



IOWA ADMINISTRATIVE BULLETIN

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PREFACE

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

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

The Bulletin may also contain public funds interest rates [12C.6]; workers' compensation rate filings [515A.6(7)]; usury rates [535.2(3)"a"]; and agricultural credit corporation maximum loan rates [535.12].

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

STEPHANIE A. HOFF, Administrative Code Editor

Telephone: (515)281-3355

Fax: (515)281-5534

CITATION of Administrative Rules

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

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

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

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

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

Schedule for Rule Making 2015

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

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
15	Friday, January 2, 2015	January 21, 2015
16	Friday, January 16, 2015	February 4, 2015
17	Friday, January 30, 2015	February 18, 2015

PLEASE NOTE:

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

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

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

The Administrative Rules Review Committee will hold its regular, statutory meeting on Tuesday, January 6, 2015, at 9:30 a.m. in Room 116, State Capitol, Des Moines, Iowa. The following rules will be reviewed:

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Low pathogenic avian influenza tests for turkey and chicken flocks, 64.187

Filed Emergency After Notice **ARC 1802C** 12/24/14

COLLEGE STUDENT AID COMMISSION[283]

EDUCATION DEPARTMENT[281]"umbrella"

All Iowa opportunity scholarship program, 8.1, 8.4 Notice **ARC 1799C** 12/24/14

ECONOMIC DEVELOPMENT AUTHORITY[261]

Workforce housing tax incentives program; high quality jobs program; enterprise zone program; wage thresholds and local match, adopt ch 48; amend chs 59, 68, 173 to 175

Filed **ARC 1801C** 12/24/14

EDUCATION DEPARTMENT[281]

Adult education and literacy programs, ch 23 Filed **ARC 1775C** 12/10/14

Pathways for academic career and employment (PACE) program; gap tuition assistance

program, amendments to ch 25 Notice **ARC 1783C** 12/10/14

Specified time period for summertime coaching activities, 36.15(6)"b" Filed **ARC 1779C** 12/10/14

Statewide work-based learning intermediary network, ch 48 Filed **ARC 1781C** 12/10/14

Iowa vocational rehabilitation services, amendments to ch 56 Filed **ARC 1778C** 12/10/14

Research-based educational and instructional models for students of limited English

proficiency; professional development, 60.2, 60.3 Filed **ARC 1776C** 12/10/14

Standards for practitioner and administrator preparation programs, 79.2, 79.10 to 79.17,

79.20, 79.21 Filed **ARC 1780C** 12/10/14

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Air quality, 20.2, 20.3, 22.1 to 22.3, 22.100, 22.200 to 22.209, 22.300, 23.1, 25.3, 31.20(1),

33.3(1) Notice **ARC 1795C** 12/24/14

Renewal of general permit no. 6—discharge of wastewater associated with well construction

activities, 64.15(6) Notice **ARC 1757C** 12/10/14

Water supply and wastewater treatment operator certification—military service and veteran

reciprocity, 81.1, 81.7, 81.9(2), 81.11(3) Notice **ARC 1796C** 12/24/14

HUMAN SERVICES DEPARTMENT[441]

Adoption—criminal history and child abuse record checks, postplacement reports, home

studies, amendments to chs 107, 108, 200 Filed **ARC 1754C** 12/10/14

INSPECTIONS AND APPEALS DEPARTMENT[481]

Laboratory services; employer verification of employee records, 51.18, 51.41 Filed **ARC 1751C** 12/10/14

Residential care facilities, ch 57 Filed **ARC 1753C** 12/10/14

Nursing, residential care and intermediate care facilities—involuntary discharge or transfer,

58.1, 58.40, 62.1, 62.14, 63.1, 63.34, 64.36, 65.1, 65.16 Filed **ARC 1752C** 12/10/14

INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]"umbrella"

Individual annuity and pure endowment contracts—delayed effective date for use of 2012

IAR mortality table, 43.3(5) Notice **ARC 1794C** 12/10/14

Insurance holding company systems, amendments to ch 45 Notice **ARC 1784C** 12/10/14

Prior authorization—prescription drug benefits, ch 79 Notice **ARC 1772C** 12/10/14

IOWA FINANCE AUTHORITY[265]

Update of implementation sentence, ch 1 Notice **ARC 1764C** 12/10/14

Update of implementation sentences, 2.1, 2.2, 2.4 to 2.6, 2.9, 2.10 Notice **ARC 1763C** 12/10/14

Update of implementation sentence, ch 3 Notice **ARC 1762C** 12/10/14

Small business loan program, rescind ch 5 Notice **ARC 1760C** 12/10/14

Group home facilities loan program, rescind ch 6 Notice **ARC 1759C** 12/10/14

Update of internal reference and implementation sentence, amendments to ch 11 Notice **ARC 1761C** 12/10/14

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates; protected occupations; service purchases; benefits, including death and disability; overpayments; reporting; domestic relations orders; records, amendments to chs 4, 8, 9, 11 to 14, 16, 17 Notice **ARC 1800C** 12/24/14

LABOR SERVICES DIVISION[875]

WORKFORCE DEVELOPMENT DEPARTMENT[871]"umbrella"

First reports of injury; recording and reporting regulations, 4.2, 4.3 Filed **ARC 1782C** 12/10/14

Federal occupational safety and health standards—adoption by reference, 10.20, 26.1

Filed **ARC 1803C** 12/24/14

Federal occupational safety and health standards for crane safety—adoption by reference,

26.1 Notice **ARC 1797C** 12/24/14

Elevator safety board—adoption by reference of national electrical code and portions of

ASME safety code for elevators and escalators, 71.14, 72.1, 72.9, 72.13, 73.8 Filed **ARC 1766C** 12/10/14

Elevators—adoption by reference of ASME A17.3(2011) with specified exceptions, 72.10,

73.1 Notice **ARC 1771C** 12/10/14

Boilers and pressure vessels, 90.2, 90.6(1), 90.8, 91.1, 91.20 Notice **ARC 1798C** 12/24/14

MEDICINE BOARD[653]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Standards of practice—telemedicine, 13.11 Notice **ARC 1769C** 12/10/14

Military service and veteran reciprocity, ch 18 Filed **ARC 1804C** 12/24/14

NATURAL RESOURCE COMMISSION[571]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

State migratory waterfowl, trout and habitat stamp design contests; controlled hunting areas, rescind chs 9, 53 Filed **ARC 1755C** 12/10/14

PHARMACY BOARD[657]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Removal of references to "uncertified pharmacy technician" and to extended deadline for

national certification, amendments to ch 3 Filed **ARC 1785C** 12/10/14

Compounding practices, amend chs 3, 6, 7; rescind chs 13, 20; adopt ch 20 Notice **ARC 1791C** 12/10/14

Vaccine administration by authorized pharmacist-interns, 4.6(2), 8.33 Filed **ARC 1786C** 12/10/14

Assignment of responsibility for pharmacy activities and functions, amendments to chs 6 to

9, 15, 18, 19, 22, 23 Notice **ARC 1793C** 12/10/14

Written notification identifying temporary pharmacist in charge, 8.35(6) Notice **ARC 1792C** 12/10/14

Controlled substances—report of theft or loss; temporary designation, 10.16, 10.38

Filed **ARC 1787C** 12/10/14

Nonresident pharmacy discontinuing operations in Iowa, 19.2 Filed **ARC 1788C** 12/10/14

Military service and veteran reciprocity, ch 33 Filed **ARC 1789C** 12/10/14

Grounds for discipline, 36.1(4) Notice **ARC 1790C** 12/10/14

PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Marital and family therapists and mental health counselors—licensure, 31.2, 31.6, 31.8

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PUBLIC EMPLOYMENT RELATIONS BOARD[621]

Hearings; prohibited practice proceedings; taxed costs, 2.23, 2.24, 3.1 to 3.8, 3.10 to 3.12

Filed **ARC 1773C** 12/10/14

PUBLIC HEALTH DEPARTMENT[641]

Newborn hearing and critical congenital heart disease screening; newborn screening data

and specimens; sliding fee scale for neuromuscular and related disorders program, 4.1 to

4.3, 4.6(3), 4.8 Filed **ARC 1747C** 12/10/14

Licensure standards for substance-related disorder and problem gambling treatment

programs, ch 155 Notice **ARC 1745C** 12/10/14

Criteria for awards or grants—second review process, public notice of available funds,

appeals, time period for issuance of decision, 176.5, 176.7, 176.8 Filed **ARC 1750C** 12/10/14

Military service and veteran reciprocity, ch 196 Filed **ARC 1749C** 12/10/14

Certificate of need program; uniform reporting requirements, amend 202.1 to 202.5,

202.6(2), 202.7, 202.11 to 202.13, 202.16; rescind ch 204 Filed **ARC 1748C** 12/10/14

RACING AND GAMING COMMISSION[491]

INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella"

Clarifications and updates; network security; wide area progressive systems, amendments to
chs 5, 8, 10 to 12 Notice **ARC 1770C** 12/10/14**REVENUE DEPARTMENT[701]**Interest rate for calendar year 2015, 10.2(34) Filed **ARC 1767C** 12/10/14
Multiresidential property tax classification, 71.1, 71.12, 71.23, 71.24 Filed **ARC 1765C** 12/10/14**SECRETARY OF STATE[721]**Voting systems, 22.50(2)"c," 22.264(2) Filed **ARC 1746C** 12/10/14**UTILITIES DIVISION[199]**

COMMERCE DEPARTMENT[181]"umbrella"

Peak alert notification, 20.11 Notice **ARC 1768C** 12/10/14**VETERINARY MEDICINE BOARD[811]**Waiver of state fees and continuing education requirements for veterans, 1.4, 6.2, 8.3,
8.10(5), 11.1(5) Notice **ARC 1756C** 12/10/14**ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS**

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

Senator Mark Chelgren
819 Hutchinson
Ottumwa, Iowa 52501Representative Lisa Heddens
4115 Wembley Avenue
Ames, Iowa 50010Senator Thomas Courtney
2609 Clearview
Burlington, Iowa 52601Representative Rick Olson
3012 East 31st Court
Des Moines, Iowa 50317Senator Wally Horn
101 Stoney Point Road, SW
Cedar Rapids, Iowa 52404Representative Dawn Pettengill
P.O. Box A
Mt. Auburn, Iowa 52313Senator Pam Jochum
2368 Jackson Street
Dubuque, Iowa 52001Representative Jeff Smith
185 NE Gracewood Drive
Waukee, Iowa 50263Senator Roby Smith
2036 East 48th Street
Davenport, Iowa 52807Representative Guy Vander Linden
1610 Carbonado Road
Oskaloosa, Iowa 52577Jack Ewing
Legal Counsel
Capitol
Des Moines, Iowa 50319
Telephone (515)281-6048
Fax (515)281-8451Brenna Findley
Administrative Rules Coordinator
Governor's Ex Officio Representative
Capitol, Room 18
Des Moines, Iowa 50319
Telephone (515)281-5211

EDUCATION DEPARTMENT[281]

Pathways for academic career and employment (PACE) program; gap tuition assistance program, amendments to ch 25 IAB 12/10/14 ARC 1783C	State Board Room, Second Floor Grimes State Office Bldg. Des Moines, Iowa	December 30, 2014 9 to 10 a.m.
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ENVIRONMENTAL PROTECTION COMMISSION[567]

Air quality, amendments to chs 20, 22, 23, 25, 31, 33 IAB 12/24/14 ARC 1795C	Conference Rooms, Air Quality Bureau 7900 Hickman Rd. Windsor Heights, Iowa	January 26, 2015 1 p.m.
Renewal of general permit no. 6—discharge of wastewater associated with well construction activities, 64.15(6) IAB 12/10/14 ARC 1757C	Second Floor North Conference Room Wallace State Office Bldg. Des Moines, Iowa	January 6, 2015 2 p.m.
Water supply and wastewater treatment operator certification—military service and veteran reciprocity, 81.1, 81.7, 81.9(2), 81.11(3) IAB 12/24/14 ARC 1796C	North Conference Room, Second Floor Water Supply Section Wallace State Office Bldg. Des Moines, Iowa	January 14, 2015 11 a.m.

INSURANCE DIVISION[191]

Individual annuity and pure endowment contracts—delayed effective date for use of 2012 IAR mortality table, 43.3(5) IAB 12/10/14 ARC 1794C	Division Conference Room, Fourth Floor Two Ruan Center 601 Locust St. Des Moines, Iowa	December 30, 2014 10 a.m.
Insurance holding company systems, amendments to ch 45 IAB 12/10/14 ARC 1784C	Division Conference Room, Fourth Floor Two Ruan Center 601 Locust St. Des Moines, Iowa	December 30, 2014 10 a.m.
Prior authorization—prescription drug benefits, ch 79 IAB 12/10/14 ARC 1772C	Fourth Floor Two Ruan Center 601 Locust St. Des Moines, Iowa	January 6, 2015 10 a.m.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Contribution rates; protected occupations; service purchases; benefits; overpayments; reporting; domestic relations orders; records, amendments to chs 4, 8, 9, 11 to 14, 16, 17 IAB 12/24/14 ARC 1800C	7401 Register Dr. Des Moines, Iowa	January 13, 2015 9 a.m.
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LABOR SERVICES DIVISION[875]

Federal occupational safety and health standards for cranes—adoption by reference, 26.1 IAB 12/24/14 ARC 1797C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	January 14, 2015 10 a.m. (If requested)
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LABOR SERVICES DIVISION[875] (cont'd)

Elevators—adoption by reference of ASME A17.3(2011) with specified exceptions, 72.10, 73.1 IAB 12/10/14 ARC 1771C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	January 9, 2015 8:30 a.m.
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Boilers and pressure vessels, 90.2, 90.6(1), 90.8, 91.1, 91.20 IAB 12/24/14 ARC 1798C	Capitol View Room 1000 E. Grand Ave. Des Moines, Iowa	January 14, 2015 9 a.m. (If requested)
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MEDICINE BOARD[653]

Standards of practice— telemedicine, 13.11 IAB 12/10/14 ARC 1769C	Auditorium Wallace State Office Bldg. Des Moines, Iowa	January 15, 2015 1:30 p.m.
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PHARMACY BOARD[657]

Compounding practices, amend chs 3, 6, 7; rescind chs 13, 20; adopt ch 20 IAB 12/10/14 ARC 1791C	Shared Conference Room, Suite E 400 SW 8th St. Des Moines, Iowa	January 15, 2015 1 p.m.
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Assignment of responsibility for pharmacy activities and functions, amendments to chs 6 to 9, 15, 18, 19, 22, 23 IAB 12/10/14 ARC 1793C	Shared Conference Room, Suite E 400 SW 8th St. Des Moines, Iowa	January 15, 2015 9 a.m.
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Grounds for discipline, 36.1(4) IAB 12/10/14 ARC 1790C	Shared Conference Room, Suite E 400 SW 8th St. Des Moines, Iowa	January 15, 2015 11 a.m.
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RACING AND GAMING COMMISSION[491]

Clarifications and updates; network security; wide area progressive systems, amendments to chs 5, 8, 10 to 12 IAB 12/10/14 ARC 1770C	Commission Office, Suite 100 1300 Des Moines St. Des Moines, Iowa	December 30, 2014 9 a.m.
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UTILITIES DIVISION[199]

Peak alert notification, 20.11 IAB 12/10/14 ARC 1768C	Board Hearing Room 69 1375 E. Court Ave. Des Moines, Iowa	January 28, 2015 10 a.m.
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VOTER REGISTRATION COMMISSION[821]

Use of electronic signature on online voter registration transactions via DOT Web site, 2.4, 2.8(2), 8.1, 11.6 IAB 12/10/14 ARC 1777C (See ARC 1679C , IAB 10/15/14)	Secretary of State Conference Room First Floor Lucas State Office Bldg. Des Moines, Iowa	December 30, 2014 10 a.m.
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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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ARC 1799C

COLLEGE STUDENT AID COMMISSION[283]

Notice of Intended Action

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

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

Pursuant to the authority of Iowa Code section 261.87, the Iowa College Student Aid Commission hereby gives Notice of Intended Action to amend Chapter 8, “All Iowa Opportunity Scholarship Program,” Iowa Administrative Code.

