but a license granted on or after November 1 but before January 1 does not expire until December 31 of the following year.

16.5(2) An application to renew a license shall be submitted to the superintendent, on the form provided and with the information requested, including any material change to information contained in the original application, through NMLS by December 1 of the year of expiration.

16.5(3) The superintendent shall grant an application to renew a license if:

a. The licensee submits the application and the appropriate renewal fee by December 1 or the licensee submits the application after December 1 but before January 1 and pays the appropriate renewal fee and the appropriate late fee;

b. The application is fully completed and includes all necessary information; and

c. The application does not reveal grounds to deny a license.

16.5(4) The superintendent may reject for processing a renewal application submitted after December 31 or treat such an application as an application for a new license.

187—16.6(17A,536A) Changes in the licensee’s name, location, or control.

16.6(1) A licensee wishing to change the name or location of an industrial loan business shall notify the superintendent through NMLS at least 30 days prior to the effective date of the change and submit the appropriate fee. The notice shall include proof that the licensee has either obtained a new bond or amended the existing bond to reflect the new name or location.

16.6(2) When a change of control of a licensee is proposed, the party that will assume control of the licensee shall submit an application for certificate of approval of the proposed change of control to the superintendent, on the form provided and with the information requested, through NMLS at least 60 days before the proposed change will take effect. The party that will assume control of the licensee shall furnish the superintendent with the same information required of initial applicants for a license, along with the appropriate fee. The party that will assume control may be required to provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the FBI. The superintendent shall approve or deny the request in accordance with the provisions of Iowa Code sections 536A.10 and 536A.11 and rule 187—16.4(17A,536A).

187—16.7(17A,536A) Notice of significant events. A licensee shall notify the administrator in writing within ten days of the occurrence of any of the following events:

16.7(1) The licensee or any of the licensee's officers, directors, principal stockholders, or affiliates file for bankruptcy protection.

16.7(2) A prosecuting authority files criminal charges against the licensee or any of a licensee's officers, directors, principal stockholders, or affiliates.

16.7(3) Another state or jurisdiction institutes license denial, cease and desist, suspension or revocation procedures, or other formal or informal regulatory action against the licensee or any of the licensee's officers, directors, principal stockholders, or affiliates.

16.7(4) The attorney general of Iowa, the Federal Trade Commission, or the enforcer of the consumer protection laws of any other jurisdiction initiates an action to enforce any consumer protection laws against the licensee or any of the licensee's officers, directors, principal stockholders, or affiliates.

187—16.8(17A,536A) Administrative fees.

16.8(1) *Late fees for failing to respond.* In the process of administering this chapter, the superintendent may require a person to provide a response to a formal order, an examination, or a complaint inquiry. If the person fails to respond within 30 days of the request, the superintendent may assess a penalty of $10 per day after the initial 30 days.

16.8(2) *NMLS system processing fees.* The applicant or licensee shall pay any fee required by NMLS or attributed to the licensee's record in NMLS pursuant to rule 187—16.2(17A,536A).

187—16.9(17A,536A) Licensee records.

16.9(1) *General records requirements.* A licensee must keep records that allow the superintendent to determine the licensee's compliance with relevant statutes and regulations.

a. The licensee may keep the records as a hard copy or in an electronic equivalent.

b. The licensee shall keep records for at least 24 months from the date of the final transaction with the borrower.

c. The licensee shall maintain all books and records in good order and produce books and records for the superintendent upon request.

d. The obligation to maintain records continues even after the licensee ceases business operations in Iowa and turns in or surrenders the licensee's license. The owners and directors of the licensee are responsible for ensuring that this requirement is met.

16.9(2) *Required records.* A licensee shall keep, at the licensee's principal place of business, a loan register, account ledgers, an account ledger control, a loan file, an index, and a disbursement voucher.

16.9(3) *Loan register.* The loan register shall be kept chronologically in the order the loans closed and include the following information for every loan that is made: the account number, the date of the transaction, the name of the borrower, and the amount financed.

16.9(4) *Account ledger.*

a. An individual account ledger shall be kept for each account and show at least the loan number; name and address of the borrower; date of loan; date of first payment; date of final payment; terms of repayment, including maturity date, amount financed, total of payments, face amount of note if different from amount financed or total of payments, cash advanced to borrower, cash advanced to pay balance of previous industrial loan, interest or discount charge, service charge, attorney fee, fee paid or to be paid to a public official for recording or filing a mortgage or for satisfying a judgment or lien on any real or personal property securing the loan, nature of security, type and cost of each credit insurance policy and any other insurance policy with each premium stated separately; and name of each endorser, comaker or surety.

b. All payments shall be posted on the account ledger as of the date received. Corrections to the transaction history in the account ledger shall be made by corrective entry and not by erasure. The entries on the account ledger shall correspond with the receipts given to the borrower.

c. If payment is made in any way other than in the ordinary course of business, the method of payment shall be so designated on the account ledger. When a death claim is filed, the exact date of death is to be recorded on the account ledger.

d. The account ledger for an interest-bearing loan shall show the amount of the loan if different from the amount financed, the amount and date of each payment received, the allocation of the payment to principal and interest, and the remaining principal balance. If a portion of the interest earned is not paid at the time payment is made, the account ledger for an interest-bearing loan must show either the date to which interest is paid or the amount of interest then due but unpaid.

e. The account ledger for a precomputed loan shall show the actual amount of the loan, excluding the precomputed interest; the amount of the precomputed interest and the face amount of the note, including interest; the amount and date of each payment applied to the note; the unpaid balance of the note after application of such payment; and the type and amount of any additional charges collected or assessed. If a deferment charge is collected in whole or in part, the account ledger shall indicate any uncollected portion of the deferment charge, the particular installment deferred, the number of times deferred, and the date of the final installment.

f. When any loan is prepaid in full, either by cash or renewal, the account ledger must show the date of prepayment, the amount paid to discharge the loan, the amount of the interest rebate, and any deduction from the rebate for previously earned but uncollected charges, and refunds of the unearned premiums of each credit insurance policy or other insurance policy. Each insurance refund shall be separately recorded on the account ledger.

g. Account ledgers relating to each type of business operation must be filed in separate groups. Paid-in-full or renewed account ledgers must also be filed in a similar manner and be retained as a separate group from one examination to the next. After the examination, these account ledgers may be filed in a permanent file.

16.9(5) *Account ledger control.* A record showing the total number of accounts and amount receivable for each type of business conducted shall be maintained in the licensed office and posted either daily or weekly.

16.9(6) *Loan file.* A separate file shall be maintained for each borrower. Such file shall contain the promissory note, security agreement, wage assignment, and all other evidence of indebtedness or security pertaining to the loan except when the promissory note is kept in a separate promissory note file or when said papers are in custody of a court or an agent for collection or are hypothecated. When a borrower is also a comaker, guarantor, or endorser on another loan, the file of such borrower shall be cross-referenced to the other unless such cross-referencing is included on the alphabetical record required by subrule 16.9(7) or the individual account ledger required by subrule 16.9(4). All instruments taken in connection with a loan and signed by a borrower must bear the loan number.

16.9(7) *Index.* An alphabetical index shall be maintained and show the name of each borrower, endorser, comaker, or surety that is currently indebted to the licensee, together with sufficient information to locate the account ledger.

16.9(8) *Disbursement voucher.* Licensees shall use, in conjunction with each loan, a disbursement voucher or equivalent document showing a detailed itemization of the distribution of the loan proceeds.

16.9(9) *Denial file.* For each application the licensee denies, the licensee shall retain a copy of the application and a copy of the adverse action notice. The licensee may maintain this information in one file in either alphabetical or chronological order.

16.9(10) *General business records.* A licensee must keep the following general business records for at least 36 months:

a. All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the industrial loan business of the licensee.

b. Complete records (including invoices and supporting documentation) for all expenses and fees paid on behalf of each loan applicant, including a record of the date and amount of all such payments actually made by each loan applicant.

c. Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a licensee in connection with the conduct of the industrial loan business.

d. All correspondence and other records relating to the maintenance of any bond required by Iowa Code chapter 536A.

e. Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the superintendent or any other regulatory or supervisory authority.

f. Copies of all advertisements and solicitations concerning industrial loan services directed at Iowa residents, including advertisements and solicitations on the internet or by other electronic means, in the format in which the advertisements and solicitations were published or distributed. An advertisement shall clearly show the licensee's unique NMLS identification number.

16.9(11) *Disposal of records.* If a licensee or former licensee disposes of records at the end of the retention period, the licensee or former licensee shall dispose of the records in a reasonable manner that safeguards any "identification information" as defined in Iowa Code section 715A.8(1)*"a."* The owners and directors of licensees and former licensees are responsible for ensuring that this requirement is met.

187—16.10(17A,536A) Complaints and investigations.

16.10(1) The superintendent may, at any time and as often as the superintendent deems necessary, investigate or examine a licensee pursuant to Iowa Code section 536.10, including investigating complaints about, or alleged violations by, any licensee.

16.10(2) A complaint or alleged violation means:

a. A written complaint received from a consumer, member of the public, employee, business affiliate, or other governmental agency.

b. Notice to the superintendent from any source that the licensee has been the subject of disciplinary proceedings in another jurisdiction.

c. Notice to the superintendent from any source that an individual with control of the licensee has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States, or in any foreign jurisdiction.

187—16.11(17A,536A) Disciplinary action.

16.11(1) Grounds for discipline. The superintendent may impose any of the disciplinary sanctions set out in Iowa Code section 536A.18(2) when the superintendent makes any of the findings in Iowa Code section 536A.18(1) or when the superintendent finds any of the following:

a. The licensee has abandoned the licensee's place of business for 60 or more days.

b. The licensee fails to respond to an inquiry from the superintendent within 30 days of the date the superintendent mails a written communication directed to the licensee's last-known address on file with the superintendent.

c. Another state or jurisdiction has denied, suspended, revoked, or refused to renew the licensee's license, registration, or authorization to engage in the business of making loans under the other state's or jurisdiction's law.

16.11(2) The superintendent shall not refund the license fee, in whole or in part, of a license that has been suspended, revoked, or surrendered.

187—16.12(17A,536A) Other requirements. Licensees must file with the superintendent an annual report as required by Iowa Code section 536.11(2), and the superintendent may assess a late fee of $10 for each day a licensee's annual report is delinquent. The information contained in the annual report is confidential, and the superintendent may publish the information only in aggregate form.

187—16.13(17A,536A) Restrictions on making industrial loans. The following restrictions apply to making industrial loans.

16.13(1) *Jurisdiction.* A licensee has the authority to make and complete loans by mail, or by comparable electronic means, from the lender's licensed office.

16.13(2) *Default charge.* Default charges are not to be collected from a borrower if payment is made by a credit accident and health insurance claim.

16.13(3) *Branch locations.* Licensees cannot establish branch locations outside of the United States.

These rules are intended to implement Iowa Code chapters 17A and 536A.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0589D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to delayed deposit services

The Division of Banking hereby rescinds Chapter 17, "Delayed Deposit Services," Iowa Administrative Code, and adopts a new Chapter 17 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 533D.3.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 533D.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 17 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0364D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 but made no comment on the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 17 and adopt the following **new** chapter in lieu thereof:

CHAPTER 17
DELAYED DEPOSIT SERVICES

187—17.1(17A,533D) Definitions. For the purposes of this chapter, the definitions in Iowa Code chapter 533D shall apply. In addition, unless the context otherwise requires:

"Delayed deposit transactions" means the activities of a "delayed deposit services business" as defined in Iowa Code section 533D.2(2).

"Maker" means a person who issues a check in order to enter into a delayed deposit transaction.

"Nationwide multistate licensing system" or *"NMLS"* means the same as "nationwide mortgage licensing system and registry" as defined in Iowa Code section 535D.3.

187—17.2(17A,533D) Utilization of NMLS.

17.2(1) All application and licensing information shall be submitted through NMLS, including but not limited to the following: original application information; changes in application information; license renewal information; changes in name, location, and control; and notices of significant events.

17.2(2) The applicant or licensee shall pay any fees required by NMLS, including but not limited to the following: initial set-up fee and annual processing fees, background check fees, and credit background check fees.