The proposed amendments to Chapter 8 provide clarification for the prioritization of grant funding when funding is not sufficient to award all eligible applicants and for the college expenses that can be covered by awards under the program.

Interested persons may submit comments orally or in writing by 4:30 p.m. on January 13, 2015, to the Executive Director, Iowa College Student Aid Commission, 430 East Grand Avenue, Third Floor, Des Moines, Iowa 50309-1920; fax (515)725-3401.

The Commission does not intend to grant waivers under the provisions of these rules.

After analysis and review of this rule making, the Commission finds that there is no impact on jobs.

These amendments are intended to implement Iowa Code chapter 261.

The following amendments are proposed.

ITEM 1. Amend rule 283—8.1(261) as follows:

283—8.1(261) Basis of aid. ~~Tuition assistance~~ Assistance available under the all Iowa opportunity scholarship program is based on the financial need of Iowa residents enrolled at eligible Iowa colleges and universities.

ITEM 2. Amend subrule 8.4(2) as follows:

8.4(2) Priority for grants. Only applicants with expected family contributions (EFCs) at or below the average tuition and fees for regent university students for the academic year for which awards are being made will be considered for awards.

a. All eligible renewal applicants will be funded prior to new applicants. ~~In the event that all renewal applicants cannot be funded, applicants will be awarded based on EFC and application date.~~ Awards to renewal applicants will be made based on EFC levels within the parameters defined by the commission, with students in the lowest EFC levels awarded first and at increasing EFC levels until the maximum EFC level is reached.

b. Priority If funding remains after all eligible renewal students have been awarded, priority will be given to students who participated in federal TRIO programs, participated in federal GEAR UP programs, or participated in alternative programs in high school, and to students who or graduated from alternative high schools. Awards will be made to students in this category based on EFC levels within the parameters defined by the commission, with students in the lowest EFC levels awarded first and at increasing EFC levels until the maximum EFC level is reached.

c. ~~If sufficient funding is not available to make awards to all remaining eligible applicants, awards will be made only to those students whose EFCs combined with federal Pell grants, Iowa vocational-technical tuition grants, and Iowa tuition grants total less than the designated EFC level. Students will be awarded by EFC level beginning with the lowest EFC levels until all funds have been expended.~~ If funding is available, awards to remaining eligible applicants will be made based on EFC levels within the parameters defined by the commission, with students in the lowest EFC levels awarded first and at increasing EFC levels until the maximum EFC level is reached.

COLLEGE STUDENT AID COMMISSION[283](cont'd)

ITEM 3. Amend subrule 8.4(4) as follows:

8.4(4) Awarding process.

- a. College and university officials will provide information about eligible students to the commission in a format specified by the commission.
- b. The commission will designate recipients until all funding has been expended.
- c. The commission will notify recipients and college and university officials of the awards, clearly indicating the award amount and the state program from which funding is being provided and stating that funding is contingent on the availability of state funds.
- d. The college or university will apply awards directly to student accounts to cover tuition and fees, room and board, and other bona fide education expenses, such as books, equipment, and transportation.
- e. The college or university is responsible for completing necessary verification and for coordinating other aid to ensure compliance with student eligibility requirements and allowable award amounts. The college or university will report changes in student eligibility to the commission.

ITEM 4. Amend **283—Chapter 8**, implementation sentence, as follows:

These rules are intended to implement Iowa Code ~~Supplement section 261.87~~ chapter 261.

ARC 1795C

ENVIRONMENTAL PROTECTION COMMISSION[567]

Notice of Intended Action

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

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

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission (Commission) hereby gives Notice of Intended Action to amend Chapter 20, “Scope of Title—Definitions—Forms—Rules of Practice,” Chapter 22, “Controlling Pollution,” Chapter 23, “Emission Standards for Contaminants,” Chapter 25, “Measurement of Emissions,” Chapter 31, “Nonattainment Areas,” and Chapter 33, “Special Regulations and Construction Permit Requirements for Major Stationary Sources—Prevention of Significant Deterioration (PSD) of Air Quality,” Iowa Administrative Code.

The purpose of the proposed rule making is to rescind unnecessary rules and to update other rules to reduce regulatory requirements. The proposed amendments rescinding the Voluntary Operating Permit program fulfill the recommendations of an Executive Order 80 stakeholder group. The proposed amendments will also implement a portion of the Department of Natural Resources’ (Department’s) five-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2).

The Commission proposes to rescind the following air quality rules:

1. References to air quality forms that no longer exist or are explained elsewhere in rule;
2. Conditional permits;
3. Voluntary Operating Permit program; and
4. Adoption by reference of several air toxics standards and new source performance standards that do not apply to any Iowa sources.

The Commission also proposes to reduce regulatory requirements by:

1. Amending the definition of “volatile organic compounds” to remove several compounds; and
2. Sunsetting the requirements for testing and monitoring mercury emissions that are being addressed by federal regulations.

Volatile Organic Compounds

Background

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

Between July 2, 2012, and March 27, 2014, the U.S. Environmental Protection Agency (EPA) published revisions to remove several compounds from the definition of “volatile organic compounds” (VOC). The excluded compounds are HFO-1234ze, HFE-134, HFE-236ca2, HFE-338pcc13, H-Galden 1040X (H-Galden ZT 130, 150 or 180), Solstice™ 1233zd(E), HFO-1234yf, and 2-amino-2-methyl-1-propanol (AMP). EPA removed the compounds because the compounds make a negligible contribution to tropospheric ozone formation.

The Commission proposes to adopt EPA’s revisions so that state rules will match current federal regulations. The amendment will benefit the regulated community because affected facilities will no longer need to count these compounds towards potential or actual VOC emissions for permitting or emission inventory purposes.

Proposed Amendment

Item 1 amends rule 567—20.2(455B) to revise the definition of “volatile organic compounds” or “VOC” to adopt by reference the current federal definition of “VOC” and to remove several compounds from the list of VOCs (see also Item 23).

References to Air Quality Forms**Background**

Rule 567—20.3(455B), air quality forms generally, includes the names and descriptions of forms that are used by the public. The Department reviewed this rule and found that forms referenced in the rule are either no longer in use or are referenced elsewhere in other air quality rules. The Department recommends rescinding this rule to eliminate unnecessary rules and to meet the requirements of Iowa Code section 17A.7(2). Removing outdated rules will also make rules more accessible and understandable to the public.

Proposed Amendment

Item 2 rescinds and reserves rule 567—20.3(455B) to eliminate obsolete and duplicative references to air quality forms.

Conditional Permits**Background**

Conditional permits were added to the Iowa Code in the 1970s to facilitate electric utility rate setting. The Iowa Utilities Board changed the rate-setting requirements so that conditional permits were not needed. The Department has no record of issuing a conditional permit to an electric utility. 2014 Iowa Acts, Senate File 2197, signed by Governor Branstad on March 14, 2014, removed the statutory authority for conditional permits. The Commission proposes to remove rule provisions for conditional permits as part of the five-year rules review required in Iowa Code section 17A.7(2). Removing outdated rules will clarify and streamline the Department’s air quality program.

Proposed Amendments

The Commission proposes Items 3 through 11 to rescind all rule requirements and references for conditional permits (see also Items 22 and 23).

Item 3 amends the introductory paragraph of subrule 22.1(1) to remove a reference to conditional permits.

Item 4 amends the introductory paragraph of subrule 22.1(3) to remove references to conditional permits.

Item 5 rescinds and reserves subrule 22.1(4) to remove conditional permit requirements.

Item 6 amends subrule 22.2(2) to remove a reference to conditional permits.

Item 7 amends subrule 22.2(3) to remove a reference to conditional permits.

Item 8 amends the introductory paragraph of subrule 22.3(1) to remove references to conditional permits.

Item 9 rescinds and reserves paragraph 22.3(3)“d” to remove conditional permit requirements.

Item 10 amends paragraph 22.3(3)“g” to remove references to conditional permits.

Item 11 amends paragraph 22.3(4)“a” to remove references to conditional permits.

Voluntary Operating Permits**Background**

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

The Department developed the Voluntary Operating Permit (VOP) program to assist facilities that wanted to take voluntary limitations on emissions and operations to avoid having to obtain a Title V operating permit. In the mid-1990s, EPA required the Department to have a federally enforceable operating permit program to address existing facilities that wanted to establish limits below the Title V operating permit program thresholds. The Department's Air Construction Permit program also provides a mechanism to establish limits for facilities to remain below the Title V operating permit program thresholds. The Department utilized the Lean Value Stream Mapping process to identify the VOP program as a program that could be eliminated to reduce the regulatory burden on industry and to remove unnecessary regulations.

An Executive Order 80 (EO80) stakeholder group was formed to make recommendations to the Commission on the VOP program. On April 16, 2013, the EO80 stakeholder group recommended rescinding the VOP rules. The Department worked individually with each of the VOP facilities to transition these facilities to alternate permitting options. The Department completed the necessary permitting activities in late May 2014. Table 1 lists all of the facilities moved out of the VOP program and includes descriptions of the alternative mechanisms used, if any, to ensure that potential emissions at each facility remain below Title V program thresholds.

Table 1: Summary of VOP Transitions

Facility	New Permit Format (If Required)
Cargill, Buffalo	Facility has a Group 1 Grain Elevator permit.
Estherville Municipal Utility, Estherville	Construction permits issued.
Ferguson Elevator Corporation, Ferguson	No permit required. The facility is closed.
Flexible Industries Company, Burlington	No permit required. The facility is closed.
JBS USA LLC, Marshalltown	The facility transitioned to a Title V operating permit to allow for projected emissions increases.
Kinze Manufacturing Inc., Williamsburg	Construction permits issued.
Klinger Paint Company, Cedar Rapids	Construction permits issued.
LG Everist Inc., Hawarden	Construction permit issued.
Maaco Auto Repair, Council Bluffs	Facility has a permit-by-rule permit.
McGregor Municipal Utilities, McGregor	Construction permits issued.
MicroSoy Corporation/West Central Coop, Jefferson	Construction permits issued.
Paxton & Vierling Steel Company, Carter Lake	Construction permits issued.
Peoples Natural Gas, Council Bluffs	No permit required. The facility is closed.
Phillips Pipe Line Company/Noble Petro Inc., Council Bluffs	Construction permit issued.
Rock Rapids Municipal Utilities, Rock Rapids	Construction permit issued.
Spencer Municipal Utilities, Spencer	Construction permits issued.
Tama Packing Company, Tama	No permit required. The facility is closed. New equipment was permitted when the facility reopened under a new facility name and number.
The Dial Corporation/Pinnacle Foods Group Inc., Fort Madison	Construction permits issued.

Proposed Amendments

The Commission proposes the amendments in Items 12 through 17 to remove the requirements for and references to the VOP program.

Item 12 amends the definition “designated representative” in rule 567—22.100(455B) to remove the reference to the voluntary operating permit rules.

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Item 13 rescinds and reserves rules 567—22.200(455B) to 567—22.209(455B) to remove voluntary operating permit requirements.

Item 14 amends the introductory paragraph of rule 567—22.300(455B) to remove the reference to voluntary operating permit rules.

Item 15 amends paragraph 22.300(2)“c” to remove references to voluntary operating permits.

Item 16 amends the introductory paragraph of paragraph 22.300(8)“a” to remove references to voluntary operating permits.

Item 17 amends paragraph 22.300(9)“a” to remove references to voluntary operating permits.

New Source Performance Standards and Air Toxics Standards**Background**

The U.S. Clean Air Act (CAA) obligates the EPA to issue standards to control air pollution. Two categories of standards, the new source performance standards (NSPS) and air toxics standards (formally called national emission standards for hazardous air pollutants or NESHAP), set standards and deadlines for industrial, commercial and institutional facilities to meet uniform standards for equipment operation and air pollutant emissions.

The CAA allows a state or local agency to implement NSPS and NESHAP as a “delegated authority.” Upon state adoption, the Department becomes the delegated authority for the specific NSPS or NESHAP and is the primary implementation agency in Iowa. Two local air quality agencies, Polk County and Linn County, implement these standards within their counties. Iowa’s rules, including all compliance deadlines, are identical to the federal NSPS and NESHAP as of a specific date.

The Department identified previously adopted NSPS and NESHAP that do not affect any facilities in Iowa and are unlikely to affect any Iowa facilities in the future. Most of the federal standards apply to mineral and material processing.

The Department recommends rescinding the paragraphs that adopt by reference these NSPS and NESHAP. The rescissions will accomplish the Department’s goal of eliminating obsolete rules and meet the requirements in Iowa Code section 17A.7(2). If an affected facility should plan to locate in Iowa in the future, the Department will evaluate whether to request adoption of the standards at that time. Removing the unnecessary provisions will also make rules more accessible and understandable for regulated entities and the public.

Proposed Amendments

Item 18 rescinds and reserves paragraphs 23.1(2)“g,” “h,” “m,” “n,” “o,” and “p” to remove the adoption by reference of NSPS under 40 Code of Federal Regulations (CFR) Part 60 for petroleum production, secondary lead smelters, primary copper smelters, primary zinc smelters, primary lead smelters, and primary aluminum reduction plants, respectively.

Item 19 rescinds and reserves paragraphs 23.1(3)“b,” “c,” “h,” and “j” to remove the adoption by reference of the NESHAP under 40 CFR Part 61 for beryllium, beryllium rocket motor firing, inorganic arsenic emissions from arsenic trioxide and metallic arsenic production facilities, and inorganic arsenic emissions from primary copper smelters, respectively.

Item 20 rescinds and reserves paragraphs 23.1(4)“j,” “p,” “x,” “ac,” “ai,” “al,” “bc,” “bq,” “bt,” “dr,” and “dt” to remove the adoption by reference of the NESHAP under 40 CFR Part 63 for polyvinyl chloride and copolymers production, primary aluminum production plants, secondary lead smelting, petroleum production, ship building and ship repair, steel pickling plants, primary copper smelting, primary lead smelting, taconite iron ore processing, and primary magnesium refining, respectively.

Mercury Emissions Testing and Monitoring Rules**Background**

The Commission adopted the mercury emissions testing and monitoring rules in 2009 as a temporary requirement until EPA finalized its mercury air toxics standards (MATS) for electric utility steam generating units (EGUs). EPA has now finalized MATS, which includes mercury emissions standards and monitoring requirements. The state mercury rules are duplicative of the MATS requirements. The Commission proposes a sunset date for the mercury rules of April 16, 2015, which is the MATS compliance date for existing EGUs. If a facility receives an extension to comply with MATS, the

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Commission proposes that the facility continue to comply with the mercury monitoring rules until the date the facility is required to comply with MATS.

Proposed Amendment

Item 21 amends the introductory paragraph of rule 567—25.3(455B) to add a sunset date for the state's mercury emissions testing and monitoring requirements.

Additional Amendments

Item 22 amends paragraph 31.20(1)“m” to remove the reference to conditional permits. The Commission proposes to rescind all rule requirements and references to conditional permits, as described above for Items 3 through 11.

Item 23 amends the definitions of “enforceable permit condition” and “volatile organic compounds” or “VOC” in subrule 33.3(1). The revision to the definition of “enforceable permit condition” removes the reference to conditional permits and is the same as the amendment described above for Item 22. The change to the definition of “volatile organic compounds” or “VOC” is the same as the revision explained above for Item 1.

Any person may make written suggestions or comments on the proposed amendments on or before January 26, 2015. Written comments may be directed to Christine Paulson, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324; fax (515)725-9501; or e-mail to christine.paulson@dnr.iowa.gov.

A public hearing will be held on Monday, January 26, 2015, at 1 p.m. in the conference rooms at the Department's Air Quality Bureau office located at 7900 Hickman Road, Windsor Heights, Iowa. All comments must be received no later than 4:30 p.m. on January 26, 2015.

Any person who intends to attend the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact Christine Paulson at (515)725-9510, or by e-mail to christine.paulson@dnr.iowa.gov to advise of any specific needs.

Jobs Impact Statement

The following is a summary of the jobs impact statement. The complete jobs impact statement is available from the Department upon request.

After analysis and review, the Department has determined that the proposed amendments will have a positive impact on private sector jobs.

Removing compounds from the list of VOCs

Revising the definition of “VOC” in rule 567—20.2(455B) and in subrule 33.3(1) will have a positive impact on facilities because the compounds proposed to be excluded would no longer need to be considered when permit applications or emissions inventories are prepared.

Eliminating obsolete and redundant rule references to air quality forms

Rescinding rule 567—20.3(455B) will benefit the regulated community and the public by providing current and nonduplicative references to air quality forms.

Rescinding the rules for conditional permits

Rescinding the rule requirements for and references to conditional permits will have no impact on jobs because the Department has no record of issuing a conditional permit to an electric utility. However, rescinding the obsolete rule requirements for and references to conditional permits as described above should benefit the regulated community and the public by providing them with up-to-date air quality requirements.

Rescinding the VOP program rules

Businesses with a VOP permit are required to renew the application every five years. The VOP application includes all emissions at the facility and takes a considerable amount of time to complete. Rescinding the VOP program rule requirements and references as noted above will reduce the regulatory burden for businesses by eliminating the five-year renewal requirement, thus saving the time it takes to draft and submit the comprehensive application.

Removing adoption by reference of NSPS and NESHAP

Iowa currently has no industries affected by the NSPS and NESHAP proposed for rescission in subrules 23.1(2), 23.1(3), and 23.1(4), and these requirements are unlikely to affect any Iowa facilities

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in the future. Rescinding these standards will streamline state air quality rules and will have a positive impact on regulated community and the public.

Sunsetting the mercury testing and monitoring rules

Adding a sunset date to the mercury monitoring requirements in rule 567—25.3(455B) will have a positive impact on affected facilities by eliminating potentially duplicative and expensive testing and monitoring requirements.

These amendments are intended to implement Iowa Code sections 455B.133 and 17A.7(2).

The following amendments are proposed.

ITEM 1. Amend rule **567—20.2(455B)**, definition of “Volatile organic compounds,” as follows:

“*Volatile organic compounds*” or “*VOC*” means any compound included in the definition of “volatile organic compounds” found at 40 CFR Section 51.100(s) as amended through ~~January 21, 2009~~ March 27, 2014.

ITEM 2. Rescind and reserve rule **567—20.3(455B)**.

ITEM 3. Amend subrule 22.1(1), introductory paragraph, as follows:

22.1(1) Permit required. Unless exempted in subrule 22.1(2) or to meet the parameters established in paragraph “c” of this subrule, no person shall construct, install, reconstruct or alter any equipment, control equipment or anaerobic lagoon without first obtaining a construction permit, ~~or conditional permit~~, or permit pursuant to rule 567—22.8(455B), or permits required pursuant to rules 567—22.4(455B), 567—22.5(455B), 567—31.3(455B), and 567—33.3(455B) as required in this subrule. A permit shall be obtained prior to the initiation of construction, installation or alteration of any portion of the stationary source or anaerobic lagoon.

ITEM 4. Amend subrule 22.1(3), introductory paragraph, as follows:

22.1(3) Construction permits. The owner or operator of a new or modified stationary source shall apply for a construction permit ~~unless a conditional permit is required by Iowa Code chapter 455B or subrule 22.1(4) or requested by the applicant in lieu of a construction permit~~. Two copies of a construction permit application for a new or modified stationary source shall be presented or mailed to Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324. Alternatively, the owner or operator may apply for a construction permit for a new or modified stationary source through the electronic submittal format specified by the department. The owner or operator of any new or modified industrial anaerobic lagoon or a new or modified anaerobic lagoon for an animal feeding operation other than a small operation as defined in rule 567—65.1(455B) shall apply for a construction permit. Two copies of a construction permit application for an anaerobic lagoon shall be presented or mailed to Department of Natural Resources, Water Quality Bureau, Henry A. Wallace Building, 502 East Ninth Street, Des Moines, Iowa 50319.

ITEM 5. Rescind and reserve subrule **22.1(4)**.

ITEM 6. Amend subrule 22.2(2) as follows:

22.2(2) Public notice and participation. A notice of intent to issue a ~~conditional or~~ construction permit to a major stationary source shall be published by the department in a newspaper having general circulation in the area affected by the emissions of the proposed source. The notice and supporting documentation shall be made available for public inspection upon request from the department’s central office. Publication of the notice shall be made at least 30 days prior to issuing a permit and shall include the department’s evaluation of ambient air impacts. The public may submit written comments or request a public hearing. If the response indicates significant interest, a public hearing may be held after due notice.

ITEM 7. Amend subrule 22.2(3) as follows:

22.2(3) Final notice. The department shall notify the applicant in writing of the issuance or denial of a construction ~~or conditional~~ permit as soon as practicable and at least within 120 days of receipt of the completed application. This shall not apply to applicants for electric generating facilities subject to Iowa Code chapter 476A.

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

ITEM 8. Amend subrule 22.3(1), introductory paragraph, as follows:

22.3(1) Stationary sources other than anaerobic lagoons. In no case shall a construction permit ~~or conditional permit~~ which results in an increase in emissions be issued to any facility which is in violation of any condition found in a permit involving PSD, NSPS, NESHAP or a provision of the Iowa state implementation plan. If the facility is in compliance with a schedule for correcting the violation and that schedule is contained in an order or permit condition, the department may consider issuance of a construction permit ~~or conditional permit~~. A construction ~~or conditional~~ permit shall be issued when the director concludes that the preceding requirement has been met and:

ITEM 9. Rescind and reserve paragraph **22.3(3)“d.”**

ITEM 10. Amend paragraph **22.3(3)“g”** as follows:

g. The issuance of a permit ~~or conditional permit~~ (approval to construct) shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the state implementation plan and any other requirement under local, state or federal law.

ITEM 11. Amend paragraph **22.3(4)“a”** as follows:

a. When an application for a construction ~~or conditional~~ permit is denied, the applicant shall be notified in writing of the reasons therefor. A denial shall be without prejudice to the right of the applicant to file a further application after revisions are made to meet the objections specified as reasons for the denial.

ITEM 12. Amend rule **567—22.100(455B)**, definition of “Designated representative,” as follows:

“Designated representative” means a responsible natural person authorized by the owner(s) or operator(s) of an affected source and of all affected units at the source, as evidenced by a certificate of representation submitted in accordance with Subpart B of 40 CFR Part 72 as amended to October 24, 1997, to represent and legally bind each owner and operator, as a matter of federal law, in matters pertaining to the acid rain program. Whenever the term “responsible official” is used in rules ~~567—22.100(455B) to 567—22.208(455B)~~ **567—Chapter 22**, it shall be deemed to refer to the designated representative with regard to all matters under the acid rain program.

ITEM 13. Rescind and reserve rules **567—22.200(455B) to 567—22.209(455B)**.

ITEM 14. Amend rule **567—22.300(455B)**, introductory paragraph, as follows:

567—22.300(455B) Operating permit by rule for small sources. Except as provided in ~~567—subrules 22.201(2) and subrule 22.300(11)~~, any source which otherwise would be required to obtain a Title V operating permit may instead register for an operation permit by rule for small sources. Sources which comply with the requirements contained in this rule will be deemed to have an operating permit by rule for small sources. Sources which comply with this rule will be considered to have federally enforceable limits so that their potential emissions are less than the major source thresholds for regulated air pollutants and hazardous air pollutants as defined in rule **567—22.100(455B)**.

ITEM 15. Amend paragraph **22.300(2)“c”** as follows:

c. Nothing in this rule shall prevent any stationary source which has had a Title V operating permit ~~or a voluntary operating permit~~ from qualifying to comply with this rule in the future in lieu of maintaining an application for a Title V operating permit ~~or a voluntary operating permit~~ or upon rescission of a Title V operating permit ~~or a voluntary operating permit~~ if the owner or operator demonstrates that the stationary source is in compliance with the emissions limitations in subrule **22.300(6)**.

ITEM 16. Amend paragraph **22.300(8)“a,”** introductory paragraph, as follows:

a. Duty to apply. Any person who owns or operates a source otherwise required to obtain a Title V operating permit and which would be eligible for an operating permit by rule for small sources must either register for an operating permit by rule for small sources, ~~apply for a voluntary operating permit~~, or apply for a Title V operating permit. Any source determined not to be eligible for an operating permit by rule for small sources, and operating without a valid Title V ~~or a valid voluntary~~ operating

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permit, shall be subject to enforcement action for operation without a Title V operating permit, except as provided for in the application shield provisions contained in ~~rules rule~~ rule 567—22.104(455B) and 567—22.202(455B). For each source registering for an operating permit by rule for small sources, the owner or operator or designated representative, where applicable, shall present or mail to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324, one original and one copy of a timely and complete registration form in accordance with this rule.

ITEM 17. Amend paragraph **22.300(9)“a”** as follows:

a. If the issuance of a construction permit acts to make the source no longer eligible for an operating permit by rule for small sources, the source shall, within 12 months of issuance of the construction permit, submit an application for ~~either a Title V operating permit or a voluntary operating permit.~~

ITEM 18. Rescind and reserve paragraphs **23.1(2)“g,” “h,” “m,” “n,” “o” and “p.”**

ITEM 19. Rescind and reserve paragraphs **23.1(3)“b,” “c,” “h” and “j.”**

ITEM 20. Rescind and reserve paragraphs **23.1(4)“j,” “p,” “x,” “ac,” “ai,” “al,” “bc,” “bq,” “bt,” “dr” and “dt.”**

ITEM 21. Amend rule 567—25.3(455B), introductory paragraph, as follows:

567—25.3(455B) Mercury emissions testing and monitoring. Any stationary, coal-fired boiler or stationary, coal-fired combustion turbine serving, at any time since the later of November 15, 1990, or the start-up of the unit’s combustion chamber, a generator with a nameplate capacity of more than 25 megawatt electrical (MWe) producing electricity for sale is an affected source under the provisions of this rule.

The provisions of this rule expire on April 16, 2015, except for any affected facility that receives an extension to comply with the emission standards for hazardous air pollutants: coal- and oil-fired electric utility steam generating units (EGUs) (40 CFR Part 63, Subpart UUUUU, commonly known as mercury air toxics standards (MATS)). Any facility receiving an extension of the MATS compliance date shall continue to comply with the provisions of this rule until the date the facility is required to comply with MATS or alternatively is no longer subject to the MATS compliance requirements. However, facilities complying with the requirements of this rule as specified in subrule 25.3(3), continuous emissions monitoring systems (CEMS), may submit a written request to the department to discontinue concurrent, annual stack tests. The department will evaluate and grant requests on a case-by-case basis, based upon previous stack test results and how recent the last stack test occurred or other extenuating circumstances, such as those that may cause testing conditions to be unrepresentative of normal operations or cause tests to be unsafe to perform. If the department grants a request, the facility will be required to continue operating CEMS and conduct relative accuracy test audits (RATAs), as specified in subrule 25.3(3), until the facility is required to comply with MATS or, alternatively, is no longer subject to MATS compliance requirements.

ITEM 22. Amend paragraph **31.20(1)“m”** as follows:

m. “*Enforceable permit condition*” for the purpose of this rule means any of the following limitations and conditions: requirements developed pursuant to new source performance standards, prevention of significant deterioration standards, emission standards for hazardous air pollutants, requirements within the state implementation plan, and any permit requirements established pursuant to this rule, or under ~~conditional~~, construction or Title V operating permit rules.

ITEM 23. Amend subrule **33.3(1)**, definitions of “Enforceable permit condition” and “Volatile organic compounds,” as follows:

“*Enforceable permit condition*,” for the purpose of this chapter, means any of the following limitations and conditions: requirements developed pursuant to new source performance standards, prevention of significant deterioration standards, emissions standards for hazardous air pollutants, requirements within the SIP, and any permit requirements established pursuant to this chapter, any

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

permit requirements established pursuant to 40 CFR 52.21 or Part 51, Subpart I, as amended through October 20, 2010, or under ~~conditional~~ construction or Title V operating permit rules.

“Volatile organic compounds” or *“VOC”* means any compound included in the definition of “volatile organic compounds” found at 40 CFR 51.100(s) as amended through ~~January 21, 2009~~ March 27, 2014.

ARC 1796C**ENVIRONMENTAL PROTECTION COMMISSION[567]****Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code sections 272C.4 and 455B.222 and 2014 Iowa Acts, chapter 1116 (Senate File 303), the Environmental Protection Commission hereby proposes to amend Chapter 81, “Operator Certification: Public Water Supply Systems and Wastewater Treatment Systems,” Iowa Administrative Code.

Chapter 81 sets out regulations for the certification of public drinking water supply and wastewater treatment operators and includes examination eligibility requirements, examination protocols, continuing education requirements, renewal requirements, reciprocity requirements and all corresponding fees. Chapter 81 is being amended as a result of 2014 Iowa Acts, Senate File 303 (the Home Base Iowa Act), signed by Governor Branstad on May 26, 2014. This new law requires all professional and occupational licensing boards, commissions, and other authorities subject to Iowa Code chapter 272C to adopt rules by January 1, 2015, on military service and veteran certification.