187—17.3(17A,533D) Application for license.

17.3(1) An application for a license to operate a delayed deposit services business in Iowa shall be submitted to the superintendent, on the form provided and with the information requested, through NMLS. The superintendent may consider an application withdrawn if it does not contain all required information and the missing information is not submitted to the superintendent within 30 days after the superintendent requests the missing information. The applicant may also request that the application be withdrawn at any time before the superintendent has decided to grant or deny the application.

17.3(2) Each officer, director and individual who has control of an applicant must provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation.

17.3(3) The applicant must submit the application fee specified in Iowa Code section 533D.3 and an initial license fee of $250. The superintendent shall refund the initial license fee if the application is denied, but the application fee is not subject to refund.

17.3(4) If any information material to the application changes after the applicant files the initial application, the applicant shall provide updated information to the superintendent within ten days of the change. When such a material change in information has occurred, the superintendent may deny an application if the applicant fails to provide updated information within the prescribed time frame.

17.3(5) An applicant must file with the superintendent a bond complying with the provisions of Iowa Code section 533D.3(3)*"b."*

187—17.4(17A,533D) Grounds for approval or denial.

17.4(1) The superintendent shall approve or deny a license application in accordance with the provisions of Iowa Code section 533D.3.

17.4(2) The following may be considered evidence that the business of the applicant may not be operated lawfully and honestly consistent with the purposes of Iowa Code chapter 533D and may therefore be considered grounds for denial of an application:

a. An applicant, or an officer, director, or individual who has control of an applicant, has had a mortgage loan originator license or any lending license revoked in any governmental jurisdiction.

b. An applicant, or an officer, director, or individual who has control of an applicant, has been convicted of, or pled guilty or no contest to, a felony in a domestic, foreign, or military court if such felony involved an act of fraud, dishonesty, or breach of trust, or money laundering.

187—17.5(17A,533D) Renewal of license.

17.5(1) A licensee must renew a license before the expiration date of the license to remain authorized to conduct delayed deposit transactions. Licenses expire on the next December 31 after they are issued, but licenses granted on or after November 1 but before January 1 do not expire until December 31 of the following year.

17.5(2) An application to renew a license shall be submitted to the superintendent, on the form provided and with the information requested, including any material change to information contained in the original application, through the NMLS by December 1 of the year of expiration.

17.5(3) The superintendent shall grant an application to renew a license if:

a. The licensee submits the application and the appropriate renewal fee by December 1, or the licensee submits the application after December 1 but before January 1 and pays the appropriate renewal fee and the appropriate late fee;

b. The application is fully completed and includes all necessary information; and

c. The application does not reveal grounds to deny a license.

17.5(4) The superintendent may reject for processing a renewal application submitted after December 31 or treat such an application as an application for a new license.

187—17.6(17A,533D) Changes in the licensee's name, location, or control.

17.6(1) A licensee wishing to change the name or location of a delayed deposit services business shall notify the superintendent at least 30 days prior to the requested change and submit the fee specified in Iowa Code sections 533D.7 and 533D.7A. The request shall include proof that the licensee has either obtained a new bond or amended the existing bond to reflect the new name or location. A licensee cannot enter into delayed deposit transactions under a different name without providing such notice and submitting the required fee.

17.6(2) A licensee wishing to establish a branch office must submit the application to the superintendent, on the form provided and with the information requested, through the NMLS, along with the fee specified in Iowa Code section 533D.7. Licenses issued to branch offices are treated as independent licenses and are subject to the renewal requirements, fees, and procedures specified in rule 187—17.5(17A,533D).

17.6(3) When change of control of a licensee is proposed, the party that will assume control of the licensee shall give notice to the superintendent at least 60 days before the proposed change will take effect. The party that will assume control of the licensee shall furnish the superintendent with the same information required of initial applicants for a license, along with the fee specified in Iowa Code sections 533D.6. The party that will assume control may be required to provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation. The superintendent shall approve or deny the request in accordance with the provisions of Iowa Code section 533D.3 and rule 187—17.4(17A,533D).

187—17.7 Reserved.

187—17.8(17A,533D) Administrative fees.

17.8(1) *Late fees for failing to respond.* In the process of administering this chapter, the superintendent may require a person to provide responses to formal orders, examinations, or complaint inquiries. If a person fails to respond within 30 days of the request, the superintendent may assess a penalty of $10 per day after the initial 30 days.

17.8(2) *NMLS system processing fees.* The applicant or licensee shall pay any fee required by the NMLS or attributed to the licensee's record in the NMLS pursuant to rule 187—17.2(17A,533D).

187—17.9(17A,533D) Licensee records.

17.9(1) *General record requirements.* A licensee must keep records that allow the superintendent to determine the licensee's compliance with relevant statutes and regulations.

a. The licensee may keep the records as a hard copy or in an electronic equivalent.

b. The licensee shall keep records for at least 24 months from the date of the final transaction with the maker.

c. The licensee shall maintain all books and records in good order and produce books and records for the superintendent upon request.

d. The obligation to maintain records continues even after the licensee ceases business operations in Iowa and turns in or surrenders its license. The owners and directors of the licensee are responsible for ensuring that this requirement is met.

17.9(2) *Required records.* A licensee shall keep, at its principal place of business, a transaction register, an account ledger, a transaction file, an index, an application log, a denial file, and a disbursement voucher.

17.9(3) *Transaction register.* The transaction register shall be kept chronologically in the order the transactions closed and include the following information for every transaction that is made: the account number, the date of the transaction, the name of the maker, the amount financed, and the amount of the maker's check. A licensee may combine the transaction register with the application log.

17.9(4) *Account ledger.* A licensee shall maintain an account ledger for each maker showing:

a. The name and address of the maker, the transaction number, the transaction date, the maturity date, the payment terms, the amount financed, and the total of payments.

b. A transaction history that lists all transactions with the maker. Payments shall be posted to the account ledger effective the date payments were received and show the date payment was received, the total amount of the payment, and a description of how the payment was applied to the maker's account. Other transactions shall be fully described. Corrections to the transaction history shall be made by corrective entry and not by erasure.

17.9(5) *Transaction file.* The transaction file consists of the application, the transaction agreement, notice pursuant to Iowa Code section 533D.9(2), and all required truth-in-lending disclosures for each transaction.

17.9(6) *Index.* An alphabetical record shall be maintained and show the name of each maker, endorser, comaker, or surety who is currently indebted to the licensee, together with sufficient information to locate the account ledger.

17.9(7) *Application log.* The application log is a chronological list of applications received. The application log shall include the name of the applicant, the date the application was received, whether the transaction was made or denied, and the date when the transaction was made or denied if that date differs from the date when the licensee received the application. For approved applications, the application log shall show the date when the transaction closed and the name of the maker. For recordkeeping purposes, an application is a prospective maker's oral or written request for a licensee to extend credit that is made in accordance with the procedures established by the licensee.

17.9(8) *Disbursement voucher.* Licensees shall use, in conjunction with each transaction, a disbursement voucher or equivalent document showing a detailed itemization of the distribution of the transaction proceeds.

17.9(9) *Denial file.* For each application the licensee denies, the licensee shall retain a copy of the application and a copy of the adverse action notice. The licensee may maintain this information in one file in either alphabetical or chronological order.

17.9(10) *General business records.* A licensee must keep the following general business records for at least 36 months:

a. All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the delayed deposit services business of the licensee.

b. Complete records (including invoices and supporting documentation) for all expenses and fees paid on behalf of each transaction applicant, including a record of the date and amount of all such payments actually made by each transaction applicant.

c. Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a licensee in connection with the conduct of the delayed deposit services business.

d. All correspondence and other records relating to the maintenance of any surety bond required by Iowa Code chapter 533D.

e. Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the superintendent or any other regulatory or supervisory authority.

f. Copies of all advertisements and solicitations concerning delayed deposit services directed at Iowa residents, including advertisements and solicitations on the internet or by other electronic means, in the format in which the advertisements and solicitations were published or distributed.

17.9(11) *Disposal of records.* If a licensee or former licensee disposes of records at the end of the retention period, the licensee or former licensee shall dispose of the records in a reasonable manner that safeguards any identification information, as defined in Iowa Code section 715A.8(1)*"a."* The owners and directors of licensees and former licensees are responsible for ensuring that this requirement is met.

187—17.10(17A,533D) Complaints and investigations.

17.10(1) The superintendent may, at any time and as often as the superintendent deems necessary, investigate or examine a licensee pursuant to Iowa Code section 533D.11, including investigating complaints about, or alleged violations by, any licensee.

17.10(2) A complaint or alleged violation means:

a. A written complaint received from a consumer, member of the public, employee, business affiliate, or other governmental agency.

b. Notice to the superintendent from any source that the licensee has been the subject of disciplinary proceedings in another jurisdiction.

c. Notice to the superintendent from any source that an individual with control of the licensee has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense, in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States, or in any foreign jurisdiction.

187—17.11(17A,533D) Disciplinary action.

17.11(1) Grounds for discipline. The superintendent may impose any of the disciplinary sanctions set out in Iowa Code section 533D.12(2) when the superintendent makes any of the findings in Iowa Code section 533D.12(1) or when the superintendent finds any of the following:

a. The licensee is found upon investigation to be insolvent, in which case the license shall be revoked immediately.

b. The licensee fails to respond to an inquiry from the superintendent within 30 days of the date the superintendent mails a written communication directed to the licensee's last-known address on file with the superintendent.

c. Another state or jurisdiction has denied, suspended, revoked, or refused to renew the licensee's license, registration, or authorization to operate a delayed deposit services business or enter into delayed deposit transactions under the other state's or jurisdiction's law.

17.11(2) The superintendent shall not refund a license fee, in whole or in part, of a license that has been suspended, revoked, or surrendered.

187—17.12(17A,533D) Annual report. Licensees must file with the superintendent an annual report, on forms prescribed by the superintendent, on or before April 15. The information contained in the annual report shall be confidential, and the superintendent may publish the information only in composite form. The superintendent may assess a late fee of $10 for each day the annual report is delinquent.

187—17.13(17A,533D) Restrictions on making delayed deposit transactions. A licensee shall not enter into a new delayed deposit transaction with a maker on the same day the maker pays an existing delayed deposit transaction with the licensee unless:

17.13(1) The aggregate amount of the check(s) the maker is paying and the new check the maker is writing does not exceed the statutory maximum of $500; and

17.13(2) The licensee does not hold more than two outstanding checks in the maker's name, including the check(s) being paid and the new check being issued.

These rules are intended to implement Iowa Code chapters 17A and 533D.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0590D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to mortgage bankers, mortgage brokers, and real estate closing agents

The Division of Banking hereby rescinds Chapter 18, "Mortgage Bankers, Mortgage Brokers, and Real Estate Closing Agents," Iowa Administrative Code, and adopts a new Chapter 18 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 535B.4 and 535B.14.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 535B.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 18 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0367D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 18 and adopt the following **new** chapter in lieu thereof:

CHAPTER 18
MORTGAGE BANKERS, MORTGAGE BROKERS,
AND REAL ESTATE CLOSING AGENTS

187—18.1(17A,535B) Definitions. For the purposes of this chapter, the definitions in Iowa Code chapter 535B shall apply. In addition, unless the context otherwise requires:

"Mortgage loan originator" means a natural person who is licensed under Iowa Code chapter 535D and 187—Chapter 19.

"Nationwide multistate licensing system" or *"NMLS"* means the same as "nationwide mortgage licensing system and registry" as defined in Iowa Code section 535D.3.

"Services a loan" means undertaking the direct collection of payments on a loan from the borrower or holding the right to undertake direct collection of payments on a loan from the borrower. Undertaking the direct collection of payments means receiving any scheduled periodic payments from a borrower pursuant to the terms of any federally related mortgage loan. Holding the right to undertake direct collection of payments means holding the right to service a loan, including where the holder of this right contracts with or otherwise arranges for another person to service the loan.