The Iowa Drinking Water Treatment and Wastewater Treatment Operator Certification Program has recognized that veterans represent a significant recruiting opportunity for the water industry and, since 2012, the program has been working with the U.S. Department of Veterans Affairs, the U.S. Department of Labor, the Iowa Department of Education, and Provisions, a professional career transition company, to recruit and assimilate veterans into the water industry as quickly and seamlessly as possible. For several years, the Department of Natural Resources (Department) has granted credit toward eligibility for education, training, and service obtained or completed by an individual while serving honorably in the military forces.

The proposed amendments will clarify the process by which the Department provides credit toward certification qualifications for military service, education and training and the procedures for reciprocal certification of veterans who are certified water or wastewater operators in another state.

The amendments were presented to stakeholders on October 3, 2014, and the Department received unanimous support for the rule making. The stakeholder group included Hero2Hired (U.S. Department of Defense contractor – IIF Data Solutions); the Iowa Department of Education – Veterans and Military Education; the Iowa section of the American Water Works Association; the Iowa Association of Municipal Utilities; the Iowa section of the Water Environment Association; the Iowa Association of Water Agencies; and the Iowa Rural Water Association. These stakeholders represent the more than 3,400 certified water and wastewater operators in the state and the stakeholders assisting the transition of military service personnel and veterans into civilian jobs through retraining.

Any interested person may present written comments on the proposed amendments no later than 4:30 p.m. on January 15, 2015. Such written materials should be sent to Diane Moles, Iowa Department of Natural Resources, WSE Section, 502 East 9th Street, Des Moines, Iowa 50319-0034; or sent by e-mail, including the commenter’s name, to diane.moles@dnr.iowa.gov.

There will be a public hearing on January 14, 2015, at 11 a.m. in the Department’s Water Supply Section Second Floor North Conference Room located in the Wallace State Office Building, 502 East

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9th Street, Des Moines, Iowa. The conference room is located within the Water Supply Section offices on the second floor. Persons attending the hearing may present their views either orally or in writing.

At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the content of the proposed amendments.

Any person who intends to attend the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact the Department to advise of any specific needs.

After analysis and review of this rule making, it is anticipated that the proposed amendments would have a positive impact on jobs by facilitating the licensure of veterans for employment in Iowa.

These amendments are intended to implement Iowa Code sections 455B.211 to 455B.224, Iowa Code chapter 272C, and 2014 Iowa Acts, chapter 1116, division VI (Senate File 303).

The following amendments are proposed.

ITEM 1. Adopt the following new definitions of “Military service,” “Military service applicant” and “Veteran” in rule **567—81.1(455B)**:

“*Military service*” means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

“*Military service applicant*” means an individual requesting credit toward certification for military education, training, or service obtained or completed in military service.

“*Veteran*” means an individual who meets the definition of “veteran” in Iowa Code section 35.1(2).

ITEM 2. Amend subrule 81.7(1), introductory paragraph, as follows:

81.7(1) *Education and experience requirements.* All applicants shall meet the education and experience requirements for the grade of certificate shown in the table below prior to being allowed to take the examination. Experience shall be in the same classification for which the applicant is applying except that partial credit may be given in accordance with 81.7(2) and 81.7(3). Directly related post-high school education shall be in the same subject matter as the classification in which the applicant is applying. Directly related post-high school education will be granted education credit 2.0 times the number of semester, quarter or CEU credits until January 1, 2006. The director will determine which courses qualify as “directly related” in cases which are not clearly defined. A military service applicant may apply for credit for verified military education, training, or service toward any education or experience requirement for certification, pursuant to subrule 81.7(4).

ITEM 3. Adopt the following new subrule 81.7(4):

81.7(4) *Military education, training, and service credit.*

a. The applicant shall identify the experience or education certification requirements for which the credit is requested.

b. As part of the examination application pursuant to subrule 81.9(1), the applicant shall provide documents, military transcripts, a certified affidavit, or forms that verify completion of the relevant military education, training, or service, which may include, when applicable, the applicant’s Certificate of Release or Discharge from Active Duty (DD Form 214) or Verification of Military Experience and Training (VMET) (DD Form 2586).

ITEM 4. Amend subrule 81.9(2) as follows:

81.9(2) *Application evaluation.* The director shall designate department personnel to evaluate all applications for examination, certification, and renewal of certification and upgrading of certification. After evaluation of the application, the department will issue the applicant either a letter of examination eligibility or a letter of examination noneligibility that includes a description of the education or experience requirements that have not been met. The director will review applications when it is indicated that the applicant has falsified information or when questions arise concerning an applicant’s qualifications of eligibility for examination or certification.

ENVIRONMENTAL PROTECTION COMMISSION[567](cont'd)

ITEM 5. Amend subrule 81.11(3) as follows:

81.11(3) Reciprocity application.

a. All applicants. Applicants who seek Iowa certification pursuant to subrule 81.11(1) or 81.11(2) shall submit an ~~application for examination~~ Operator Certification Reciprocity Application accompanied by a letter requesting certification pursuant to these subrules. Application for certification pursuant to 81.11(1) and 81.11(2) shall be received by the director in accordance with these subrules. The applicant shall be certified at the appropriate grade pursuant to subrule 81.7(1).

b. Veteran applicants. An applicant who is a veteran shall submit an Operator Certification Reciprocity Application pursuant to paragraph 81.11(3) "a" and shall also provide such documentation as is needed to verify the applicant's status as a veteran under Iowa Code section 35.1(2). The veteran's application shall be given priority and shall be expedited.

ARC 1800C

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Notice of Intended Action

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

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

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) hereby gives Notice of Intended Action to amend Chapter 4, "Employers," Chapter 8, "Service Purchases," Chapter 9, "Refunds," Chapter 11, "Application for, Modification of, and Termination of Benefits," Chapter 12, "Calculation of Monthly Retirement Benefits," Chapter 13, "Disability for Regular and Special Service Members," Chapter 14, "Death Benefits and Beneficiaries," Chapter 16, "Domestic Relations Orders and Other Assignments," and Chapter 17, "Public Records and Fair Information Practices," Iowa Administrative Code.

IPERS proposes the following amendments to:

- Implement contribution rates for regular and special service members beginning July 1, 2015;
- Add two new protection occupation class groups, pursuant to legislation in 2014;
- Change the time of service purchases made by members to at the time of retirement only, effective January 1, 2016;
- Clarify requirements for submission of a completed retirement or disability retirement application by a member with regard to termination dates provided by the employer and acceptable proof of date of birth;
- Conform rules for recovery of overpayments and for interest charged in the case of fraud to the business rules and procedures currently in place;
- Clarify vesting requirements and that level payment options are not available to members applying for disability benefits;
- Update rules to conform to the language of controlling statutes;
- Remove language regarding same gender spouse or former spouse, same sex spouse or former spouse, or Administrable Domestic Relations Order, or ADRO, in definitions and related provisions;
- Conform IPERS' reporting requirements to IRS reporting requirements for distributions to non-spouse successor alternate payees;
- Update rules to better clarify the intent, make the rules consistent, or correct outdated references;
- Update several rules regarding IPERS' administration of Domestic Relations Orders; and
- Update the definition of "record" to be consistent with business rules and procedures.

These amendments were prepared after consultation with IPERS' staff, IPERS' actuary and the Benefits Advisory Committee.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

Any interested person may make written suggestions or comments on the proposed amendments on or before January 13, 2015. Such written suggestions or comments should be directed to the IPERS Administrative Rules Coordinator at IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. Persons who wish to present their comments orally may contact the IPERS Administrative Rules Coordinator at (515)281-7623. Comments may also be submitted by fax to (515)281-0045 or by e-mail to adminrule@ipers.org.

Also, a public hearing will be held on January 13, 2015, at 9 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

There are no waiver provisions included in the proposed amendments.

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

These amendments are intended to implement Iowa Code sections 97B.4 and 97B.15.

The following amendments are proposed.

ITEM 1. Amend paragraph **4.6(1)“b”** as follows:

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

	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	14.45%	14.88%	14.88%	<u>14.88%</u>
Employer	8.67%	8.93%	8.93%	<u>8.93%</u>
Employee	5.78%	5.95%	5.95%	<u>5.95%</u>

ITEM 2. Amend subrule 4.6(2) as follows:

4.6(2) Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2010	Effective July 1, 2011	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	17.88%	19.66%	19.80%	19.76%	19.76%	<u>19.76%</u>
Employer	8.94%	9.83%	9.90%	9.88%	9.88%	<u>9.88%</u>
Employee	8.94%	9.83%	9.90%	9.88%	9.88%	<u>9.88%</u>

ITEM 3. Amend subrule 4.6(3) as follows:

4.6(3) Contribution rates for protection occupations are as follows.

	Effective July 1, 2010	Effective July 1, 2011	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015
Combined rate	16.59%	16.62%	17.11%	16.90%	16.90%	<u>16.40%</u>
Employer	9.95%	9.97%	10.27%	10.14%	10.14%	<u>9.84%</u>
Employee	6.64%	6.65%	6.84%	6.76%	6.76%	<u>6.56%</u>

ITEM 4. Adopt the following **new** paragraph **4.6(4)“n”**:

n. Effective July 1, 2014, an employee of the insurance division of the department of commerce who as a condition of employment is required to be certified by the Iowa law enforcement academy and who is required to perform the duties of a peace officer as provided in Iowa Code section 507E.8.

ITEM 5. Adopt the following **new** paragraph **4.6(4)“o”**:

o. Effective July 1, 2014, an employee of a judicial district department of correctional services whose condition of employment requires the employee to be certified by the Iowa law enforcement

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

academy and who is required to perform the duties of a parole officer as provided in Iowa Code section 906.2.

ITEM 6. Adopt the following **new** paragraph **8.1(2)“g”**:

g. Effective January 1, 2016, for new service purchase applications and updated cost requests received, the following procedures and calculations shall apply:

(1) Service purchase estimate prior to retirement. Members who are vested by service may request a service purchase estimate by completing and submitting a service purchase application. Once the application is submitted, IPERS shall complete a cost estimate. This calculation is an estimate only and is not considered binding. The cost estimate shall be calculated as follows:

1. IPERS will calculate the cost by capturing the baseline benefit attributes at the member's anticipated retirement date without any service purchase quarterly credits including: average salary, years of service, the Option 2 benefit amount, current member investment amount and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary which represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span.

2. With each potential purchasable quarterly service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each quarterly service credit will be the difference between the new reserve amount and the previous one.

(2) Final service purchase cost quote at retirement. On or before the date that a member's first benefit payment is issued, a member who is vested by service may request a final service purchase cost quote by completing and submitting an application for retirement/disability benefit indicating the member's desire to receive a final service purchase cost quote. Once submitted, IPERS shall generate a final service purchase cost quote once all of the member's wages are submitted to IPERS, which may be after the member's first month of entitlement. The final cost quote shall be calculated as follows:

1. IPERS will calculate the cost by capturing the baseline benefit attributes at the member's first month of entitlement without any service purchase quarterly credits including: average salary, years of service, the Option 2 benefit amount, current member investment amount and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary which represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span. With each potential purchasable service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each purchasable quarter of service credit will be the difference between the new reserve amount and the previous one.

2. The retired member will have six months from the date in which IPERS generates the final service purchase cost quote to purchase additional service.

3. If the retired member purchases service within the six-month deadline, the increase in the retirement benefit shall be made effective with the month of the service purchase payment.

4. Retired members who do not indicate their desire for a final service purchase cost quote on or before the date their first payment is issued or do not complete the purchase within the six-month deadline indicated on the final service purchase cost quote shall not be eligible to purchase additional credit.

(3) Cost adjustments due to changes in the original retirement benefit. If an error in the service purchase cost is discovered or a retired member's account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, make adjustments to the service purchase cost, or adjust the retirement allowance to ensure the member paid the actuarial cost of buying additional service. In the event that a retired member overpays due to an adjustment, IPERS will issue a refund to the retired member directly or to the rollover institution.

ITEM 7. Amend subrule 8.1(3) as follows:

8.1(3) IPERS buy-back. Effective July 1, 1996, only vested or retired members may buy back previously refunded IPERS credit. For the period beginning July 1, 1996, and ending June 30, 1999, an eligible member is required to make membership contributions equal to the accumulated contributions received by the member for the period of service being purchased plus accumulated interest and interest

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

dividends. Effective July 1, 1999, an eligible member must pay the actuarial cost of a buy-back, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions and cost methods used in preparing IPERS' annual actuarial valuation, except that: (1) the retirement assumption shall be changed to 100 percent at the member's earliest unreduced retirement age; and (2) if gender-distinct mortality assumptions are used in the annual actuarial valuation, the system shall use blended mortality assumptions reasonably representative of the system's experience. The actuarial cost of a service purchase shall be the difference between (1) the actuarial accrued liability for the member using the foregoing assumptions and current service credits, and (2) the actuarial accrued liability for the member using the foregoing assumptions, current service credits, and all quarters of service credit available for purchase. If IPERS changes the service purchase mortality assumptions, all outstanding service purchase quotes shall be binding for the remainder of the periods for which the cost quotes were issued. A cost quote for a service purchase shall expire six months after the date printed on the cost quote letter. After that time, a new cost quote must be obtained for any quarters not previously purchased.

Effective July 1, 1996, buy-backs may be made in increments of one or more calendar quarters. Prior to July 1, 1996, the member was required to repurchase the entire period of service and repay the total amount received plus accumulated interest and interest dividends.

A member who is vested solely by having attained the age of 55 must have at least one calendar quarter of wages on file with IPERS before completing a buy-back.

For persons who submitted requests for buy-back cost quotes on or before January 14, 2004, IPERS shall restore the wage records of a member who makes a buy-back based on those quotes and utilize those wage records in subsequent benefit calculations for that member.

For persons who submit requests for buy-back cost quotes and make purchases based on those quotes after January 14, 2004, IPERS shall not restore the wage records for the purchased quarters. After January 14, 2004, such buy-backs shall be treated like all other service purchases and IPERS will only restore service credit.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 8. Adopt the following **new** paragraph **8.1(5)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 9. Adopt the following **new** paragraph **8.1(6)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay 40 percent and the Iowa legislature shall pay 60 percent of the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 10. Adopt the following **new** paragraph **8.1(7)"e"**:

e. Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 11. Amend subrule 8.1(8) as follows:

8.1(8) *Leaves of absence.* Service credit for leaves of absence that begin on or after July 1, 1998, may be purchased. A member must be vested or retired and must have one calendar year of wages on file in order to make such a purchase.

For a leave of absence beginning on or after July 1, 1998, and purchased before July 1, 1999, the service purchase cost shall be equal to the employer and employee contributions and interest payable for the employee's most recent year of covered wages, adjusted by the inflation factor used in paragraph 8.1(2) "c." For a leave of absence beginning on or after July 1, 1998, and purchased on or after July

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1, 1999, the service purchase cost shall be the actuarial cost, as certified by IPERS. In calculating the actuarial cost of a service purchase under this subrule, IPERS shall apply the same actuarial assumptions and cost methods as those in paragraph 8.1(2) "f."

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 12. Amend subrule 8.1(9) as follows:

8.1(9) *Service credit for elective coverage positions—coverage not elected.* Service credit for periods of time prior to January 1, 1999, when the member was employed in a position for which coverage could have been elected, but was not, may be purchased. The cost of such service purchases shall be calculated in the same manner as provided for buy-ins under paragraph 8.1(2) "f." In addition, a member must be vested or retired, and must have one calendar year of wages on file in order to make such a purchase.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 13. Amend subrule 8.1(10) as follows:

8.1(10) *Service credit for noncovered public employment in Iowa.* A vested or retired member who has one or more years of service credit and who was previously employed in public employment for which optional coverage was not available, such as substitute teaching or other temporary employment, may purchase service credit for such employment subject to the requirements of Iowa Code section 97B.80C. Service credit may not be purchased under this subrule for periods in which the individual was performing services as an independent contractor. The contributions required under this subrule shall be in an amount equal to the actuarial cost of the service purchase as determined under paragraph 8.1(2) "f."

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 14. Amend rule 495—8.4(97B) as follows:

495—8.4(97B) Required quarters of wages on file.

8.4(1) If a member is attempting to purchase service credit under this chapter, and any particular rule under this chapter requires that the member must have four calendar quarters of wages on file as a precondition to making the purchase, and the member's regular job duties are performed in fewer than four calendar quarters each year, the four-calendar-quarter requirement shall be reduced to the number of calendar quarters regularly worked by the member.

8.4(2) Effective January 1, 2016, the member must be vested by service.

ITEM 15. Amend paragraph **8.5(1)"a"** as follows:

a. Active and inactive members. For active and inactive members, a service purchase cost quote must include the following information: member's date of birth, the applicable occupation class code, total years of current unused IPERS service credit, highest calendar year of covered wages on file, member's current investment, and the total number of quarters available to purchase on this cost quote.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 16. Amend paragraph **8.5(1)"b"** as follows:

b. Retired members. For retired members, a service purchase cost quote must include the following information: member's date of birth, the applicable occupation class code, average of the highest three calendar years of covered wages, the option the member selected at retirement, the total number of quarters available to purchase on this cost quote, and a calculation of the member's new benefit amount if the member actually purchases all of the quarters in this service purchase cost quote.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

If the member retired under Option 4 or 6, IPERS must be provided with either the date of death or the date of birth, as applicable, for the contingent annuitant, and the percent selected by the member for continuation of benefits to the contingent annuitant upon the member's death. If the member retired under Option 6, IPERS shall calculate how the member's benefits will change under Option 2 upon the contingent annuitant's death. In preparing cost quotes for retired members who selected Option 4 or 6, IPERS shall use for beneficiary mortality assumption the reverse of the assumption used for benefit mortality.

If the member retired under Option 5, a service purchase cost quote shall also include information on how many months are remaining on the guaranteed ten-year payout.

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

ITEM 17. Amend paragraph **8.5(1)"c"** as follows:

c. Reemployment. If the member is retired and subsequently reemployed in IPERS covered employment and then requests a service purchase cost quote, IPERS shall apply the service to be purchased to the member's original annuity. IPERS shall use the same information as described in paragraphs "a" and "b" of this subrule, and IPERS shall appropriately calculate the service purchase cost quote.

Effective January 1, 2016, retired and subsequently reemployed members are no longer eligible.

ITEM 18. Amend subrule 8.5(2) as follows:

8.5(2) Additional service purchase procedures.

a. Service purchase cost quotes for members currently in special service positions shall be prepared as special service credit.

~~*b.* Service purchase cost quotes for a member with a combination of currently unused regular service credit and special service credit shall be prepared reflecting purchase as regular service credit and alternatively as special service credit, regardless of the member's current occupation classification code. The member may choose whether to purchase the service as regular service credit or as special service credit, but not as a combination of both.~~

~~*e. b.* Members covered under another retirement plan. Members who wish to buy service credit for all employment that is covered by another retirement plan qualified under IRC Section 401 (or would qualify if submitted to the IRS under IRC Section 401), IRC Section 403 or 457 and similar plans and retirement pay from the United States government for active duty in the armed forces (except retirement pay for nonregular service pursuant to 10 U.S.C. Sections 12731-12739) must waive their right to benefits based on the service credit that is being purchased under IPERS. If a waiver is not obtained, however, service purchases for such employment may still be made, but shall be limited to 20 quarters.~~

~~*c.* Members retired under IPERS' disability formula. A retired member receiving IPERS benefits as a result of a disability shall receive a service purchase cost quote which reflects no penalty for early age reduction.~~

~~*e. d.* Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.82 adopted in order to comply with prior rollover provisions of the Internal Revenue Code, utilize forms and procedures permitting direct rollover service purchases to include after-tax amounts as provided under the applicable rollover provisions of the Internal Revenue Code as amended subsequent to the enactment of Iowa Code section 97B.82.~~

ITEM 19. Amend subrule 8.5(4) as follows:

8.5(4) "Buy up" of service credit through service purchase. Effective July 1, 2008, IPERS members may be allowed to "buy up" service credit. The term "buy up" means to convert regular service credit to special service credit by payment of the actuarial cost. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions and cost methods as those in paragraph 8.1(2) "f," except as modified according to the actuary's recommendations.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

Effective January 1, 2016, the member must be vested by service and must pay the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS shall apply the same actuarial assumptions, procedures and cost methods as those described in paragraph 8.1(2) "g."

a. Active, retired and inactive members. ~~A~~ Effective January 1, 2016, a member must have at least one quarter of available or retired special service wages on file and must be vested by years of service at the time of the buy-up. ~~A service purchase cost quote must include the following information:~~

	Active and Inactive Members	Retired Members
Member ID or social security account number	X	X
Date of birth	X	X
Occupation code	Current	At retirement
Wage	Highest year of calendar wage	Average of the highest three calendar years of wages used at retirement
Years of service—regular	X	X
Years of service—sheriffs/deputies	X	X
Years of service—protection occupation	X	X
Number of quarters available to buy up	X	X
Type of conversion—sheriffs/deputies or protection occupation	X	X
Investment (employee's contributions and interest)	Current	At retirement

b. No change.

c. Wage adjustment after a buy-up.

~~(1) If an employer submits wage adjustments on service credit that has been purchased through a buy-up, the member's cost quote will not be affected by a wage adjustment that alters the reported wages on file, so long as reported wages for the buy-up quarters are not reduced below \$1.~~

~~(2) If an employer wage adjustment completely removes a member's service credit in a buy-up quarter, IPERS shall correct the service credit, and perform the necessary recalculations, and contact the member, if necessary, for any contribution and benefit payment adjustments.~~

d. No change.

ITEM 20. Adopt the following new rule 495—8.6(97B):

495—8.6(97B) Adjustments. If an error in the service purchase cost is discovered or a member's account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, make adjustments to the service purchase cost, or adjust the retirement allowance to ensure the active or retired member is paying the actuarial cost of buying additional service.

ITEM 21. Amend **495—Chapter 8**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.43, ~~97B.73B~~, 97B.80, 97B.80C, and 97B.82.

ITEM 22. Amend subrule 9.4(2) as follows:

9.4(2) The last date the member is considered an employee and the date of the last paycheck from which IPERS contributions will be deducted must be certified by the employer on the refund application unless the member has not been paid covered wages for at least one year or the employer has provided the termination date and date of the last paycheck on the monthly wage reports. Terminated employees must keep IPERS advised in writing of any change in address so that refunds and tax documents may be delivered.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 23. Amend paragraph **11.1(1)“c”** as follows:

c. If the member has been terminated less than one year, or is applying for disability benefits, the employer certification page must be completed by the employer unless the employer has provided the termination date and date of the last paycheck on the monthly wage reports.

ITEM 24. Amend subrule 11.1(2) as follows:

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

- a. United States census record;
- b. Military record or identification card;
- c. Naturalization record;
- d. A marriage license showing age of applicant in years, months and days on date of issuance;
- e. A life insurance policy;
- f. Records in a school's administrative office;
- g. An official ~~form~~ document from the ~~United States Immigration and Naturalization Service~~ U.S. Citizenship and Immigration Services, such as the ~~a~~ “green card,” containing such information;
- h. Driver's license or Iowa nondriver identification card;
- i. Adoption papers;
- j. A family Bible record. ~~A photostatic copy photocopy~~ will be accepted with a notarized certification by a notary that the record appears to be genuine; or
- k. Any other document or record ten or more years old, or certification from the custodian of such records which verifies the day, month, and year of birth.

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

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

ITEM 25. Amend paragraph **11.2(4)“e”** as follows:

e. If an IPERS member has a qualified domestic relations order (QDRO) ~~or an administrable domestic relations order (ADRO)~~ on file when a mandatory distribution is required, and the QDRO ~~or ADRO~~ requires the member to choose a specific retirement option, IPERS shall pay benefits under the option required by the order.

ITEM 26. Amend paragraph **11.7(5)“b”** as follows:

b. ~~Overpayments as the result of fraud in violation of Iowa Code section 97B.40 or 715A.8.~~ If the overpayment of benefits, other than an overpayment that results from a violation described in subrule 11.7(4), was the result of wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay interest charges at the rate of 5 7.5 percent on the outstanding balance, beginning on the date of the overpayment(s).

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 27. Amend subrule 12.1(1) as follows:

12.1(1) *Formula benefit versus money purchase benefit.* If a member is vested by ~~complete~~ years of service credit in IPERS, a monthly payment allowance will be paid in accordance with the formulas set forth in Iowa Code sections 97B.49A through 97B.49I, the applicable paragraphs of this chapter, and the option the member elects pursuant to Iowa Code section 97B.51(1). IPERS shall determine on the applicable forms which designated fractions of a member's monthly retirement allowance payable to contingent annuitants shall be provided as options under Iowa Code section 97B.51(1). Any option elected by a member under Iowa Code section 97B.51(1) must comply with the requirements of the Internal Revenue Code that apply to governmental pension plans, including but not limited to Internal Revenue Code Section 401(a)(9). ~~If a member does not have four complete years of service credit is not vested by years of service credit in IPERS,~~ the benefit receivable will be computed on a money purchase basis, with reference to annuity tables used by IPERS in accordance with the member's age and option choice.

ITEM 28. Amend paragraph **12.7(3)"b"** as follows:

b. For IPERS Options 4 and 5, IPERS shall assume that the contingent annuitant's or beneficiary's monthly payments and death benefits, if any, prior to the date the member attains, or would have attained, age 62 shall be based on the amount that was payable to the member for periods before the member attains, or would have attained, age 62. Beginning with the month after the month that the member attains, or would have attained, age 62, a contingent annuitant's or beneficiary's monthly payments and death benefits, except death benefits under IPERS Options 1 and 2, shall be based on the reduced amount that would have been payable to the member in the month after the month that the member attained age 62.

ITEM 29. Amend paragraph **12.7(5)"a"** as follows:

a. Those who retire under Iowa Code section 97B.49D, 97B.50(2), or 97B.50A.

ITEM 30. Amend subparagraph **12.8(2)"c"(1)** as follows:

~~(1) If the overpayment can be repaid by deducting up to 30 percent of each net monthly payment in three installments or less, IPERS shall adjust the member's monthly benefit accordingly. If the adjustment cannot be repaid in three payments, a repayment agreement must be signed by the member and IPERS IPERS will reduce the member's gross monthly benefit by 30 percent until the overpayment is repaid. If the 30 percent reduction will not recover the overpayment by the end of the current calendar year, IPERS will calculate the monthly reduction amount so that the overpayment will be recovered within the current calendar year. Other monthly reduction amounts may be made by an agreement in writing between the member and IPERS; or~~

ITEM 31. Amend subparagraph **12.8(2)"c"(2)** as follows:

~~(2) A member may elect to make repayments of the overpayment amounts out of pocket in lieu of having the member's monthly benefit reduced. An out-of-pocket repayment may be made in one check or in installments. However, an election to make repayment in installments must be accompanied by a repayment agreement signed by the member and IPERS agreed to in writing between the member and IPERS.~~

ITEM 32. Amend subrule 12.8(3), introductory paragraph, as follows:

12.8(3) A member who is reemployed in covered employment after retirement may, after again retiring from employment, request a recomputation of benefits. The member's retirement benefit shall be increased if possible by the addition of a second annuity, which is based on years of reemployment service, reemployment covered wages and the benefit formula in place at the time of the recomputation. A maximum of 30 years of service is creditable to an individual retired member. If a member's combined years of service exceed 30, a member's initial annuity may be reduced by a fraction of the years in excess of 30 divided by 30. The second retirement benefit will be treated as a separate annuity by IPERS. ~~Any contributions that cannot be used in the recomputation of benefits shall be refunded to the employee and the employer.~~

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 33. Amend paragraph **12.8(4)“e”** as follows:

~~e. If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member's monthly benefits, the member's Option 1 death benefit shall also be increased if the investment is at least \$1,000. The maximum amount of the increase shall be equal to the member's investment (reemployment contributions and interest). In determining the increase in Option 1 death benefits, IPERS shall round up to the nearest \$1,000. For example, if a member's investment for a period of reemployment is \$2,900, the maximum death benefit attributable to the reemployment shall be \$3,000 (\$2,900 rounded up to the nearest \$1,000). In the example above, the member may choose a death benefit increase of \$1,000, or \$2,000, or \$3,000, but must choose at least the \$1,000 increase. Notwithstanding the foregoing, if the member's investment for the period of reemployment is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 shall be calculated under IPERS Option 3.~~ If a member previously elected IPERS Option 1, is eligible for an increase in the Option 1 monthly benefits, and elects to receive the increase in the member's monthly benefits, the member's Option 1 death benefit shall also be increased if the investment is at least \$1,000. The amount of the increase shall be at least the same percentage of the maximum death benefit permitted with respect to the reemployment as the percentage of the maximum death benefit elected at the member's original retirement. In determining the increase in Option 1 death benefits, IPERS shall round up to the nearest \$1,000. For example, if a member's investment for a period of reemployment is \$1,900 and the member elected at the member's original retirement to receive 50 percent of the Option 1 maximum death benefit, the death benefit attributable to the reemployment shall be \$1,000 (50 percent times \$1,900, rounded up to the nearest \$1,000). Notwithstanding the foregoing, if the member's investment for the period of reemployment is less than \$1,000, the benefit formula for a member who originally elected new IPERS Option 1 shall be calculated under IPERS Option 3.

ITEM 34. Amend subparagraph **13.1(1)“d”(1)** as follows:

(1) For a member retiring due to a disability under Iowa Code section 97B.50(2), on or after ~~January~~ July 1, 2009, the member shall provide IPERS with proof of continuing eligibility for federal social security disability benefits or railroad retirement disability benefits by June 30 of each calendar year, in order to continue qualification for IPERS disability benefits.