"Residential mortgage loan application" means:

1. Any communication, regardless of form, from a licensee to a borrower requesting information typically required in an application for the purpose of deciding whether or not to extend the requested offer of a loan to a borrower; or

2. Any communication, regardless of form, from a borrower to a licensee for an offer or responding to a solicitation for an offer of residential mortgage loan terms or providing information typically required in an application for the purpose of deciding whether or not to extend the requested offer of a loan to a borrower.

187—18.2(17A,536) Utilization of NMLS.

18.2(1) All application and licensing information shall be submitted through NMLS, including but not limited to the following: original application information; changes in application information; license renewal information; changes in name, location, and control; and notices of significant events.

18.2(2) The applicant or licensee shall pay any fees required by NMLS, including but not limited to the following: initial set-up fee and annual processing fees, background check fees, credit background check fees, and a loan sponsorship transfer fee.

187—18.3(17A,535B) Application for license.

18.3(1) An application for a license to operate as a mortgage banker, mortgage broker, or closing agent shall be submitted to the administrator, on the form provided and with the information requested, through NMLS. The administrator may consider an application or registration withdrawn if the application or registration does not contain all required information and the information is not submitted to the administrator within 30 days after the administrator requests the information. The applicant may also request that the application be withdrawn at any time before the superintendent has decided to grant or deny the application.

18.3(2) Each officer, director, and individual who has control of an applicant must provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation.

18.3(3) The applicant must submit the application fee specified in Iowa Code section 535B.4(10) plus $40 per additional branch location, but the application fee is not subject to refund.

18.3(4) If any information material to the application changes after the filing of the initial application, the applicant shall provide updated information to the administrator in writing within ten days of the change. Failure to provide updated information when a change has occurred may result in denial of the application.

18.3(5) An applicant for a mortgage banker or mortgage broker license must file with the administrator a bond complying with the provisions of Iowa Code section 535B.9. The bond amount required to be filed and maintained by the applicant shall be set and adjusted as necessary annually in accordance with the following scale, based on the volume of residential mortgage loans made, originated, arranged, brokered, processed, underwritten, and serviced by the applicant or licensee during the preceding calendar year:

Loans	Bond Amount

$0 – $100,000,000	$100,000
Over $100,000,000	$150,000

An applicant for a closing agent license must file with the administrator a bond in the amount of $25,000, which complies with the provisions of Iowa Code section 535B.9.

187—18.4(17A,535B) Grounds for approval or denial.

18.4(1) The superintendent shall approve or deny a license application in accordance with the provisions of Iowa Code section 535B.5.

18.4(2) The following may be considered evidence that the business of the applicant may not be operated honestly in the public interest consistent with the purposes of Iowa Code chapter 535B and may therefore be considered grounds for denial of an application:

a. An applicant, or an officer, director, or individual who has control of an applicant, has had a mortgage loan originator license or any lending license revoked in any governmental jurisdiction.

b. An applicant, or an officer, director, or individual who has control of an applicant, has been convicted of, or has pleaded guilty or no contest to, a felony in a domestic, foreign, or military court if such felony involved an act of fraud, dishonesty, or breach of trust, or money laundering. A pardon of a conviction shall not constitute a conviction for purposes of this subrule.

18.4(3) A person is not eligible for licensing as a mortgage banker or mortgage broker unless all mortgage loan originators who are employed by, under contract with, or exclusive agents of the person have successfully completed the licensing requirements of Iowa Code chapter 535D.

187—18.5(17A,535B) Renewal of license.

18.5(1) A licensee must renew a license before the expiration date of the license to remain authorized to act as a mortgage banker, mortgage broker, or closing agent. Licenses expire on the next December 31 after they are issued, but licenses granted on or after November 1 but before January 1 do not expire until December 31 of the following year.

18.5(2) An application to renew a license shall be submitted to the administrator, on the form provided and with the information requested, including any material change to information contained in the original application, through NMLS by December 1 of the year of expiration. In addition to the renewal fee specified in Iowa Code section 535B.7(7), mortgage banker or mortgage broker licensees shall pay a branch office renewal fee of $40 per branch.

18.5(3) The administrator shall grant an application to renew a license if:

a. The licensee submits the application and the appropriate renewal fee by December 1 or the licensee submits the application after December 1 but before January 1 and pays the appropriate renewal fee and the appropriate late fee;

b. The application is fully completed with all necessary information; and

c. The application does not reveal grounds to deny a license.

18.5(4) The administrator may reject for processing a renewal application submitted after December 31 or treat such an application as an application for a new license.

187—18.6(17A,535B) Changes in the licensee's name, location, or control; fees.

18.6(1) A licensee shall notify the administrator through NMLS of a change in the location, the addition, or the closing of any office prior to the change, addition, or closure.

18.6(2) A mortgage banker or mortgage broker licensee shall maintain on file with the administrator, through NMLS, a list of all mortgage loan originators who are employed by, under contract with, or exclusive agents of the licensee and pay any fees assessed by NMLS to add a mortgage loan originator to the licensee's list in NMLS.

18.6(3) When a mortgage loan originator ceases to be employed by, under contract with, or an exclusive agent of a mortgage banker or mortgage broker licensee, the licensee shall notify the administrator, through NMLS, within ten days and include the reasons for the termination of the mortgage loan originator's employment, contract, or agency.

18.6(4) A mortgage banker or mortgage broker licensee shall notify the administrator through NMLS of the addition of any mortgage loan originator, owner, officer, partner, or director within ten days of addition.

18.6(5) When a change of control of a licensee is proposed, the party that will assume control of the licensee shall give notice to the superintendent through NMLS at least 60 days before the proposed change will take effect. The party that will assume control of the licensee shall furnish the superintendent through NMLS with the same information required of initial applicants for a license, along with the appropriate fee. The party that will assume control may be required to provide fingerprints, authorize a fingerprint background check through NMLS, and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation. The superintendent shall approve or deny the request in accordance with the provisions of Iowa Code section 535B.5 and rule 187—18.4(17A,535B).

187—18.7(17A,535B) Notice of significant events. A licensee shall notify the administrator in writing within ten days of the occurrence of any of the following events:

18.7(1) The licensee or any of the licensee's officers, directors, principal stockholders, or affiliates file for bankruptcy protection.

18.7(2) A prosecuting authority files criminal charges against the licensee or any of a licensee's officers, directors, principal stockholders, or affiliates.

18.7(3) Another state or jurisdiction institutes license denial, cease and desist, suspension or revocation procedures or other formal or informal regulatory action against the licensee or any of the licensee's officers, directors, principal stockholders, or affiliates.

18.7(4) The attorney general of Iowa, the Federal Trade Commission, or the enforcer of the consumer protection laws of any other jurisdiction initiates an action to enforce any consumer protection laws against the licensee or any of the licensee's officers, directors, principal stockholders, mortgage loan originators, employees, or affiliates.

18.7(5) The Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or Government National Mortgage Association suspends or terminates the licensee's status as an approved seller or seller/servicer.

187—18.8(17A,535B) Administrative fees.

18.8(1) *Late fees for failing to respond.* In the process of administrating this chapter, the administrator may require a person to provide responses to formal orders, examinations, or complaint inquiries. If a person fails to respond within 30 days of the request, the administrator may assess a penalty of $10 per day after the initial 30 days.

18.8(2) *NMLS system processing fees.* The applicant or licensee shall pay any fee required by NMLS or attributed to the licensee's record in NMLS pursuant to rule 187—18.2(17A,536).

18.8(3) *License determination letters.* A person who requests written confirmation from the administrator that a license is not required shall submit a fee of $100 with the written request.

18.8(4) *Required financial statements.* A licensee who fails to file with the administrator the financial statements required under Iowa Code section 535B.10(1) within 120 days after the end of a licensee's fiscal year is subject to a late penalty of $100 for each day the financial statements are delinquent, but in no event shall the aggregate of late penalties exceed $5,000. The administrator may relieve any licensee from the payment of any penalty, in whole or in part, for good cause.

187—18.9(17A,535B) Licensee records.

18.9(1) *General record requirements.* A licensee must keep records that allow the administrator to determine the licensee's compliance with relevant statutes and regulations.

a. The licensee may keep the records as a hard copy or in an electronic equivalent.

b. The licensee shall keep records for at least 36 months from the date of the final transaction with the borrower or a party in a real estate transaction.

c. The licensee shall maintain all books and records in good order and produce books and records for the administrator upon request.

d. The obligation to maintain records continues even after the licensee ceases business operations in Iowa and turns in or surrenders its license. The owners and directors of the licensee are responsible for ensuring this requirement is met.

e. Mortgage bankers and mortgage brokers shall have the capability to provide information on the characteristics of loan originations as described in subrule 18.16(11) in an electronic format prescribed by the administrator within 30 days of:

(1) The end of each calendar quarter or some other regular interval determined by the administrator; or

(2) Notice from the administrator in the case of an examination.

18.9(2) *Required records.*

a. A mortgage broker shall keep an index, application log, and application files.

b. A mortgage banker shall keep an index, application log, application files, loan register, and loan files. A mortgage banker who services loans must also keep account ledgers. A mortgage banker who only services loans needs to keep only an index, a loan register, loan files, and account ledgers.

c. A closing agent shall keep the general business records outlined in subrule 18.9(9) and the following records relating to individual files:

(1) A closing register containing the information outlined in subrule 18.15(5); and

(2) A closing file containing the information outlined in subrule 18.15(6).

18.9(3) *Index.* An alphabetical record shall be maintained and show the name of each borrower, endorser, comaker, or surety who is indebted to the lender and the account number.

18.9(4) *Application log.* The application log is a chronological list of residential mortgage loan applications received. The application log shall include the name of the applicant; date the residential mortgage loan application was completed; name of the broker, the lender, and the mortgage loan originator, as applicable, including the unique NMLS identification number assigned to each; notes for action taken on residential mortgage loan application; and date of action. For approved residential mortgage loan applications, the application log shall show the date the loan closed and the name of the lender. Information from an applicant becomes a residential mortgage loan application when the licensee obtains the name and social security number of the applicant.

18.9(5) *Loan register.* The loan register shall be kept chronologically in the order the loans closed and include the following information for every loan that is made: the date of the transaction; the name of the borrower; the name of the broker, the lender, the mortgage loan originator, and the closing agent, as applicable, including the unique NMLS identification number assigned to each; and the amount financed. A licensee may combine the loan register with the application log.

18.9(6) *Application file.* A mortgage banker or mortgage broker licensee shall maintain an application file for each residential mortgage loan application received that contains copies of the residential mortgage loan application and any required disclosures. A copy of any adverse action taken on the residential mortgage loan application, including any documentation supporting that action shall also be placed in the application file. The application file shall also contain the name of the broker, the lender, and the mortgage loan originator, as applicable, including the unique NMLS identification number assigned to each.

18.9(7) *Loan file.* The loan file consists of the application file, the appraisal report, underwriting verifications, the closing file described in subrule 18.15(6) including other supporting documentation, and documents from the loan closing. These documents include: note, mortgage, all Truth-In-Lending Act disclosures, and all Real Estate Settlement Procedures Act disclosures. The loan file shall also contain the name of the broker, the lender, the mortgage loan originator, and the closing agent, as applicable, including the unique NMLS identification number assigned to each.

18.9(8) *Account ledger.* A mortgage banker licensee shall maintain an account ledger for each loan that is serviced, which shall include the following information:

a. The name and address of the borrower, loan number, loan date, payment terms, maturity date, principal amount of loan, amount financed, total of payments, property listed as security, and distribution of the loan proceeds.

b. The transaction history that lists all transactions with the borrower. Payments shall be posted to the account ledger effective the date payments were received. Payment entries will show the date payment was received, the total amount of the payment, and a description of how the payment was applied to the borrower's account. Other transactions shall be fully described. Corrections to the transaction history shall be made by corrective entry and not by erasure.

c. The remaining balances due from the borrower, including principal, escrow, late fees, and other charges.

d. Any change to the interest rate and the effective date of that change.

e. Full descriptions of payments made outside the normal course of business, including payments made by the sale of security, insurance claim, or endorser. For any payments made by death claims on credit insurance, the date of death shall be noted in the account ledger.

f. When a loan is prepaid in full, the dates and amounts of any rebates made to the borrower including escrow rebates and the refunds of unearned insurance premiums.