ITEM 35. Amend subrule 13.1(4) as follows:

13.1(4) If a member whose IPERS disability benefits were suspended because of the member's return to covered employment provides proof acceptable to IPERS that the member remains eligible for federal social security disability benefits or railroad retirement disability benefits, IPERS shall reinstate the member's disability benefits, subject to the member's continued compliance with paragraph 13.1(1) *“e d.”*

ITEM 36. Amend rule 495—14.1(97B) as follows:

495—14.1(97B) Internal Revenue Code limitations. The death benefits payable under Iowa Code sections 97B.51 and 97B.52 shall not exceed the maximum amount possible under Internal Revenue Code Section 401(a)(9).

To ensure that the limit is not exceeded, a member's combined lump sum death benefit under Iowa Code sections 97B.52(1) and 97B.52(2) shall not exceed 100 times the Option 2 amount that would have been payable to the member at the member's earliest normal retirement age. If a beneficiary of a special service member is eligible for an in-the-line-of-duty death benefit, any reduction required under this rule shall be taken first from a death benefit payable under Iowa Code section 97B.52(1). The “100 times” limit shall apply to active and inactive members. The death benefits payable under this chapter for a period of reemployment for a retired reemployed member who dies during the period of reemployment shall also be subject to the limits described in this rule.

The maximum claims period for IPERS lump sum death benefits shall not exceed the period required under Internal Revenue Code Section 401(a)(9), which may be less than five years for a member who dies after the member's required beginning date, unless the beneficiary is a spouse. The claims period

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

for all cases in which the member's death occurs during the same calendar year in which a claim must be filed under this rule shall end April 1 of the year following the year of the member's death.

A member's beneficiary or heir may file a claim for previously forfeited death benefits. Interest, if any, for periods prior to the date of the claim will only be credited through the quarter that the death benefit was required to be forfeited by law. Interest for periods following the quarter of forfeiture will accrue beginning with the quarter that the claim for reinstatement is received by IPERS. For death benefits required to be forfeited in order to satisfy Section 401(a)(9) of the federal Internal Revenue Code, in no event will the forfeiture date precede January 1, 1988. IPERS shall not be liable for any excise taxes imposed by the Internal Revenue Service on reinstated death benefits.

Effective January 14, 2004, all claims for a previously forfeited death benefit shall be processed under the procedure set forth at rule 495—14.13(97B).

The system recognizes the validity of same gender marriages ~~consummated~~ executed in Iowa on or after April 27, 2009, if the domestic relations order or other assignment otherwise meets the system's minimum requirements for such orders; the system shall modify the tax treatment of distributions under such orders as required by the federal laws governing such distributions. IPERS shall adopt such rules and procedures as are deemed necessary to fully implement the provisions of this subrule. The Iowa Supreme Court decision recognizing same gender marriages in Iowa specifically states that this recognition does not extend to same gender marriages of other states. ~~The following special rules apply to same gender marriages in Iowa. IPERS shall administer marital property and support orders of same gender spouses married in Iowa on or after April 27, 2009, if the orders otherwise meet the system's minimum requirements for such orders. The system recognizes the validity of same gender marriages based on the U.S. Supreme Court's decision in *United States v. Windsor*, 133 S.Ct. 2675 (2013) and the direction of Rev. Rul. 2013-17 and IRS Notice 2014-19. IPERS shall recognize the federal tax treatment of distributions as required by the sources listed in this paragraph.~~

ITEM 37. Amend subrule 14.3(1) as follows:

14.3(1) *Designation of beneficiaries.* To designate a beneficiary, the member must complete an IPERS designation of beneficiary form, which must be filed with IPERS. The designation of a beneficiary by a retiring member on the application for monthly benefits revokes all prior designation of beneficiary forms. IPERS may consider as valid a designation of beneficiary form filed with the member's employer prior to the death of the member, even if that form was not forwarded to IPERS prior to the member's death. If a retired member is reemployed in covered employment, the most recently filed beneficiary form shall govern the payment of all death benefits for all periods of employment. Notwithstanding the foregoing sentence, a reemployed IPERS Option 4 or 6 retired member may name someone other than the member's contingent annuitant as beneficiary, but only for lump sum death benefits accrued during the period of reemployment and only if the contingent annuitant has died or has been divorced from the member before or during the period of reemployment unless a qualified domestic relations order (QDRO) directs otherwise. If a reemployed IPERS Option 4 or 6 retired member dies without filing a new beneficiary form, the death benefits accrued for the period of reemployment shall be paid to the member's contingent annuitant, unless the contingent annuitant has died or been divorced from the member. If the contingent annuitant has been divorced from the member, any portion of the lump sum death benefits awarded in a QDRO shall be paid to the contingent annuitant as alternate payee, and the remainder of the lump sum death benefits shall be paid to the member's estate or, if applicable, to the member's heirs if no estate is probated.

ITEM 38. Amend rule 495—14.4(97B) as follows:

495—14.4(97B) Applications for death benefits. Before death benefit payments can be made, application in writing must be submitted to IPERS with a copy of the member's death certificate, together with information establishing the claimant's right to payment. A named beneficiary must complete an IPERS application for death benefits based on the deceased member's account. If the claimant's claim is based on dissolution of marriage that revoked the IPERS beneficiary designation, the claim must be processed pursuant to rule 495—14.16 14.17(97B).

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 39. Amend subrule **16.2(1)**, definition of "Benefits," as follows:

"Benefits" means, for purposes of this rule and depending on the context, a refund, monthly allowance (including monthly allowance paid as an actuarial equivalent (AE)), or death benefit payable with respect to a member covered under IPERS. "Benefits" does not include dividends payable under Iowa Code section 97B.49 or other cost-of-living increases unless specifically provided for in a QDRO ~~or an ADRO~~.

ITEM 40. Amend subparagraph **16.2(2)"c"(5)** as follows:

(5) Name a successor alternate payee to receive the amounts that would have been payable to the member's ~~spouse or~~ former spouse alternate payee under the order, if the former spouse alternate payee dies before the member. A successor alternate payee may be an individual(s) or a trustee, so long as the relationship of the trustee is clearly defined in the order stating that payment to the trustee is to be made in the case when any of the named successor alternate payees in the order is a minor or is legally incompetent. Once a successor alternate payee reaches the age of majority, IPERS will make payment, not to the trustee, but to the successor alternate payee directly. The designation of a successor alternate payee in an order shall be void and be given no effect if IPERS does not receive confirmation of the successor's name, social security number, and last-known mailing address on IPERS' Confidential Information form. A QDRO that lists a series of default successor alternate payees by class or permits a successor alternate payee to designate additional successor alternate payees is not permitted and will be rejected. Once a QDRO is accepted by IPERS for administration, in order to change the designation of successor alternate payees, an amended order is required.

ITEM 41. Amend paragraph **16.2(3)"m"** as follows:

m. If an order that is determined to be a QDRO divides a member's account using a service factor formula and the member's IPERS benefits are based on a number of quarters less than the member's total covered quarters, notwithstanding any terms of the order to the contrary, IPERS shall limit the number of quarters used in the numerator and the denominator of the service fraction to the number of quarters actually used in the calculation of IPERS benefits, not to exceed 120 quarters for special service members and 140 quarters for regular and hybrid members. IPERS will not accept or administer a service factor formula fraction in excess of 1.

ITEM 42. Amend paragraph **16.2(3)"p"** as follows:

p. If a ~~retired~~ member has filed for and is receiving monthly pension benefits, or wishes to file an application for retirement or a refund and has a qualified domestic relations order pending on the member's account, the parties (the member and the alternate payee or their counsel of record) may execute a waiver of the 30-day appeal period following review and qualification of the ~~retired~~ member's domestic relations order, using a form approved by the system.

ITEM 43. Amend rule **495—17.1(17A,22)**, definition of "Record," as follows:

"Record" means all or part of a "public record" as defined in Iowa Code section 22.1 or 97B.17 which is owned by or in the physical possession of the agency. IPERS also defines a record as information stored or preserved regardless of physical form. Record content, not record form, determines whether or not information constitutes a record. Any information documenting official final business, whether recorded on paper, reproduced on microfilm, entered in an electronic database, documented photographically, recorded in video or audio media, or documented using any other medium, constitutes a record. A record that is not confidential or otherwise exempt by federal or state law is termed an open record.

ARC 1797C

LABOR SERVICES DIVISION[875]**Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code section 88.5, the Labor Commissioner hereby gives Notice of Intended Action to amend Chapter 26, “Construction Safety and Health Rules,” Iowa Administrative Code.

In 2010, the U.S. Department of Labor, Occupational Safety and Health Administration (federal OSHA), made significant updates to the occupational safety and health standards concerning crane safety. At that time, federal OSHA established a November 10, 2014, deadline for crane operators to become certified and the Iowa Labor Commissioner adopted the federal requirements by reference.

On September 26, 2014, federal OSHA extended the deadline for crane operator certification to November 10, 2017. Federal OSHA also extended by three years the employer’s responsibility to ensure that crane operators are competent to operate a crane safely, effectively leaving the status quo in place for an additional three years.

The principal reasons for adoption of this amendment are to implement legislative intent, protect the safety and health of Iowa workers, and make Iowa’s rules current and consistent with federal regulations. Pursuant to Iowa Code subsection 88.5(1) and 29 CFR 1953.5, Iowa must adopt changes to the federal occupational safety and health standards.

If requested in accordance with Iowa Code section 17A.4(1)“b” by the close of business on January 13, 2015, a public hearing will be held on January 14, 2015, at 10 a.m. in the Capitol View Room at 1000 East Grand Avenue, Des Moines, Iowa. Interested persons will be given the opportunity to make oral statements and file documents concerning the proposed amendment. The facility for the oral presentations is accessible to and functional for persons with physical disabilities. Persons who have special requirements should call (515)281-5915 in advance to arrange access or other needed services.

Written data, views, or arguments to be considered in adoption shall be submitted by interested persons no later than January 14, 2015, to Division of Labor Services, 1000 East Grand Avenue, Des Moines, Iowa 50319-0209. Comments may be sent electronically to kathleen.uehling@iwd.iowa.gov.

No variance procedures are included in this rule. Variance procedures are set forth in 875—Chapter 5. After analysis and review of this rule making, no impact on jobs will occur.

This amendment is intended to implement Iowa Code section 88.5 and 29 CFR 1953.5.

The following amendment is proposed.

Amend rule **875—26.1(88)** by inserting the following at the end thereof:
79 Fed. Reg. 57798 (September 26, 2014)

ARC 1798C

LABOR SERVICES DIVISION[875]

Notice of Intended Action

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

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

Pursuant to the authority of Iowa Code section 89.14, the Boiler and Pressure Vessel Board hereby gives Notice of Intended Action to amend Chapter 90, “Administration of the Boiler and Pressure Vessel Program,” and Chapter 91, “General Requirements for All Objects,” Iowa Administrative Code.

Pursuant to Iowa Code subsection 89.14(7), the Boiler and Pressure Vessel Board is required to review every three years all administrative rules adopted by the Board. Most of the items in this Notice of Intended Action are a result of that review.

The purposes of these amendments are to make the rules more current, improve record keeping to make sure that repairs are performed safely, make the rules clearer, protect the safety of the public, and implement legislative intent. Adopting rules that are consistent with current industry standards allows installation of the most recent technologies in Iowa.

If requested in accordance with Iowa Code section 17A.4(1)“b” by the close of business on January 13, 2015, a public hearing will be held on January 14, 2015, at 9 a.m. in the Capitol View Room at 1000 East Grand Avenue, Des Moines, Iowa. Interested persons will be given the opportunity to make oral statements and file documents concerning the proposed amendments. The facility for the oral presentations is accessible to and functional for persons with physical disabilities. Persons who have special requirements should call (515)281-5915 in advance to arrange access or other needed services.

Written data, views, or arguments to be considered in adoption shall be submitted by interested persons no later than January 14, 2015, to the Division of Labor Services, 1000 East Grand Avenue, Des Moines, Iowa 50319-0209. Comments may be sent electronically to kathleen.uehling@iwd.iowa.gov.

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

These amendments are intended to implement Iowa Code chapter 89.

The following amendments are proposed.

ITEM 1. Rescind the definitions of “Blowoff valve” and “Reinstalled boiler or pressure vessel” in rule **875—90.2(89,261,252J,272D)**.

ITEM 2. Adopt the following new definition of “Reinstallation” in rule **875—90.2(89,261,252J,272D)**:

“*Reinstallation*” means the process of disconnecting an object, moving it, and reconnecting it at the same location or a new location.

ITEM 3. Amend subrule 90.6(1) as follows:

90.6(1) General. All boilers and unfired steam pressure vessels covered by Iowa Code chapter 89 shall be inspected according to the requirements of the National Board Inspection Code (~~2011~~) (2013), which is hereby adopted by reference. A division inspector or special inspector must perform the inspections.

ITEM 4. Amend rule 875—90.8(89) as follows:

875—90.8(89) Certificate. No boiler or pressure vessel shall be operated without a current, valid certificate to operate. A certificate to operate shall not be issued until the boiler or pressure vessel is in compliance with the applicable rules and all fees have been paid. The current certificate to operate or a copy of the current certificate to operate shall be conspicuously posted in the room where the object is installed.

LABOR SERVICES DIVISION[875](cont'd)

ITEM 5. Amend subrule 91.1(1), introductory paragraph, as follows:

91.1(1) *ASME boiler and pressure vessel codes adopted by reference.* The ASME Boiler and Pressure Vessel Code (~~2010 with 2011a addenda~~) (2013) is adopted by reference. Regulated objects shall be designed and constructed in accordance with the ASME Boiler and Pressure Vessel Code (~~2010 with 2011a addenda~~) (2013) except for objects that meet one of the following criteria:

ITEM 6. Amend subrule 91.1(3) as follows:

91.1(3) *Inspection code adopted by reference.* The National Board Inspection Code (~~2011~~) (2013) is adopted by reference, and reinstallations, installations, alterations, and repairs after ~~October 10, 2012~~ April 22, 2015, shall comply with it.

ITEM 7. Amend subrule 91.1(4) as follows:

91.1(4) *Electric code adopted by reference.* The National Electrical Code (~~2008~~) (2011) is adopted by reference, and reinstallations and installations after ~~January 1, 2010~~ April 22, 2015, shall comply with it.

ITEM 8. Amend subrule 91.1(5) as follows:

91.1(5) *Piping codes adopted by reference.* The Power Piping Code, ASME B31.1 (~~2007~~), ASME B31.1a (~~2008~~), and ASME B31.1b (~~2009~~) (2014), and the Building Services Piping Code, ASME B31.9 (~~2008~~) (2014), are adopted by reference, and reinstallations and installations after ~~April 14, 2010~~ April 22, 2015, shall comply with them up to and including the first valve.