18.9(9) *General business records.* A licensee must keep the following general business records for at least 36 months:

a. All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the business of the licensee.

b. Complete records (including invoices and supporting documentation) for all expenses and fees paid on behalf of each mortgage applicant, including a record of the date and amount of all such payments actually made by each mortgage applicant.

c. Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a licensee in connection with the conduct of the mortgage lending or real estate closing business.

d. All correspondence and other records relating to the maintenance of any bond required by Iowa Code chapter 535B.

e. Copies of all contractual arrangements or understandings with third parties in any way relating to the provision of mortgage lending services or real estate closing services, including but not limited to any delegations of underwriting authority, any agreements for pricing of goods or services, any investor contracts, any employment agreements, and any noncompete agreements.

f. Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the administrator or any other regulatory or supervisory authority.

g. Copies of all advertisements and solicitations concerning mortgage business directed at Iowa residents, including advertisements and solicitations on the internet or by other electronic means, in the format in which the advertisements and solicitations were published or distributed.

18.9(10) *Disposal of records.* If the licensee or former licensee disposes of records at the end of the retention period, the licensee or former licensee shall dispose of the records in a reasonable manner that safeguards any identification information, as defined in Iowa Code section 715A.8(1)*"a."* The owners and directors of licensees and former licensees are responsible for ensuring this requirement is met.

18.9(11) *Loan records required to be maintained electronically.*

a. Mortgage bankers and mortgage brokers shall maintain the following records electronically in a format prescribed by the administrator:

(1) Information sufficient to identify the mortgage loan and the unique identifier of the mortgage loan originator, the mortgage broker (if applicable), and the lender for the loan.

(2) Information sufficient to enable a computation of key items in the federal truth-in-lending disclosures, including the annual percentage rate, the finance charge, and a schedule of payments, and any deviations between the final disclosures and the most recent disclosures issued prior to the final disclosures.

(3) Information included in the initial disclosure required under the federal Real Estate Settlement Procedures Act, including the rate, the date of any interest rate lock, and an itemization of settlement charges and all broker compensation.

(4) Information included in the final closing disclosure.

(5) Information related to the terms of each loan, including adjustable rate loan features (including timing of adjustments, indices used in setting rates, maximum and minimum adjustments, floors and ceilings of adjustments), the undiscounted interest rate (if maintained by the lender in an electronic format), penalties for late payments, and penalties for prepayment (including computation of the penalty amount, the duration of prepayment penalty, and the maximum amount of penalty).

(6) Information typically used in underwriting, including the appraised value of the property, the sales price of the property (if a purchase loan), each borrower's income, the monthly payment amount, the housing debt-to-income ratio, the total debt-to-income ratio, and the credit score of each borrower.

(7) Information included in a Loan Application Register for mortgage lenders required to submit information pursuant to the federal Home Mortgage Disclosure Act.

b. Mortgage brokers shall provide information identified in paragraph 18.16(11)*"a"* unless such information is not prepared or known by the mortgage broker and the mortgage broker does not reasonably have access to the information in an electronic format.

c. The administrator shall permit mortgage bankers and mortgage brokers to utilize compatible third-party software to provide information required under this subrule.

187—18.10(17A,535B) Mortgage call reports. Each mortgage banker and mortgage broker licensee shall submit the reports specified in Iowa Code section 535B.18, and the administrator may assess late fees of $10 per day for each day after the NMLS-established due date that the report is not received.

187—18.11(17A,535B) Advertising and representations to potential borrowers.

18.11(1) Any advertisement of mortgage loans offered by or through a mortgage banker or mortgage broker licensee shall:

a. Comply with Truth-in-Lending Act, Regulation Z, and any other applicable state and federal laws and regulations.

b. Be made only for such products and terms as are actually available and, if their availability is subject to any material requirements or limitations, the advertisement shall specify those requirements or limitations.

c. Not make any statement or fail to make any statement the result of which shall present a misleading or deceptive impression to consumers.

d. Clearly show the licensee's unique NMLS identification number.

18.11(2) A licensee receiving a verbal or written inquiry about the licensee's services shall respond accurately to any questions about the scope and nature of such services and any costs.

187—18.12(17A,535B) Complaints and investigations.

18.12(1) The administrator may, at any time and as often as the administrator deems necessary, investigate or examine a licensee pursuant to Iowa Code section 535B.10, including investigating complaints about, or alleged violations by, any licensee.

18.12(2) A complaint or alleged violation means:

a. A written complaint received from a consumer, member of the public, employee business affiliate, or other governmental agency.

b. Notice to the administrator from any source that the licensee has been the subject of disciplinary proceedings in another jurisdiction.

c. Notice to the administrator from any source that the licensee has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense, in a court of competent jurisdiction in this state or in any other state, territory or district of the United States, or in any foreign jurisdiction.

187—18.13(17A,535B) Disciplinary action.

18.13(1) Grounds for discipline. The administrator may impose any of the disciplinary sanctions set out in Iowa Code section 535B.7(2) when the superintendent makes any of the findings in Iowa Code section 535B.7(1) or when the administrator finds any of the following:

a. The licensee fails to respond to an inquiry from the administrator within 30 calendar days of the date of mailing a written communication directed to the licensee's last-known address on file with the administrator.

b. Another state or jurisdiction has denied, suspended, revoked, or refused to renew the licensee's license, registration, or authorization to act as a mortgage banker, mortgage broker, or closing agent under the other state's or jurisdiction's law.

18.13(2) The superintendent shall not refund the license fee, in whole or in part, of a license that has been suspended, revoked, or surrendered.

187—18.14(17A,535B) Trust fund accounting and internal controls.

18.14(1) A closing agent shall establish and maintain a separate subsidiary ledger for each real estate transaction for which the closing agent performs real estate closing services.

18.14(2) A closing agent shall prepare a trial balance for each trust account and each subsidiary ledger at least once each calendar month.

18.14(3) A closing agent shall perform a three-way reconciliation of bank balance, book balance, and trust account trial balance for each bank trust account at least once each calendar month. A member of the closing agent's management team shall review and approve the reconciliation at least once each calendar month.

18.14(4) A closing agent shall design accounting processes with the appropriate level of internal controls and management oversight, including appropriate segregation of duties. It is recommended that trust account reconciliations be prepared by a person other than a person who records receipts or makes deposits to the trust account. A closing agent may use an outside accountant to perform reconciliations.

187—18.15(17A,535B) Closing standards. A licensed closing agent shall comply with the following closing standards:

18.15(1) Read and comply with all closing instructions from the parties to the transaction.

18.15(2) Disburse or deliver funds only in accordance with closing instructions from the lender, the attorney's title opinion or title commitment, and the real estate purchase agreement, when applicable. All disbursements shall agree with the final signed closing disclosure.

18.15(3) Obtain written payoff statements for any loan being paid off as part of the real estate transaction and make all loan payoffs as soon after the closing as is practical, but in no event more than two business days after the closing, or within one business day after the rescission period ends in the case of a refinance transaction. Placing the loan payoffs with a delivery service for overnight delivery satisfies the requirements of this subrule.

18.15(4) Ensure that all documents for the real estate transaction that require recording are recorded with the appropriate county recorder's office in a timely manner, but in no event more than five business days after the date of the transaction.

18.15(5) Maintain a closing register and a closing index. A closing register is a chronological list of real estate closings. The closing register shall include for each closing the date of the transaction, the name of the buyer or borrower, the name of the seller, the name of the lender and the mortgage loan originator, and the property address, as applicable. A closing index shall be maintained so that all records are accessible by the names of the parties to the transaction (including the name of the buyer or borrower, the name of the seller, and the name of the mortgage loan originator) and file number. A searchable database containing the information required by this subrule satisfies the requirements of this subrule.

18.15(6) Maintain a closing file for each real estate transaction for which the closing agent performed real estate closing services including, at a minimum, the following records:

a. An accounting ledger or disbursement sheet that details all receipts and disbursements with date, transaction type, check number, payee, amount, and the file's ending balance. All ledger or disbursement sheets shall balance zero after the transaction is completed. If any balance remains, the date, the reason for the balance, and to whom the balance belongs shall be clearly documented in the file.

b. A signed closing disclosure that totals properly and is supported by written instructions for all amounts. If the closing disclosure requires changes, a copy of the new closing disclosure with changes clearly documented shall be maintained in the file.

c. A copy of the closing instructions from the lender and other parties to the transaction.

d. A copy of the signed real estate contract, if applicable.

e. Detailed records of the individuals present at each closing and specifying where and when each closing is held.

f. Properly executed affidavits, where required.

g. Evidence that the real estate transaction documents were filed with the county recorder.

187—18.16(17A,535B) Employees of closing agents.

18.16(1) A closing agent shall exercise diligence in hiring practices, including policies regarding background investigations, and conduct a background investigation and credit check for each employee responsible for handling funds.

18.16(2) A closing agent shall provide appropriate training to employees on real estate closing matters, including trust account administration, real estate closing procedures, and fraud prevention.

187—18.17(17A,535B) Reporting obligation. If a closing agent detects defalcation regarding the closing agent's trust account funds, the closing agent must file the following notice with the division of banking within three days of discovering the defalcation: "We have detected circumstances regarding our trust account funds that may warrant an investigation by the banking division. The amount of funds involved is believed to be $________."

187—18.18(17A,535B) Real estate brokers. A real estate broker performing real estate closing services is eligible for the exemption in Iowa Code section 535B.2(6) only when performing real estate closing services on a transaction in which the broker's brokerage represents one of the parties to the transaction and the closing is being administered through an account regulated by the real estate commission pursuant to Iowa Code chapter 543B.

These rules are intended to implement Iowa Code chapters 17A and 535B.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0591D

BANKING DIVISION[187]

Adopted and Filed

Rulemaking related to mortgage loan originators

The Division of Banking hereby rescinds Chapter 19, "Mortgage Loan Originators," Iowa Administrative Code, and adopts a new Chapter 19 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 535D.5, 535D.6, 535D.9 through 535D.12, 535D.19 and 535D.21.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A and 535D.

Purpose and Summary

Pursuant to Executive Order 10, the Division is rescinding Chapter 19 and adopting a new chapter in lieu thereof. The new chapter eliminates language that is duplicative of statutory language, eliminates unnecessary and inconsistent language, removes unnecessarily restrictive terms, and updates outdated language.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0366D**. A public hearing was held on the following date(s):

- July 9, 2026
- July 14, 2026

The Iowa Bankers Association attended the hearing held on July 14 and expressed support for the proposed rulemaking. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Superintendent of Banking on August 14, 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 Division for a waiver of the discretionary provisions, if any.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 187—Chapter 19 and adopt the following **new** chapter in lieu thereof:

CHAPTER 19
MORTGAGE LOAN ORIGINATORS

187—19.1(17A,535D) Definitions. For the purposes of this chapter, the definitions in Iowa Code section 535D.3 shall apply. In addition, unless the context otherwise requires, the following definitions shall apply to this chapter and to Iowa Code chapter 535D:

"Nationwide multistate licensing system" or *"NMLS"* means the same as "nationwide mortgage licensing system and registry" as defined in Iowa Code section 535D.3.

"Takes a residential mortgage loan application," with respect to Iowa Code section 535D.3(8), means:

1. Any communication, regardless of form, from a mortgage loan originator to a borrower soliciting a loan application or requesting information typically required in an application for the purpose of deciding whether or not to extend the requested offer of a loan to a borrower; or

2. Any communication, regardless of form, from a borrower to a mortgage loan originator for an offer or responding to a solicitation for an offer of residential mortgage loan terms or providing information typically required in an application for the purpose of deciding whether or not to extend the requested offer of a loan to a borrower.

187—19.2(17A,536) Utilization of NMLS.

19.2(1) All application and licensing information shall be submitted through NMLS, including but not limited to the following: original application information, changes in application information, license renewal information, and notices of significant events.

19.2(2) The applicant or licensee shall pay any fees required by NMLS, including but not limited to the following: initial set-up fee and annual processing fees, background check fees, and credit background check fees.

187—19.3(17A,535D) Application for a license.

19.3(1) An application for a license to act as a mortgage loan originator shall be submitted to the superintendent, on the form provided and with the information requested, through NMLS. The superintendent may consider an application withdrawn if it does not contain all required information and the information is not submitted to the superintendent within 30 days after the superintendent requests the information. The applicant may also request that the application be withdrawn at any time before the superintendent has decided to grant or deny the application.

19.3(2) An applicant must complete the prelicensing education requirements specified in Iowa Code section 535D.7 and pass the SAFE mortgage loan originator test approved by NMLS pursuant to Iowa Code section 535D.8 before submitting an application. The test is comprised of a national component and a state component, and applicants must pass each component with a score of 75 percent or higher.

19.3(3) The applicant must submit a $50 application fee. This fee is nonrefundable. This fee is in addition to any fees established and charged by NMLS, any approved education course provider, any approved education testing provider, any law enforcement agency for fingerprints and background checks, or by any credit reporting agency used by NMLS.

19.3(4) An applicant must provide fingerprints, authorize a criminal history background check as specified in Iowa Code section 535D.5(4), and pay the appropriate fees for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation. This requirement applies to all individuals, regardless of whether the applicant was previously registered under Iowa Code chapter 535B or if the applicant has previously submitted fingerprint cards for licensure.

19.3(5) An applicant for a mortgage loan originator license must file with the superintendent a bond complying with the provisions of Iowa Code section 535D.14. An applicant or licensee may satisfy this requirement by one of the following:

a. A mortgage loan originator may be covered by the bond of a company subject to Iowa Code chapter 535B, 536, or 536A as specified in Iowa Code section 535D.14(1).

b. A mortgage loan originator who is not covered by a company bond pursuant to paragraph 19.3(5)*"a"* must provide an individual bond meeting the requirements of paragraph 19.3(5)*"c."*

c. The bond amount required to be filed and maintained by or on behalf of a mortgage loan originator who is not an employee or exclusive agent of a company subject to Iowa Code chapter 535B, 536, or 536A shall be set and adjusted annually using the following scale, based on the volume of residential mortgage loans originated, processed, and underwritten, as the case may be, by the licensee during the preceding calendar year:

Loans	Bond Amount
$0 – $5,000,000	$25,000
$5,000,001 – $20,000,000	$50,000
$20,000,001 – $50,000,000	$75,000
$50,000,001 – $100,000,000	$100,000
Over $100,000,000	$150,000

19.3(6) To engage in activities requiring a license, a mortgage loan originator must be employed by, under contract with, or an exclusive agent of a licensed company or a company that is exempt from licensing requirements. The superintendent may consider an application for a mortgage loan originator license from a person not currently employed by, under contract with, or an exclusive agent of a licensee. If the superintendent determines that the applicant is otherwise eligible for a mortgage loan originator license, the superintendent shall approve the license in "active-inactive" status or similar status type indicating that the applicant has met the individual requirements for licensure but is not authorized to conduct business.

19.3(7) An individual who has completed 20 hours of prelicensure education pursuant to 12 U.S.C. 5104(c) must retake 20 hours of prelicensure education in order to be eligible for mortgage loan originator licensure if the individual:

a. Fails to acquire a valid state license or federal registration as a mortgage loan originator within three years from the date of federal compliance with 12 U.S.C. 5104(c); or

b. Fails to acquire a valid state license or federal registration as a mortgage loan originator within three years from the last date of licensure or registration as a mortgage loan originator.

187—19.4(17A,535D) Grounds for denial of license.

19.4(1) The superintendent shall deny an application for a mortgage loan originator license if the applicant does not meet the qualifications outlined in Iowa Code section 535D.6. For the purpose of applying Iowa Code section 535D.6(2), "dishonesty or breach of trust" includes but is not limited to forgery, embezzlement, obtaining money under false pretenses, theft, extortion, fraud, conspiracy to defraud, tax evasion, or another similar offense.

19.4(2) The superintendent may deny an application for a mortgage loan originator license for any of the following reasons:

a. This state or another state or jurisdiction has denied, suspended, or refused to renew the applicant's license to act as a mortgage loan originator or has denied, suspended, or refused to renew a similar license or registration under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as a mortgage loan originator constitutes a denial of that person's license to act as a mortgage loan originator in that state.

b. The applicant has been barred, removed, or prohibited from serving in any capacity in a financial institution by any state or federal regulatory agency, including but not limited to the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, or the U.S. Department of Housing and Urban Development.

c. The applicant has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, tax evasion, or another similar offense in a court of competent jurisdiction in this state or in any other state, territory or district of the United States or in any foreign jurisdiction. For the purposes of this paragraph, "convicted of" includes a guilty plea, deferred judgment, deferred sentence, or other similar finding of guilt by a court of competent jurisdiction.

d. The applicant has had a professional license of any kind revoked in any state or jurisdiction. An agreement to surrender a license and not to operate in an occupation in which a professional license is required is considered a revocation for the purposes of this rule.

e. The applicant is under 18 years of age.

f. The applicant has made a false statement of material fact on an application for a license or has been otherwise implicated in the submission of a false application.

g. The applicant has demonstrated a lack of moral character in a manner that the superintendent reasonably believes will impair the applicant's ability to act as a mortgage loan originator in full compliance with the public interest and state policies described in Iowa Code chapters 535B and 535D.

h. The applicant has failed to pay child support and is identified in a certificate of noncompliance from the child support recovery unit of the department of health and human services according to the procedures in Iowa Code chapter 252J.

i. The applicant has failed to pay state debt and is identified in a certificate of noncompliance from the department of revenue according to the procedures set forth in Iowa Code chapter 272D.

187—19.5(17A,535D) Renewal of mortgage loan originator license.

19.5(1) A mortgage loan originator license must be renewed before the expiration date of the license to remain authorized to make regulated loans. Licenses expire on the next December 31 after they are issued, but licenses granted on or after November 1 but before January 1 do not expire until December 31 of the following year.

19.5(2) An application to renew a license shall be submitted to the superintendent, on the form provided and with the information requested, including any material change to information contained in the original application, through NMLS by December 1 of the year of expiration along with a nonrefundable $50 renewal fee. The superintendent may assess a late fee of $5 per day not to exceed $100 for a mortgage loan originator license renewal accepted for processing after December 1.

19.5(3) The superintendent may reject for processing a mortgage loan originator license renewal if the license renewal is not complete or if all required fees, including late fees, are not remitted.

19.5(4) The superintendent shall grant an application to renew a mortgage loan originator license if the licensee meets the standards for renewal in Iowa Code section 535D.9 and:

a. The licensee submits the application and the appropriate renewal fee by December 1 or the licensee submits the application after December 1 but before January 1 and pays the appropriate renewal fee and the appropriate late fee;

b. The application is fully completed and includes all necessary information; and

c. The application does not reveal grounds to deny a license.

187—19.6(17A,535D) Reinstatement of license.

19.6(1) The license of a mortgage loan originator that expires for failure to satisfy the minimum standards for renewal may be reinstated if the licensee meets the following requirements:

a. The application for reinstatement is submitted between January 1 and February 28 of the year immediately following the year the license expired;

b. All continuing education courses and any other minimum requirements for license renewal for the year in which the license expired are completed prior to submission of the application for reinstatement; and

c. The licensee pays a reinstatement fee of $50, in addition to the renewal fee and any late charges.

19.6(2) A mortgage loan originator whose license has expired and who fails to meet the requirements for reinstatement specified in this rule must apply for a new license and meet the requirements in effect at that time.

187—19.7(17A,535D) Notice of significant events. A licensee shall notify the superintendent through NMLS within ten days of the occurrence of any of the following events.

19.7(1) The licensee files for bankruptcy protection.

19.7(2) A prosecuting authority files criminal charges against the licensee.

19.7(3) Another state or jurisdiction institutes license denial, cease and desist, suspension or revocation procedures, or other formal or informal regulatory action against the licensee.

19.7(4) The attorney general of Iowa, the Federal Trade Commission, or the enforcer of the consumer protection laws of any other jurisdiction initiates an action to enforce any consumer protection laws against the licensee.

19.7(5) The Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration, or Government National Mortgage Association suspends or terminates the licensee's status as an approved loan originator.

19.7(6) The licensee ceases engaging in activities requiring a license and wishes to surrender the licensee's license.

19.7(7) A change is made in the licensee's name.

187—19.8(17A,535D) Administrative fees.

19.8(1) *Investigation or examination fees.* A licensee shall pay an investigation or examination fee as determined by the superintendent based on the actual cost of the operation of the finance bureau of the banking division as described in Iowa Code section 535D.11(2).

19.8(2) *Investigation or examination late fees.* A licensee shall pay the superintendent the total charge for an investigation or examination within 30 days after the superintendent has requested payment. If a licensee fails to pay an investigation or examination fee by the due date, the superintendent may assess an additional penalty of 5 percent of the amount of the fee for each day after the due date.

19.8(3) *Late fees for failing to respond.* In the process of administering Iowa Code chapter 535D, the superintendent may require a person to provide responses to formal orders, examinations, or complaint inquiries. If a person fails to respond within 30 days of the request, the superintendent may assess a penalty of $10 per day after the initial 30 days.

19.8(4) *NMLS system processing fees.* The applicant or licensee shall pay any fee required by NMLS or attributed to the licensee's record in NMLS pursuant to rule 187—19.2(17A,536).

187—19.9(17A,535D) Continuing education.

19.9(1) A licensee applying to renew a mortgage loan originator license shall complete continuing education as specified in Iowa Code section 535D.10.

19.9(2) The entity providing the continuing education course shall submit to NMLS evidence of the licensee's satisfactory completion of approved continuing education.

19.9(3) Each mortgage loan originator is responsible for maintaining verification records in the form of completion certificates or other documents providing evidence of satisfactory completion of approved continuing education courses. The mortgage loan originator shall retain documentation for a period of three years after the effective date of the mortgage loan originator license renewal. The superintendent may conduct random audits to verify the continuing education submitted to NMLS.

19.9(4) Failure to provide requested evidence of completion of claimed continuing education within 30 days of the written notice from the superintendent shall result in the mortgage loan originator license being placed in inactive status. Prior to the superintendent's activating a mortgage loan originator license that has been placed on inactive status pursuant to this rule, the mortgage loan originator must submit to the superintendent satisfactory evidence that all required continuing education has been completed.

19.9(5) The requirement for completion of continuing education may be waived or the deadline for completion may be extended by the superintendent when a licensed mortgage loan originator:

a. Is called to active duty in the armed forces of the United States for a period of time exceeding 120 consecutive days in any continuing education year.

b. Experiences physical disability, illness, or any extenuating circumstances that prevent successful completion of continuing education.

187—19.10(17A,535D) Independent contractor—loan processor or underwriter.

19.10(1) For the purpose of Iowa Code section 535D.4, "a loan processor or underwriter who is an independent contractor" means any person who processes or underwrites residential mortgage loans and is not a W-2 employee of a company licensed under Iowa Code chapter 535B, 536, or 536A.

19.10(2) An independent contractor must meet all the licensure requirements found in rule 187—19.3(17A,535D) with the exception of subrule 19.3(6).

19.10(3) An independent contractor must meet the bond requirements found in subrule 19.3(5) prior to the issuance of a license.

187—19.11(17A,535D) NMLS information challenge process. A mortgage loan originator may challenge information entered into NMLS by the superintendent by filing a dispute with the superintendent outlining the grounds for the dispute. The grounds for the dispute are limited to a review of the factual accuracy of the information regarding the mortgage loan originator's license record submitted to NMLS by the superintendent. A mortgage loan originator cannot file a dispute to protest a disciplinary action taken by the superintendent or to appeal the underlying reasons for a disciplinary action. The superintendent shall conduct a paper review of the dispute and determine whether the information submitted to NMLS was factually correct and notify the mortgage loan originator of the determination within 60 days of the receipt of the dispute. If the superintendent determines the information submitted to NMLS is factually incorrect, the superintendent shall take prompt steps to correct the information submitted.