ITEM 9. Amend subrules 91.1(7) to 91.1(11) as follows:

91.1(7) *Mechanical code adopted by reference.* Excluding Section 701.1, Chapters 2 and 7 of the International Mechanical Code (IMC) (~~2009~~) (2012) are adopted by reference ~~effective January 1, 2010~~, and installations and reinstallations after April 22, 2015, shall comply with them.

91.1(8) *Oil burning equipment code adopted by reference.* National Fire Protection Association Standard for the Installation of Oil Burning Equipment, NFPA 31 (2011), is adopted by reference, and installations and reinstallations after October 10, 2012, shall comply with it.

91.1(9) *Fuel gas code adopted by reference.* National Fire Protection Association National Fuel Gas Code, NFPA 54 (~~2009~~) (2012), is adopted by reference, and installations and reinstallations after May 1, 2015, shall comply with it.

91.1(10) *Liquefied petroleum gas code adopted by reference.* National Fire Protection Association Liquefied Petroleum Gas Code, NFPA 58 (2011), is adopted by reference, and installations and reinstallations after October 10, 2012, shall comply with it.

91.1(11) *Boiler and combustion systems hazards code adopted by reference.* National Fire Protection Association Boiler and Combustion Systems Hazards Code, NFPA 85 (2011), is adopted by reference, and installations and reinstallations after October 10, 2012, shall comply with it.

ITEM 10. Rescind rule 875—91.20(89) and adopt the following **new** rule in lieu thereof:

875—91.20(89) CSD-1 reports and related documentation. Documentation required by this rule shall be kept on site and shall be available for inspection.

91.20(1) The requirements of this rule do not apply to:

- a. An object within the scope of 875—Chapter 95;
- b. An object within the scope of 875—Chapter 96;
- c. A hot water supply boiler covered by ASME Section IV, Part HLW; or
- d. A boiler with a fuel input rating greater than or equal to 12,500,000 Btu per hour, falling within the scope of NFPA 85, Boiler and Combustion Systems Hazards Code.

91.20(2) The installer shall complete a Manufacturer's/Installing Contractor's Report for ASME CSD-1 (CSD-1 report) for each newly installed or reinstalled object.

91.20(3) A person who installs a new burner, new gas train, or new controller on an object shall complete a CSD-1 report.

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91.20(4) A person who replaces a part or component of an object shall complete the relevant portions of the CSD-1 report unless the replacement satisfies the design specifications. A copy of an invoice containing the same information as the relevant portions of the CSD-1 report is an acceptable alternative.

TREASURER OF STATE

Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the committee composed of Treasurer of State Michael L. Fitzgerald, Superintendent of Credit Unions JoAnn Johnson, Superintendent of Banking James M. Schipper, and Auditor of State Mary Mosiman have established today the following rates of interest for public obligations and special assessments. The usury rate for December is 4.25%.

INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.2 Unpaid Warrants	Maximum 6.0%
74A.4 Special Assessments	Maximum 9.0%

RECOMMENDED Rates for Public Obligations (74A.3) and School District Warrants (74A.7). A rate equal to 75% of the Federal Reserve monthly published indices for U.S. Government securities of comparable maturities. All Financial Institutions as defined by Iowa Code section 12C.1 are eligible for public fund deposits as defined by Iowa Code section 12C.6A.

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

New official state interest rates, effective December 9, 2014, setting the minimums that may be paid by Iowa depositories on public funds are listed below.

TIME DEPOSITS

7-31 days	Minimum .05%
32-89 days	Minimum .05%
90-179 days	Minimum .05%
180-364 days	Minimum .05%
One year to 397 days	Minimum .05%
More than 397 days	Minimum .10%

These are minimum rates only. All time deposits are four-tenths of a percent below average rates. Public body treasurers and their depositories may negotiate a higher rate according to money market rates and conditions.

Inquiries may be sent to Michael L. Fitzgerald, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

ARC 1802C

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code sections 163.1(1) and 163.6(2), the Department of Agriculture and Land Stewardship hereby amends Chapter 64, “Infectious and Contagious Diseases,” Iowa Administrative Code.

The amendments reduce the number of required low pathogenic avian influenza tests for large turkey flocks and broiler and layer chicken flocks. Commercial turkey operations with 1,000 or more turkeys would have the number of preslaughter tests reduced from 15 to 6 blood samples and the number of slaughter tests reduced from 20 to 6 blood samples. Commercial chicken operations of 10,000 or more birds would have their required number of blood sample tests reduced to 11. The amendments also clarify that the routine serologic testing required for laying chickens and pre-lay pullets is 11 birds per barn per year. These reductions in the number of tests conform the state testing requirements to the current testing requirements in the USDA Code of Federal Regulations.

Notice of Intended Action for these amendments was published in the Iowa Administrative Bulletin on October 29, 2014, as **ARC 1704C**. No comments were received from the public. The adopted amendments are identical to those published under Notice.

Pursuant to Iowa Code section 17A.5(2)“b”(2), the Department finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments made effective January 1, 2015. These amendments confer a benefit by allowing the federal payment to continue for low pathogenic avian influenza testing covered by rule 21—64.187(163).

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

These amendments are intended to implement Iowa Code section 163.1.

These amendments will become effective January 1, 2015.

The following amendments are adopted.

ITEM 1. Amend paragraphs **64.187(1)“a”** and **“b”** as follows:

a. Preslaughter/movement testing. A minimum of ~~45~~ six blood samples per flock may be collected and forwarded to an approved laboratory for LPAI testing within 21 days prior to depopulation or movement; or

b. Slaughter/disposal testing. ~~Twenty~~ Six blood samples per flock shall be collected at slaughter/disposal and forwarded to an approved laboratory for LPAI testing.

ITEM 2. Amend paragraph **64.187(2)“a”** as follows:

a. Preslaughter/disposal/movement testing. ~~Fifteen~~ Eleven blood samples shall be collected and forwarded to an approved laboratory for LPAI testing within 30 days prior to depopulation or disposal of spent hens or movement of pre-lay pullets to another farm.

ITEM 3. Amend paragraph **64.187(2)“c”** as follows:

c. Routine serologic testing. A test for LPAI of 11 birds per barn during a 12-month period ~~should~~ shall be included collected and forwarded.

ITEM 4. Amend paragraphs **64.187(3)“a”** and **“b”** as follows:

a. Preslaughter testing. ~~Twenty~~ Eleven blood samples may be collected and forwarded to an approved laboratory for LPAI testing within 21 days prior to depopulation; or

b. Slaughter/disposal testing. ~~Twenty~~ Eleven blood samples shall be collected at slaughter/disposal and forwarded to an approved laboratory for LPAI testing.

[Filed Emergency After Notice 12/3/14, effective 1/1/15]

[Published 12/24/14]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 12/24/14.

ARC 1801C

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Pursuant to the authority of Iowa Code section 15.106A and 2014 Iowa Acts, House File 2448, the Economic Development Authority hereby adopts new Chapter 48, “Workforce Housing Tax Incentives Program,” and amends Chapter 59, “Enterprise Zone (EZ) Program,” Chapter 68, “High Quality Jobs Program (HQJP),” Chapter 173, “Standard Definitions,” Chapter 174, “Wage, Benefit, and Investment Requirements,” and Chapter 175, “Application Review and Approval Procedures,” Iowa Administrative Code.

In 2014 Iowa Acts, House File 2448, the General Assembly directed the Authority to implement and administer a new tax incentives program for assisting in the development of workforce housing. The rules in new Chapter 48 establish a program to provide such assistance and describe the manner in which the Authority intends to implement and administer the program.

The General Assembly also made a number of amendments to the High Quality Jobs Program and the Enterprise Zone Program. The amendments to Chapters 59 and 68 make changes to these programs in conformance with the legislative amendments.

Clarifying amendments are also made to other rules in the chapters affected by the legislative amendments, including some legislative changes from prior sessions.

Notice of Intended Action was published in the September 17, 2014, Iowa Administrative Bulletin as **ARC 1628C**. Public comments were received in writing. Comments received were generally supportive and most often related to the criteria selected for the designation of workforce housing communities. Comments were also received on the allocation of the maximum amount of credits and on some matters that would require statutory changes.

As a result of the comments received, the following changes have been made to the amendments published under Notice of Intended Action:

1. A sentence has been added to the introductory paragraph of paragraph 48.4(2)“a” to clarify the duration of a distressed workforce housing designation as follows: “A designation as a distressed workforce housing community will last one year, but communities may reapply each year.”

2. The provision in subparagraph 48.4(2)“a”(3) which provided that each fiscal year the authority would initially allocate 30 percent of the tax incentives available under the program exclusively for purposes of new construction in distressed workforce housing communities was removed.

The Economic Development Authority Board adopted these amendments on November 21, 2014, at the Board’s monthly meeting.

After analysis and review of this rule making, the Authority finds that the amendments to existing business development programs and the new Workforce Housing Tax Incentives Program are likely to substantially benefit the Iowa economy by helping expand access to housing across Iowa and by making the state’s job creation programs more flexible and broadly usable. The Authority’s job creation programs such as the High Quality Jobs Program have resulted in over \$9 billion in capital investment and more than 29,000 jobs since January 2011. The new workforce housing tax credits are now usable in all 99 Iowa counties compared to the enterprise zone housing tax credits, which were accessible in just 45 counties.

These amendments are intended to implement 2014 Iowa Acts, House File 2448.

These amendments will become effective on January 28, 2015.

The following amendments are adopted.

ITEM 1. Adopt the following new 261—Chapter 48:

CHAPTER 48
WORKFORCE HOUSING TAX INCENTIVES PROGRAM

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

261—48.1(15) Authority. The authority for adopting rules establishing a workforce housing tax incentives program is provided in Iowa Code section 15.106A and in 2014 Iowa Acts, House File 2448, section 18.

261—48.2(15) Purpose. The purpose of the program is to assist the development of workforce housing in Iowa communities by providing incentives for housing projects that are targeted at middle-income households and that focus on the redevelopment or repurposing of existing structures.

261—48.3(15) Definitions. As used in this chapter, unless the context otherwise requires:

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

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

“Brownfield site” means an abandoned, idled, or underutilized property where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the site on which the property is located. A brownfield site does not include property which has been placed, or is proposed for placement, on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. In order to administer similar programs in a similar manner, the authority will attempt to apply this definition in substantially the same way as similar definitions are applied by the brownfield advisory council established in Iowa Code section 15.294 and may consult members of the council or other staff as necessary.

“Community” means a city or county.

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

“Grayfield site” means a property meeting all of the following requirements:

(1) The property has been developed and has infrastructure in place but the property’s current use is outdated or prevents a better or more efficient use of the property. Such property includes vacant, blighted, obsolete, or otherwise underutilized property.

(2) The property’s improvements and infrastructure are at least 25 years old and one or more of the following conditions exists:

1. Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of 12 months or more.

2. The assessed value of the improvements on the property has decreased by 25 percent or more.

3. The property is currently being used as a parking lot.

4. The improvements on the property no longer exist.

In administering the program, the authority will attempt to apply this definition in substantially the same manner as similar definitions are applied by the brownfield advisory council established in Iowa Code section 15.294.

“Greenfield site” means a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped or agricultural land shall be presumed to be a greenfield site.

“Housing business” means a business that is a housing developer, housing contractor, or nonprofit organization that completes a housing project in the state.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

“Housing project” means a project located in this state meeting the requirements of rule 261—48.4(15).

“Laborshed area” means the same as defined in 261—Chapter 173.

“Laborshed wage” means the same as defined in 261—Chapter 173.

“Multi-use building” means a building whose street-level ground story is used for a purpose that is other than residential, and whose upper story or stories are currently used primarily for a residential purpose, or will be used primarily for a residential purpose after completion of the housing project associated with the building.

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

“Program” means the workforce housing tax incentives program administered under this chapter.

“Qualifying new investment” means costs that are directly related to the acquisition, repair, rehabilitation, or redevelopment of a housing project in this state. For purposes of this rule, “costs directly related to acquisition” includes the costs associated with the purchase of real property or other structures.

(1) “Qualifying new investment” includes costs that are directly related to new construction of dwelling units if the new construction occurs in a distressed workforce housing community.

(2) The amount of costs that may be used to compute “qualifying new investment” shall not exceed the costs used for the first \$150,000 of value for each dwelling unit that is part of a housing project.

(3) “Qualifying new investment” does not include the following:

1. The portion of the total cost of a housing project that is financed by federal, state, or local government tax credits, grants, forgivable loans, or other forms of financial assistance that do not require repayment, excluding the tax incentives provided under this program.

2. If a housing project includes the rehabilitation, repair, or redevelopment of an existing multi-use building, the portion of the total acquisition costs of the multi-use building, including a proportionate share of the total acquisition costs of the land upon which the multi-use building is situated, that are attributable to the street-level ground story that is used for a purpose that is other than residential.

3. Any costs, including acquisition costs, incurred before the housing project is approved by the authority.

“Rehabilitation, repair, or redevelopment” means construction or development activities associated with a housing project that are undertaken for the purpose of reusing or repurposing existing buildings or structures as new dwelling units. Rehabilitation, repair, or redevelopment does not include new construction of dwelling units at a greenfield site. Rehabilitation, repair, or redevelopment includes new structures at a qualified grayfield site.

261—48.4(15) Housing project requirements.

48.4(1) Minimum requirements. To receive workforce housing tax incentives pursuant to the program, a proposed housing project shall meet all of the following requirements:

a. The project includes at least one of the following:

(1) Four or more single-family dwelling units.

(2) One or more multiple dwelling unit buildings each containing three or more individual dwelling units.

(3) Two or more dwelling units located in the upper story of an existing multi-use building.

b. The project consists of any of the following:

(1) Rehabilitation, repair, or redevelopment at a brownfield site or grayfield site that results in new dwelling units.

(2) The rehabilitation, repair, or redevelopment of dilapidated dwelling units.

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(3) The rehabilitation, repair, or redevelopment of dwelling units located in the upper story of an existing multi-use building.

(4) The new construction, rehabilitation, repair, or redevelopment of dwelling units in a distressed workforce housing community. The authority will determine whether a community is considered a distressed workforce housing community pursuant to subrule 48.4(2).

c. (1) Except as provided in subparagraph (2) below, the average dwelling unit cost does not exceed \$200,000 per dwelling unit. For purposes of this rule, the average dwelling unit cost equals the costs directly related to the housing project divided by the total number of dwelling units in the housing project.

(2) The average dwelling unit cost does not exceed \$250,000 per dwelling unit if the project involves the rehabilitation, repair, redevelopment, or preservation of eligible property, as that term is defined in Iowa Code section 404A.1(2).

d. The dwelling units, when completed and made available for occupancy, meet the U.S. Department of Housing and Urban Development's housing quality standards and all applicable local safety standards.