187—19.12(17A,535D) Disciplinary action. The superintendent may impose any of the disciplinary sanctions set out in Iowa Code section 535D.13(2) when the superintendent makes any of the findings in Iowa Code section 535D.13(1) or when the superintendent finds any of the following:

19.12(1) The licensee fails to respond to a superintendent inquiry within 30 days of the date of mailing a written communication directed to the licensee's last-known address on file with the superintendent.

19.12(2) The licensee continues to act as a mortgage loan originator without first satisfying the required continuing education, absent an express waiver granted by the superintendent.

19.12(3) The licensee has submitted a false report of continuing education.

19.12(4) Another state or jurisdiction has denied, suspended, revoked, or refused to renew the licensee's license, registration, or authorization to act as a mortgage loan originator under the other state's or jurisdiction's law.

187—19.13(17A,535D) Annual report. On or before March 31 of each year, each mortgage loan originator who as of the preceding December 31 was not employed by or an exclusive agent of a company licensed under Iowa Code chapter 535B, 536, or 536A shall file with the superintendent an annual report as required by Iowa Code section 535D.23 stating the amount of residential mortgage loans originated, processed, or underwritten, as the case may be, during the preceding calendar year. The superintendent may assess a late fee of $10 for each day the annual report is delinquent, not to exceed aggregate late penalties of $300. The superintendent may relieve any licensee from the payment of any penalty, in whole or in part, for good cause.

Rules 187—19.1(17A,535D) through 187—19.13(17A,535D) are intended to implement Iowa Code chapters 17A and 535D.

187—19.14(17A,252J) Nonpayment of child support. The superintendent shall deny the issuance or renewal of a mortgage loan originator license upon the receipt of a certificate of noncompliance from the child support recovery unit of the department of health and human services according to the procedures in Iowa Code chapter 252J, and the procedures set forth in this rule also apply.

19.14(1) The notice required by Iowa Code section 252J.8 shall be served upon the mortgage loan originator or applicant by restricted certified mail, return receipt requested, or personal service in accordance with Iowa Rule of Civil Procedure 1.305. Alternatively, the mortgage loan originator or applicant may accept service personally or through authorized counsel.

19.14(2) The effective date of the denial of the issuance or renewal of a mortgage loan originator license, as specified in the notice required by Iowa Code section 252J.8, is 60 days following service of the notice upon the mortgage loan originator or applicant.

19.14(3) Mortgage loan originators and applicants shall keep the superintendent informed of all court actions and all child support recovery unit actions taken under or in connection with Iowa Code chapter 252J and provide the superintendent copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 252J.9, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the child support recovery unit.

19.14(4) In the event an applicant or a mortgage loan originator timely files a district court action following service of a superintendent notice pursuant to Iowa Code sections 252J.8 and 252J.9, the superintendent shall continue with the intended action described in the notice upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the superintendent to proceed. For purposes of determining the effective date of the denial of the issuance or renewal of a mortgage loan originator license, the superintendent shall count the number of days before the action was filed and the number of days after the action was disposed of by the court.

19.14(5) The superintendent shall notify the mortgage loan originator or applicant in writing through regular first-class mail, or such other means as the superintendent deems appropriate in the circumstances, within ten days of the effective date of the denial of the issuance or renewal of a mortgage loan originator license and similarly notify the mortgage loan originator or applicant when the license is issued or renewed following the superintendent's receipt of a withdrawal of the certificate of noncompliance.

This rule is intended to implement Iowa Code chapters 17A and 252J.

187—19.15(17A,272D) Nonpayment of state debt. The superintendent shall deny the issuance or renewal of a mortgage loan originator license upon the receipt of a certificate of noncompliance from the centralized collection unit of the department of revenue according to the procedures in Iowa Code chapter 272D, and the procedures set forth in this rule also apply.

19.15(1) The notice required by Iowa Code section 272D.8 shall be served on the mortgage loan originator or applicant by restricted certified mail, return receipt requested, or personal service in accordance with the Iowa Rules of Civil Procedure. Alternatively, the mortgage loan originator or applicant may accept service personally or through authorized counsel.

19.15(2) The effective date of the denial of issuance or renewal of a license, as specified in the notice required by Iowa Code section 272D.8, shall be 60 days following service of the notice upon the mortgage loan originator or applicant.

19.15(3) Mortgage loan originators and applicants shall keep the superintendent informed of all court actions and all centralized collection unit actions taken under or in connection with Iowa Code chapter 272D and provide the superintendent copies, within seven days of filing or issuance, of all applications filed with the district court pursuant to Iowa Code section 272D.9, all court orders entered in such actions, and withdrawals of certificates of noncompliance by the centralized collection unit.

This rule is intended to implement Iowa Code chapters 17A and 272D.

[Filed 8/14/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0592D

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Rulemaking related to the civil commitment unit for sexual offenders

The Department of Health and Human Services hereby rescinds Chapter 31, "Civil Commitment Unit for Sexual Offenders," Iowa Administrative Code, and adopts a new Chapter 31 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 229A.15B.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 229A.

Purpose and Summary

This rulemaking outlines requirements for patients at the Civil Commitment Unit for Sexual Offenders (CCUSO). CCUSO provides a secure, long-term, and highly structured setting to treat sexually violent predators who have served their prison terms but who, in a separate civil trial, have been found likely to commit further violent sexual offenses.

This chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of that review, the Department removed duplicative and outdated information and restrictive terms where appropriate.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 8, 2026, as **ARC 0410D**. Public hearings were held on the following date:

- July 28, 2026

No one attended the public hearings. No public comments were received.

Changes from the Notice have been made. In order to better tether the definition of "patient" to Iowa Code chapter 229A, the Department added clarifying language to that definition to indicate that the person has been determined to be a sexually violent predator and civilly committed to CCUSO.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 14, 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 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on November 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 441—Chapter 31 and adopt the following **new** chapter in lieu thereof:

CHAPTER 31
CIVIL COMMITMENT UNIT FOR SEXUAL OFFENDERS

441—31.1(229A) Definitions.

"Contraband" means weapons; ammunition; tobacco; alcohol; drugs; money; altered authorized property; mood-altering plant materials or chemicals; obscene materials as defined in Iowa Code section 728.1(5); explosives; materials that can be used in the manufacture of explosives; or materials advocating disruption of or injury to patients, employees, programs, or physical facilities. "Contraband" includes anything that is illegal to possess under federal or state law and materials that are used in the production of drugs or alcohol or used in conjunction with the taking of illicit drugs. "Contraband" also includes anything determined to be banned from individual possession by published facility rules.

"Facility" means the civil commitment unit for sexual offenders (CCUSO).

"Grievance" means a written complaint by or on behalf of a patient that involves a rights or rule violation or unfairness to the patient.

"Guardian" means the person other than a parent of a child who has been appointed by the court to have custody of the person of the patient as provided under Iowa Code section 232.2(26) or 633.3(22).

"Institutional superintendent" means the person appointed as the administrator of CCUSO.

"Patient" means a person who has been determined to be a sexually violent predator and civilly committed to CCUSO under Iowa Code chapter 229A.

441—31.2(229A) Visitation. CCUSO will maintain policies and procedures for visitation for patients.

441—31.3(229A) Grievances. CCUSO will maintain policies and procedures for patients to file a grievance. A patient's family or guardian may file a grievance on the patient's behalf.

441—31.4(229A) Photographing and recording patients. CCUSO will utilize video surveillance for security and investigations. Photographing and video and audio recording of patients for any other purpose are subject to CCUSO's policies and procedures for prior authorization.

441—31.5(229A) Public media. Photographs and video and audio recordings by public media inside the facility and of patients will be permitted only with the prior authorization of the institutional superintendent and of the patient or the patient's guardian.

31.5(1) For the security or confidentiality of other patients, the institutional superintendent may limit the scope of what is photographed or recorded.

31.5(2) Public media representatives authorized to take photographs or recordings shall make every effort to preserve the inherent dignity of the patient and to preclude the exploitation or embarrassment of the patient.

441—31.6(229A) Communication with patients.

31.6(1) *Incoming telephone calls.* CCUSO does not allow patients to receive incoming telephone calls.

31.6(2) *Outgoing telephone calls.* CCUSO will maintain policies and procedures for patients to make outgoing telephone calls.

31.6(3) *Attorney contacts.* A patient's attorney shall have the right to visit or have telephone contact with the patient at any reasonable time. The patient shall have the right to call the individual's attorney during normal business hours and at other times with the consent of the attorney. The patient or the attorney shall be responsible for any costs associated with the call.

31.6(4) *Interviews.* Interviews of a patient by the news media or other outside persons or groups shall be permitted only with the prior consent of the patient or the patient's guardian. Requests for interviews shall be made to the institutional superintendent.

31.6(5) *Mail and packages.* CCUSO will maintain policies and procedures for incoming and outgoing mail, including a policy that correspondence is not permitted between a patient and a patient's victim, a registered sex offender, or another patient residing at CCUSO. Should mail or packages be rejected by the facility for any reason, such as containing contraband, being a security risk, or being counter-therapeutic, notice will be provided to the sender and the recipient via the CCUSO form Notice of Rejection of Mail within two business days.

441—31.7(229A) Building and grounds. The facility's building and grounds are not available for general public use.

441—31.8(229A) Cost of care. The facility will seek to recover the full cost or a portion of the cost of care from the patient or another responsible person. The cost of the patient's care will be determined for each fiscal year included in the length of stay using the average per diem cost multiplied by the total number of days of care.

31.8(1) *Social security benefits.* The facility will seek recovery from the patient when the patient receives a benefit pursuant to the Social Security Act as amended to August 1, 2026. In such case, the patient will be allowed to retain for personal use an amount equal to the personal allowance amount established by the Social Security Administration.

31.8(2) *Other income.* The facility will seek recovery from the patient when the patient has other income; a trust fund; individually owned real estate, stocks, or bonds; an individually owned savings account, checking account, or certificate of deposit; an individual retirement account; or proceeds from the disposal of real estate or other property.

31.8(3) *Other person legally liable.* The facility will seek recovery from a person who is legally liable for the support of the patient up to the amount of the person's legal liability. The facility will seek recovery from a person who is bound by contract to support the patient up to the amount of the contract. A person legally liable to support the patient does not include a political subdivision.

These rules are intended to implement Iowa Code section 229A.15B.

[Filed 8/17/26, effective 11/1/26]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0593D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to raffles

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 100, "General Provisions for Social and Charitable Gambling," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 99B.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2026 Iowa Acts, House File 2506.

Purpose and Summary

This rulemaking amends Chapter 100 to implement 2026 Iowa Acts, House File 2506. This allows for the organizations conducting social and charitable gambling events to conduct notification to a prize winner within one year of the prize being awarded.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 22, 2026, as **ARC 0431D**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 26, 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 7—Chapter 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind subrule 100.10(1) and adopt the following **new** subrule in lieu thereof:

100.10(1) A copy of the rules for a raffle shall be available upon request and include the following:

a. Methods of awarding a prize, including the date the prize is won;

b. Prices to play, including discounts; and

c. Whether a sufficient number of entries must be sold in order for the raffle to occur, or if an alternate prize is offered when sales of entries are insufficient.

ITEM 2. Rescind subrule 100.16(4) and adopt the following **new** subrule in lieu thereof:

100.16(4) *Winners.* The drawing of the winning entry shall be done in a manner that allows the purchasers to observe the drawing.

a. The raffle shall clearly describe the date the prize will be considered to be won. If no specific winning date is specified, the prize will be considered to be won on the date of the drawing.

b. The date by which the prize shall be claimed will be no fewer than 14 days following the notification of the winner.

c. Notification will be considered to be as soon as practical so long as it is within one year of the prize being awarded.

d. If the prize is not claimed, the licensed QO may do one of the following:

(1) Continue to draw until a winner claims the prize. Each drawing will allow the time period specified in paragraph 100.16(4)*"b"* for claiming the prize.

(2) Donate the unclaimed prize to another QO to be used for an educational, civic, public, charitable, patriotic, or religious use.

[Filed 8/26/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0594D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to dust-lead hazards

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 469, "Renovation, Remodeling, and Repainting—Lead Hazard Notification Process," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 10A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 10A.

Purpose and Summary

This proposed rulemaking amends Chapter 469 to implement the United States Environmental Protection Agency's (EPA's) rule regarding the definition of "dust-lead hazard."

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 22, 2026, as **ARC 0446D**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 26, 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 7—Chapter 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend rule **481—469.2(10A)**, definition of "Dust-lead hazard," as follows:

"Dust-lead hazard" means surface dust in residential dwellings or child-occupied facilities that contains a mass-per-area concentration of lead equal to or exceeding ~~10~~ 5 micrograms per square foot on floors, ~~100~~ 40 micrograms per square foot on interior windowsills, and ~~400~~ 100 micrograms per square foot on window troughs based on wipe samples. A dust-lead hazard is present in a residential dwelling or child-occupied facility when the weighted arithmetic mean lead loading for all single-surface or composite samples of floors and interior windowsills is equal to or greater than ~~10~~ 5 micrograms per square foot on floors, ~~100~~ 40 micrograms per square foot on interior windowsills, and ~~400~~ 100 micrograms per square foot on window troughs based on wipe samples. A dust-lead hazard is present on floors, interior windowsills, or window troughs in an unsampled residential dwelling in a multifamily dwelling if a dust-lead hazard is present on floors, interior windowsills, or window troughs, respectively, in at least one sampled residential unit on the property. A dust-lead hazard is present on floors, interior windowsills, or window troughs in an unsampled common area in a multifamily dwelling if a dust-lead hazard is present on floors, interior windowsills, or window troughs, respectively, in at least one sampled common area in the same common area group on the property.

[Filed 8/26/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0595D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to dust-lead hazards and training

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 470, "Lead-Based Paint Activities," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapter 10A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 10A.

Purpose and Summary

This rulemaking amends Chapter 470 to implement the United States Environmental Protection Agency's (EPA's) rule regarding the definition of "dust-lead hazard."

This rulemaking amends the rules to provide a clearer guideline for lead professionals regarding training and certification to perform lead-based paint activities and references to federal law.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 22, 2026, as **ARC 0447D**. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 26, 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 7—Chapter 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on October 21, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend rule **481—470.2(10A)**, definitions of "Clearance level," and "Dust-lead hazard," as follows:

"Clearance level" means the value at which the amount of lead in dust on a surface following completion of interim controls, lead abatement, paint stabilization, standard treatments, ongoing lead-based paint maintenance, rehabilitation, or renovation is a dust-lead hazard and fails clearance testing. The clearance level for a single-surface dust sample from a floor is greater than or equal to ~~10~~ 5 micrograms per square foot. The clearance level for a single-surface dust sample from an interior windowsill is greater than or equal to ~~100~~ 40 micrograms per square foot. The clearance level for a single-surface dust sample from a window trough is greater than or equal to ~~400~~ 100 micrograms per square foot.

"Dust-lead hazard" means surface dust in residential dwellings or child-occupied facilities that contains a mass-per-area concentration of lead greater than or equal to ~~10~~ 5 micrograms per square foot on floors, ~~100~~ 40 micrograms per square foot on interior windowsills, and ~~400~~ 100 micrograms per square foot on window troughs based on wipe samples. A dust-lead hazard is present in a residential dwelling or child-occupied facility when the weighted arithmetic mean lead loading for all single-surface or composite samples of floors and interior windowsills is greater than or equal to ~~10~~ 5 micrograms per square foot on floors, ~~100~~ 40 micrograms per square foot on interior windowsills, and ~~400~~ 100 micrograms per square foot on window troughs based on wipe samples. A dust-lead hazard is present on floors, interior windowsills, or window troughs in an unsampled residential dwelling in a multifamily dwelling if a dust-lead hazard is present on floors, interior windowsills, or window troughs, respectively, in at least one sampled residential unit on the property. A dust-lead hazard is present on floors, interior windowsills, or window troughs in an unsampled common area in a multifamily dwelling if a dust-lead hazard is present on floors, interior windowsills, or window troughs, respectively, in at least one sampled common area in the same common area group on the property.

ITEM 2. Amend subrule 470.4(14) as follows:

470.4(14) ~~To be approved for~~ A refresher training ~~of~~ course for sampling technicians, lead abatement contractors, lead abatement workers, and project designers~~, a course~~ must be at least eight hours of training ~~hours~~. ~~To be approved for~~ Pursuant to the recertification requirements of subrule

470.5(6), a refresher training ~~of~~ course for lead inspector/risk assessors and elevated blood lead (EBL) inspector/risk assessors who completed an approved 24-hour training course~~, a course~~ must be at least 8 hours of training ~~hours~~. Pursuant to ~~meet~~ the recertification requirements of subrule ~~470.5(3). To be approved for~~ 470.5(6), a refresher training ~~of~~ course for lead inspector/risk assessors and ~~elevated blood lead (~~EBL~~)~~ inspector/risk assessors ~~to meet the recertification requirements of subrule 470.5(6), a course~~ must be at least 16 hours of training ~~hours~~. ~~To be approved for~~ A refresher training ~~of~~ course for lead-safe renovators~~, a course~~ must be at least four hours ~~and must include a hands-on component~~ of training. All refresher training courses shall cover at least the following topics:

a. to *d.* No change.

ITEM 3. Amend rule 481—470.12(10A) as follows:

481—470.12(10A) References to federal law. Unless otherwise specified, all references in this chapter to the United States Code or to the Code of Federal Regulations are to those provisions in effect on July 1, ~~2024~~ 2026.

[Filed 8/26/26, effective 10/21/26]
[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0596D

INSPECTIONS AND APPEALS DEPARTMENT[481]

Adopted and Filed

Rulemaking related to licensure of speech pathologists and audiologists

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 740, "Licensure of Speech Pathologists and Audiologists," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 147F and 154F and sections 272C.3 and 272C.10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 17A, 147, 147F, 154F and 272C.

Purpose and Summary

These amendments define the requirements for participation in the Audiology and Speech-Language Pathology Interstate Compact, add background check requirements for all applicants and existing license holders, add background check requirements during license reactivation when a license has been inactive for two or more years and the licensee cannot provide evidence of active practice in another state, add a fee for the issuance of a compact privilege to practice in Iowa, and waive the compact privilege fee for an active duty military member or spouse.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 27, 2026, as **ARC 0324D**. A public hearing was held on the following date(s):

- June 16, 2026

The American Speech-Language-Hearing Association (ASHA) raised concerns about proposed rule 481—740.2(147) stating that "it could unintentionally create barriers for applicants seeking Iowa licensure who completed their clinical experience outside the state. As written, the rule requires that clinical experience be completed under the supervision of either an Iowa-licensed SLP [speech-language pathologist] or an individual holding ASHA's Certificate of Clinical Competence (CCC). This presents a significant challenge for individuals who completed their clinical training in another state, do not yet hold their CCC, and wish to transition to practice in Iowa." ASHA does not have concerns with the remaining provisions of the proposed rulemaking.

Department response: Iowa law currently allows the Board of Speech Pathology and Audiology to approve a clinical experience plan for an individual to work on a temporary clinical license for up to one year. The applicant must identify an Iowa-licensed SLP in order to issue the temporary clinical license to practice under that Iowa licensee. The Board rule has not changed; it has been clarified explicitly since Iowa does not regulate out-of-state providers and cannot accept out-of-state plans for licensure. Iowa will accept ASHA CCC's from individuals who apply for licensure, regardless of where those hours were earned. The Board reviewed the comments and chose to adopt without making any edits.

No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Board on July 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 Board for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 2504.

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 July 1, 2027.

The following rulemaking action is adopted:

ITEM 1. Amend rule **481—740.1(147)**, definitions of "Reactivate" and "Speech pathologist," as follows:

"Reactivate" or *"reactivation"* means the process as outlined in rule ~~481—740.11(17A,147,272C)~~ 481—740.10(17A,147,272C) by which an inactive license is restored to active status.

"Speech pathologist" or *"speech-language pathologist"* means a person who engages in the application of principles, methods, and procedures for the measurement, testing, evaluation, prediction, consultation, counseling, instruction, habilitation, rehabilitation, or remediation related to the development and disorders of speech, swallowing, fluency, voice, or language for the purpose of nonmedically evaluating, preventing, ameliorating, modifying, or remediating such disorders and conditions in individuals or groups of individuals.

ITEM 2. Adopt the following **new** definitions of "DCI," "Department" and "FBI" in rule **481—740.1(147)**:

"DCI" means the Iowa division of criminal investigation.

"Department" means the department of inspections, appeals, and licensing.

"FBI" means the Federal Bureau of Investigation.

ITEM 3. Rescind rule 481—740.2(147) and adopt the following **new** rule in lieu thereof:

481—740.2(147) Initial licensure. The following criteria will apply to licensure:

740.2(1) Applicants will submit a completed online licensure application and pay the nonrefundable licensure fee specified in rule 481—507.20(147,154F).

740.2(2) Application requirements.

a. Applicants who did not complete the nine months of clinical experience under supervision of a licensed Iowa speech pathologist or audiologist, as appropriate, must submit:

(1) An official copy of a current ASHA certificate of clinical competence; or

(2) Verification of current ABA certification.

b. Applicants who complete the nine-month clinical experience under Iowa supervision may submit evidence of licensure requirements as outlined in paragraph 740.2(2)*"a"* or must submit the following:

(1) Official copies of academic transcripts sent directly from the school to the board showing proof of completion of not less than 400 hours of supervised clinical training; and

(2) Verification of nine months of full-time clinical experience, or equivalent, completed after the master's degree, under the supervision of a licensed speech pathologist or audiologist or as a part of the doctoral degree.

c. Results of the Praxis Examination.

740.2(3) Applicants will submit required waivers and fingerprints pursuant to the board-approved process to facilitate a national criminal history background check by the DCI and the FBI. The cost of the criminal history background check by the DCI and the FBI shall be assessed to the applicant.

740.2(4) An applicant who has been licensed in the District of Columbia or another state, territory, province or foreign country who has been a licensed speech pathologist or audiologist under the laws of another jurisdiction will provide verification of license from the jurisdiction in which the applicant has most recently been licensed sent directly from the jurisdiction to the board office. The applicant must also disclose any public or pending complaints against the applicant in any other jurisdiction. Web-based verification may be substituted for verification direct from the jurisdiction's board office if the verification provides:

a. Licensee's name;

b. Date of initial licensure;

c. Current licensure status; and

d. Any disciplinary action taken against the license.

740.2(5) An applicant who has relocated to Iowa from a state that did not require licensure to practice the profession may submit proof of work experience in lieu of educational and training requirements, if eligible, in accordance with rule 481—501.2(272C).

740.2(6) If the application is not completed according to the instructions, the application will not be reviewed by the board.

ITEM 4. Rescind subrule 740.3(2) and adopt the following **new** subrule in lieu thereof:

740.3(2) Foreign-trained applicants.

a. Foreign-trained speech pathologist and audiologist applicants who do not hold a license in another state or U.S. territory shall provide an English translation and an equivalency evaluation at the licensee's expense of the licensee's educational credentials by one of the approved credential evaluation services on ABA's or ASHA's websites or approved by the board. The professional curriculum must be equivalent to that stated in these rules.

b. Foreign-trained applicants who hold a license in another state or U.S. territory may apply for licensure by endorsement.

ITEM 5. Rescind rule 481—740.5(147) and adopt the following **new** rule in lieu thereof:

481—740.5(147) Audiology and speech-language pathology interstate compact. The rules of the audiology and speech-language pathology interstate compact commission are incorporated by reference pursuant to Iowa Code section 147F.1. An audiologist or speech-language pathologist may engage in the practice of audiology or speech-language pathology in Iowa without a license issued by the board if the individual has a current compact privilege to practice in Iowa issued by the audiology and speech-language pathology interstate compact commission. The state fee for issuance of a compact privilege to practice in Iowa shall be $60, which will be collected by the speech-language pathology interstate compact commission. The state fee for issuance of a compact privilege to practice in Iowa shall be waived for an active-duty military member or spouse of an individual who is an active-duty military member. An audiologist or speech-language pathologist who practices audiology or speech-language pathology in Iowa using a compact privilege is subject to the rules governing licensees in rule 481—740.8(147) and in 481—Chapters 741 and 743. Complaints, investigations, and disciplinary proceedings involving a compact privilege shall be handled in accordance with Iowa Code chapters 17A, 147F, 154F and 272C and with 481—Chapters 503, 504, and 506.

ITEM 6. Rescind rule **481—740.9(147)**.

ITEM 7. Amend paragraph **740.10(3)"a"** as follows:

a. Meet the continuing education requirements of rule 481—742.2(147) and the mandatory reporting requirements of subrule ~~740.10(4)~~ 740.9(4). A licensee whose license was reactivated during the current renewal compliance period may use continuing education credit earned during the compliance period for the first renewal following reactivation; and

ITEM 8. Amend paragraph **740.10(4)"b"** as follows:

b. The board may select licensees for audit of compliance with the requirements in paragraphs ~~740.11(4)~~ 740.10(4)*"a"* and *"b."*

ITEM 9. Adopt the following **new** subrule 740.10(9):

740.10(9) Compact eligibility review. This rule applies to licensees who were licensed prior to enactment of this rule. In order to complete the compact eligibility review, at or prior to a licensee's next renewal, the licensee must submit required waivers and fingerprints pursuant to the board-approved process to facilitate a national criminal history background check. The cost for the evaluation of the fingerprint packet and the DCI and the FBI criminal history background checks will be assessed to the applicant. The board may withhold issuing a license pending receipt of a report from the DCI and the FBI.

ITEM 10. Amend subparagraph **740.11(2)"a"(2)** as follows:

(2) Verification of completion of 26 hours of continuing education within two years of application for reactivation or verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation.

ITEM 11. Amend subparagraph **740.11(2)"b"(2)** as follows:

(2) Verification of completion of 52 hours of continuing education within two years of application for reactivation or 26 hours of continuing education within two years of application for reactivation and verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation; or

ITEM 12. Adopt the following **new** subrule 740.11(3):

740.11(3) If the license has been inactive for two or more years and the licensee cannot provide verification of active practice, consisting of a minimum of 2,080 hours, in another state or jurisdiction during the two years preceding an application for reactivation, the licensee must submit required waivers and fingerprints pursuant to the board-approved process to facilitate a national criminal history background check. The cost for the evaluation of the fingerprint packet and the DCI and the FBI criminal history background checks will be assessed to the applicant. The board may withhold issuing a license pending receipt of a report from the DCI and the FBI.

ITEM 13. Renumber rules **481—740.10(147)** to **481—740.12(17A,147,272C)** as **481—740.9(147)** to **481—740.11(17A,147,272C)**.

[Filed 8/26/26, effective 7/1/27]
[Published 9/16/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.

ARC 0597D

PUBLIC HEALTH DEPARTMENT[641]

Adopted and Filed

Rulemaking related to emergency medical services

The Department of Health and Human Services hereby amends Chapter 131, "Emergency Medical Services—Providers—Initial Certification—Renewal and Reactivation—Authority—Complaints and Investigations," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code chapters 147A and 147D and section 272C.4.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 147A and 147D and section 272C.4.

Purpose and Summary

This rulemaking updates and streamlines Iowa's certification, renewal, and continuing education requirements for Iowa emergency medical services (EMS) workers. Key changes include modernizing the continuing education hours (CEHs) structure, reactivation pathways, and background check process, as well as an updated scope of practice. These proposed amendments will help ensure compliance with national EMS standards, reduce administrative complexity, and reinforce consistent statewide practice expectations. Adoption of updated rules will support a more competent and better-prepared EMS workforce.

Specifically, this rulemaking:

- Modernizes the continuing education structure by adding pediatric CEH requirements and allowing half-hour CEHs.
- Updates the background check process by reflecting the use of digital fingerprints and removing the outdated card-based system.
- Updates references to the Iowa Emergency Medical Care Provider Scope of Practice for EMS workers to the most current version.
- Restructures reactivation pathways, eliminating the 25- to 48-month reactivation option and redirecting impacted individuals to the National Registry of Emergency Medical Technicians (NREMT) knowledge assessment for reactivation.
- Updates the fee for returned payments from $15 to $40 to align with the ongoing Department of Inspections, Appeals, and Licensing (DIAL) alignment initiative.
- Updates the continuing education audit documentation deadlines from 45 days to 30 days to align with the ongoing DIAL alignment initiative.

• Updates language pertaining to certification denial or sanctions based upon feedback received from an administrative law judge regarding fraud.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on July 8, 2026, as **ARC 0411D**. A public hearing was held on the following date(s):

• July 28, 2026

No one attended the public hearing. Public comment was received in support of the rulemaking from the Cedar County EMS Chief. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on August 14, 2026.

Fiscal Impact

Although the returned check fee is increasing from $15 to $40, in calendar year 2025, there were no returned checks. As such, the Department does not expect a fiscal impact from this change.

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 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on November 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend rule **641—131.1(147A,147D,272C)**, definitions of "CEH" and "Core continuing education," as follows:

"CEH" means continuing education hour, which is based upon ~~a minimum of~~ 50 minutes of training per hour. Fifty minutes equals one CEH, and 30 minutes equals one-half CEH.

"Core continuing education" means education obtained during a certification period to renew certification. Core continuing education will have an assigned sponsor number from CAPCE, an authorized EMS training program, ~~the board of nursing, the board of medicine~~ or the department.

ITEM 2. Amend subrule 131.2(1) as follows:

131.2(1) An individual who has successfully completed the training program requirements at the EMR, EMT, AEMT or paramedic level and has a valid certification with NREMT shall submit the following to the department for initial Iowa emergency medical care provider certification:

a. A completed EMS certification application.

b. An NREMT active certification number.

c. Payment of the initial application fee.

d. ~~Two completed fingerprint cards for background checks.~~ A completed background check.

~~*c.* Payment of the background check fee.~~

ITEM 3. Amend subrule 131.4(2) as follows:

131.4(2) *Scope of practice.*

a. No change.

b. The Iowa Emergency Medical Care Provider Scope of Practice ~~(September 2019)~~ <u>as amended to September 1, 2026,</u> is hereby incorporated and adopted by reference for emergency medical care providers. For any differences that may occur between the scope of practice adopted by reference and these rules, the rules prevail. <u>The Iowa Emergency Medical Care Provider Scope of Practice as amended to September 1, 2026, is available on the department's website.</u>

~~*c.* The Iowa Emergency Medical Care Provider Scope of Practice (September 2019) is available on the department's website.~~

~~*d.*~~ <u>*c.*</u> The department may grant a waiver for changes to the scope of practice that have not yet been adopted by reference in these rules pursuant to 441—Chapter 2504.

ITEM 4. Amend subrule 131.5(4) as follows:

131.5(4) *Reactivation of an inactive certification.*

a. *Certification inactive up to 24 months.* An emergency medical care provider may apply to reactivate an inactive certification up to 24 months after the certification became inactive.

(1) No change.

(2) If the department approves the application, the individual must submit ~~an audit report form with 36~~ core continuing education hours ~~prorated per lapsed year by core topic area~~ <u>based upon the table in paragraph 131.5(7)*"a"* for the level of EMS certification requested for reactivation, a completed background check,</u> and the reactivation fee. <u>The core CEHs and the background check shall be completed after the department receives and approves the reactivation application.</u>

(3) No change.

(4) An emergency medical care provider who fails to complete the reactivation process within 12 months from the date of application ~~approval must reapply for reactivation of the inactive certification~~ <u>will not be eligible for reactivation</u>.

~~*b.* *Certification inactive from 25 months to 48 months.* An emergency medical care provider may apply to reactivate an inactive certification that has been inactive for 25 months but no more than 48 months.~~

~~(1) An individual will submit to the department an EMS certification reactivation application, which is available from the department upon request.~~

~~(2) If the department approves the application, the individual must submit documentation of successful completion of an approved EMS refresher course that includes successful completion of department or NREMT testing requirements. In addition, the individual must:~~

~~1. Complete fingerprint requirements.~~

~~2. Submit reactivation and background check fees.~~

~~3. Upon receipt and approval of the items required in subparagraphs 131.5(4)*"b"*(1) and (2), the department may issue a new certification.~~

~~4. An emergency medical care provider who fails to complete the reactivation process within 12 months from the date of application approval must reapply for reactivation of the inactive certification.~~

~~*c.*~~ <u>*b.*</u> *Certification inactive for more than ~~48~~ <u>24</u> months.* An emergency medical care provider ~~may not~~ <u>cannot</u> apply to reactivate a certification that has been inactive for more than ~~48~~ <u>24</u> months. <u>An emergency medical care provider who has been inactive for more than 24 months may complete the NREMT reentry requirements and apply for certification in accordance with subrule 131.2(1).</u>

ITEM 5. Amend subrule 131.5(6) as follows:

131.5(6) *Fees.* The nonrefundable fees are as follows:

a. to *g.* No change.

h. Returned payment due to insufficient funds: ~~$15~~ <u>$40</u>.

i. No change.

ITEM 6. Amend subrule 131.5(7) as follows:

131.5(7) *Continuing education renewal.*

a. The table below illustrates the minimum number of core ~~continuing education hours (~~CEHs~~)~~ by topic area for each level of emergency medical care provider to renew an Iowa EMS certification.

Core Topics	EMR/FR	EMT/EMT-D	AEMT	PM
Airway, Respirations, Ventilations	~~1~~ 1.5	~~1~~ 4	~~2~~ 5	~~3~~ 6
Cardiology	2	~~6~~ 5	~~7~~ 6	~~9~~ 7
Trauma	1	~~2~~ 3	~~3~~ 4	~~3~~ 5
Medical	~~3~~ 2.5	6	~~8~~ 7	~~9~~ 8
Operations	1	~~5~~ 2	~~5~~ 3	~~6~~ 4
Pediatric	1	2	3	4
Totals	**~~8~~ 9**	**~~20~~ 22**	**~~25~~ 28**	**~~30~~ 34**

b. All core continuing education hours issued by an Iowa EMS training program, the department, or CAPCE used to renew an Iowa EMS certification must have a sponsor number ~~by an authorized Iowa training program, the department, the board of nursing, the board of medicine, or CAPCE~~ before the emergency medical care provider attends the offering.

c. to *e.* No change.

f. A group of emergency medical care providers will be audited for each certification period. Emergency medical care providers to be audited will be chosen in a random manner or at the discretion of the department. Falsifying reports or failure to comply with the audit request may result in formal disciplinary action. ~~Those audited must submit a department-provided audit report form within 45 days of the request.~~ If audited, within 30 days from the date of request for audit, the emergency medical care provider must provide a copy of the course completion certification or other verifying documentation that contains the following information at a minimum:

(1) No change.

(2) Program sponsor number (if applicable).

(3) and (4) No change.

ITEM 7. Amend subrule 131.5(8) as follows:

131.5(8) *Continuing education approval.* The following standards apply for approval of continuing education:

a. CEHs issued by CAPCE, an authorized EMS training program, or the department will have an assigned sponsor number ~~from CAPCE, an authorized EMS training program, the board of nursing, the board of medicine or the department~~ before the emergency medical care provider attends the offering.

b. No change.

c. Courses must be, at a minimum, 30 minutes in duration (one-half CEH). Multi-hour courses are granted credit in half-hour increments (e.g., one hour and 30 minutes = one and one-half CEHs).

d. Continuing education courses that are accepted by the board of nursing and the board of medicine that are directly related to EMS patient care and apply to the core continuing education topics will be accepted.

ITEM 8. Amend paragraph **131.6(4)"e"** as follows:

e. ~~Fraud~~ Misrepresentation in procuring certification or renewal, including but not limited to:

(1) ~~An intentional~~ A perversion of the truth in making application for a certification to practice in this state;

(2) and (3) No change.

[Filed 8/17/26, effective 11/1/26]

[Published 9/16/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/16/26.