48.4(2) Distressed workforce housing community designations.

a. The determination as to whether a community is considered a distressed workforce housing community is within the discretion of the authority. The authority will consider applications from communities for designation as a distressed workforce housing community for purposes of this subrule. A community must apply for and receive such a designation before the authority will approve any housing project application seeking to establish eligibility under subparagraph 48.4(1) "b"(4). A designation as a distressed workforce housing community will last one year, but communities may reapply each year. The authority will make a determination on the distressed workforce housing status of a community after considering all of the following factors:

(1) Whether or not the community has a severe housing shortage relative to demand, low vacancy rates, or rising housing costs combined with low unemployment as described in paragraph 48.4(2) "b. "

(2) The relative merits of all applications for designation as a distressed workforce housing community. The relative merits will be assessed according to the process and criteria described in paragraph 48.4(2) "b. "

(3) The demand for projects applying under this subrule compared to the demand for projects applying as rehabilitation, repair, or redevelopment projects.

b. In considering the factors described in paragraph 48.4(2) "a," the authority will attempt to quantify the extent of housing distress in a community by evaluating and scoring each application from 1 to 100 according to the following criteria:

(1) The results of a housing needs assessment submitted to the authority and the extent to which the assessment indicates a distressed housing market in the community: 10 points.

The housing needs assessment shall be prepared by a third party and shall have been prepared no more than three years prior to the date on which a housing project application is submitted to the authority. Such an assessment shall address whether or not the community has a severe housing shortage relative to demand, low vacancy rates, or rising housing costs combined with low unemployment.

(2) The annual number of building permits issued in the community for the most recent three-year period and the extent to which a low volume of permits indicates that the local housing market is in need of additional incentives to increase development: 10 points.

For purposes of this criterion, the authority will consider a low annual permit volume to be either 100 permits or less or a number of issued permits that is 1 percent or less of the community's currently available housing stock.

(3) The homeowner vacancy rate in the community and the extent to which the rate indicates that additional incentives are needed to increase the available housing stock: 10 points.

For purposes of this criterion, the authority will consider a vacancy rate of 1 percent to be low and a vacancy rate of 2 percent to be a typically acceptable rate on a national basis.

(4) The annual volume of homeowner unit sales in the community for the most recent three-year period and the extent to which a low volume indicates a shortage of available housing: 10 points.

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For purposes of this criterion, the authority will consider information indicating that the volume of sales in a community is materially lower than the volume of sales in substantially similar communities elsewhere in the state or nation.

(5) The annual average length of time it takes to sell homeowner units in the community for the most recent three-year period and the extent to which the average length of time indicates high demand for housing in the community: 10 points.

For purposes of this criterion, the authority will consider an average time of 90 days or less to indicate a high demand for available housing.

(6) The annual average rental vacancy rate in the community and the extent to which a low vacancy rate indicates high demand for housing in the community: 10 points.

For purposes of this criterion, the authority will consider a rental vacancy rate of 5 percent or less to be a low vacancy rate.

(7) The annual average length of time it takes to lease rental units in the community for the most recent three-year period and the extent to which the average length of time indicates high demand for rental housing in the community: 10 points.

For purposes of this criterion, the authority will consider an average time of 30 days or less to indicate a high demand for available housing.

(8) The average housing costs in the community and the extent to which those costs are considered affordable: 10 points.

For purposes of this criterion, the authority will only consider data from an industry standard housing affordability index.

(9) The average unemployment rate for the community and the extent to which a low unemployment rate contributes to increased demand for housing in the community: 10 points.

For purposes of this criterion, the authority will consider unemployment data from both the community and the applicable laborshed area.

(10) The laborshed wage applicable to the community and the extent to which low relative wages negatively impact the affordability of housing in the community: 10 points.

For purposes of this criterion, the authority will use laborshed wages as calculated by the Iowa department of workforce development for purposes of the high quality jobs program.

48.4(3) *Minimum score required for distressed community designations.* To be designated as a distressed workforce housing community under subrule 48.4(2), a community must receive a score of 70 points or more.

261—48.5(15) Housing project application and agreement.

48.5(1) *Application.*

a. A housing business seeking workforce housing tax incentives provided in rule 261—48.6(15) shall make application to the authority in the manner prescribed in this rule. The authority will accept applications on a continuous basis and will review applications in the order received. The authority will acknowledge receipt of the application and notify the applicant within 30 days as to whether the project will be registered pursuant to this rule.

b. The application required in paragraph 48.5(1) “*a*” shall include all of the following:

(1) The following information establishing local participation for the housing project:

1. A resolution in support of the housing project by the community where the housing project will be located.

2. Documentation of local matching funds pledged for the housing project in an amount equal to at least \$1,000 per dwelling unit, including but not limited to a funding agreement between the housing business and the community where the housing project will be located. For purposes of this paragraph, local matching funds shall be in the form of cash or cash equivalents or in the form of a local property tax exemption, rebate, refund, or reimbursement.

(2) A report that meets the requirements and conditions of Iowa Code section 15.330(9).

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(3) Information showing the total costs and funding sources of the housing project sufficient to allow the authority to adequately determine the financing that will be utilized for the housing project, the actual cost of the dwelling units, and the amount of qualifying new investment.

(4) Any other information deemed necessary by the authority to evaluate the eligibility and financial need of the housing project under the program.

48.5(2) Registration.

a. Upon review of the application, the authority may register the housing project under the program. If the authority registers the housing project, the authority shall make a preliminary determination as to the amount of tax incentives for which the housing project qualifies.

b. After registering the housing project, the authority shall notify the housing business of successful registration under the program. The notification shall include the amount of tax incentives under rule 261—48.6(15) for which the housing business has received preliminary approval and a statement that the amount is a preliminary determination only. The amount of tax credits included on a tax credit certificate issued pursuant to this chapter, or a claim for refund of sales and use taxes, shall be contingent upon completion of the requirements in subrule 48.5(3).

48.5(3) Agreement and fees.

a. Upon successful registration of the housing project, the housing business shall enter into an agreement with the authority for the successful completion of all requirements of the program.

b. The compliance cost fees imposed in Iowa Code section 15.330(12) shall apply to all agreements entered into under this program and shall be collected by the authority in the same manner and to the same extent as described in that provision.

c. A housing business shall complete its housing project within three years from the date the housing project is registered by the authority.

d. Upon completion of a housing project, an examination of the project in accordance with the American Institute of Certified Public Accountants' statements on standards for attestation engagements, completed by a certified public accountant authorized to practice in this state, shall be submitted to the authority.

e. Upon review of the examination and verification of the amount of the qualifying new investment, the authority may issue a tax credit certificate to the housing business stating the amount of workforce housing investment tax credits under rule 261—48.6(15) that the eligible housing business may claim.

48.5(4) Maximum incentives amount.

a. The maximum aggregate amount of tax incentives that may be awarded under rule 261—48.6(15) to a housing business for a housing project shall not exceed \$1 million.

b. If a housing business qualifies for a higher amount of tax incentives under rule 261—48.6(15) than is allowed by the limitation imposed in paragraph 48.5(4) "a," the authority and the housing business may negotiate an apportionment of the reduction in tax incentives between the sales tax refund provided in subrule 48.6(2) and the workforce housing investment tax credits provided in subrule 48.6(3) provided the total aggregate amount of tax incentives after the apportioned reduction does not exceed the amount in paragraph 48.5(4) "a."

c. The authority shall issue tax incentives under the program on a first-come, first-served basis until the maximum amount of tax incentives allocated pursuant to Iowa Code section 15.119(2) is reached. The authority shall maintain a list of registered housing projects under the program so that if the maximum aggregate amount of tax incentives is reached in a given fiscal year, registered housing projects that were completed but for which tax incentives were not issued shall be placed on a wait list in the order the registered housing projects were registered and shall be given priority for receiving tax incentives in succeeding fiscal years.

48.5(5) Termination and repayment. The failure by a housing business in completing a housing project to comply with any requirement of this program or any of the terms and obligations of an agreement entered into pursuant to this rule may result in the reduction, termination, or rescission of the approved tax incentives and may subject the housing business to the repayment or recapture of tax

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

incentives claimed under rule 261—48.6(15). The repayment or recapture of tax incentives pursuant to this rule shall be accomplished in the same manner as provided in Iowa Code section 15.330(2).

261—48.6(15) Workforce housing tax incentives.

48.6(1) Eligibility. A housing business that has entered into an agreement pursuant to rule 261—48.5(15) is eligible to receive the tax incentives described in subrules 48.6(2) and 48.6(3).

48.6(2) Sales tax refunds. A housing business may claim a refund of the sales and use taxes paid under Iowa Code chapter 423 that are directly related to a housing project. The refund available pursuant to this subrule shall be as provided in Iowa Code section 15.331A to the extent applicable for purposes of this program.

48.6(3) Income tax credits.

a. A housing business may claim a tax credit in an amount not to exceed 10 percent of the qualifying new investment of a housing project.

b. The tax credit shall be allowed against the taxes imposed in Iowa Code chapter 422, divisions II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329.

c. An individual may claim a tax credit under this subrule of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

d. Any tax credit in excess of the taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

e. (1) To claim a tax credit under this subrule, a taxpayer shall include one or more tax credit certificates with the taxpayer's tax return.

(2) The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the eligible housing business, any other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred.

(3) The tax credit certificate, unless rescinded by the authority, shall be accepted by the department of revenue as payment for taxes imposed pursuant to Iowa Code chapter 422, divisions II, III, and V, and in Iowa Code chapter 432, and for the moneys and credits tax imposed in Iowa Code section 533.329, subject to any conditions or restrictions placed by the authority upon the face of the tax credit certificate and subject to the limitations of this program.

(4) Tax credit certificates issued under an agreement entered into pursuant to subrule 48.5(3) may be transferred to any person. Within 90 days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue. However, tax credit certificate amounts of less than \$1,000 shall not be transferable.

(5) Within 30 days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared on the transferred tax credit certificate.

(6) A tax credit shall not be claimed by a transferee under this rule until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in Iowa Code chapter 422, divisions II, III, and V, and in Iowa Code chapter 432, and against the moneys and credits tax imposed in Iowa Code section 533.329, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under Iowa Code chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under Iowa Code chapter 422, divisions II, III, and V.

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f. For purposes of the individual and corporate income taxes and the franchise tax, the increase in the basis of the property that would otherwise result from the qualifying new investment shall be reduced by the amount of the tax credit computed under this subrule.

261—48.7(15) Annual program funding allocation, reallocation, and management of excess demand.

48.7(1) Each year the authority will allocate to the program a portion of the maximum aggregate tax credit cap described in Iowa Code section 15.119. For each fiscal year beginning on or after July 1, 2014, the authority will allocate not more than \$20 million for purposes of the program.

48.7(2) If, during a fiscal year, the authority determines that program demand is less than the amount initially allocated, the authority may reallocate unused amounts to other programs under Iowa Code section 15.119.

48.7(3) If, in any fiscal year, the authority determines that demand for the tax incentives is more than the amount allocated to the program pursuant to Iowa Code section 15.119, the authority will keep a waiting list of projects registered pursuant to rule 261—48.5(15) and will only enter into new agreements under the program as additional program funding becomes available. The authority will enter into agreements with registered projects on a first-come, first-served basis as determined by the order in which the projects were registered. A project successfully registered under the program will be considered to have priority as against other subsequently registered projects. However, registration under the program shall not obligate or otherwise bind the authority, or any other agency of the state, to execute a contract or issue tax incentives to an applicant under the program.

261—48.8(15) Application submittal and review process.

48.8(1) The authority will develop a standardized application and make the application available to eligible housing businesses and to communities. To apply for assistance under the program, an interested person shall submit an application to the authority. Applications must be submitted online at www.iowagrants.gov. Instructions for application submission may be obtained at www.iowagrants.gov or by contacting the Community Development Division, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309.

48.8(2) The authority has final decision-making authority on requests for financial assistance for this program. Applications will be reviewed and scored by the staff of the authority. The director or the director's designee will make final funding decisions after considering the recommendations of staff. The director may approve, defer or deny an application.

These rules are intended to implement 2014 Iowa Acts, House File 2448.

ITEM 2. Adopt the following **new** rule 261—59.15(15E):

261—59.15(15E) Applicability on or after July 1, 2014.

59.15(1) Effective as of July 1, 2014, the enterprise zone program was repealed by 2014 Iowa Acts, House File 2448. No agreements shall be entered into under the program on or after July 1, 2014.

59.15(2) To the extent allowed by other provisions of law, the rules adopted in this chapter shall continue to apply to agreements entered into on or before June 30, 2014.

59.15(3) On or after July 1, 2014, a city or county shall not create an enterprise zone under Iowa Code chapter 15E, division XVIII, or enter into a new agreement or amend an existing agreement under Iowa Code chapter 15E, division XVIII.

59.15(4) The authority and an eligible business may amend an agreement entered into prior to July 1, 2014, in order to avoid hardship to an eligible business in the performance or maintenance of the agreement but only to the extent that amending the agreement would not require amendment by a city or county. The determination as to whether a hardship exists shall be within the discretion of the authority. The authority shall not amend an agreement in any manner that would increase the amount of tax incentives provided under the agreement.

ECONOMIC DEVELOPMENT AUTHORITY[261](cont'd)

ITEM 3. Amend subrule 68.1(2) as follows:

68.1(2) Definitions. In addition to the standard definitions located in 261—Chapter 173, the following definitions apply to the HQJP:

“Annual base rent” means the business’s annual lease payment minus taxes, insurance and operating or maintenance expenses.

“Biotechnology-related processes” means the use of cellular and biomolecular processes to solve problems or make products. For purposes of this definition, farming activities shall not be included.

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

“Community” means a city, county, or other entity established pursuant to Iowa Code chapter 28E.

“Contractor or subcontractor” means a person who contracts with the eligible business or subcontracts with a contractor for the provision of property, materials, or services for the construction or equipping of a facility of the eligible business.

“Economically distressed area” means a county meeting the requirements of a distressed area pursuant to rule 261—174.6(15).

“Eligible business” means a business meeting the conditions of Iowa Code section 15.329.

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

“Greenfield site” means a site that does not meet the definition of a brownfield site or grayfield site.

A project proposed at a site located on previously undeveloped or agricultural land shall be presumed to be a greenfield site.

“High quality jobs” means created or retained jobs that meet the wage requirements established in subrule 68.2(4) and subrules 68.2(7) and 68.2(8) when applicable.

“Program” means the high quality jobs program created pursuant to Iowa Code chapter 15, part 13.

~~*“Project”* means the activity, or set of activities, proposed in the application by the business which will result in accomplishing the goals of the program and for which the business is requesting tax incentives and assistance. A project shall include the start-up, location, expansion, or modernization of a business same as defined in rule 261—173.2(15).~~

~~*“Project completion assistance”* means financial assistance or technical assistance provided to an eligible business in order to facilitate the start-up, location, modernization, or expansion of the business in this state and provided in an expedient manner to ensure the successful completion of the start-up, location, modernization, or expansion project the same as defined in rule 261—173.2(15).~~

“Retail business” means any business engaged in the business of selling tangible personal property or taxable services at retail in this state. Retail business includes a business obligated to collect sales or use tax under Iowa Code chapter 423.

ITEM 4. Amend subrule 68.2(1) as follows:

68.2(1) Community approval. If the qualifying investment is \$10 million or more, the community in which the business’s project is or will be located shall approve by ordinance or resolution the ~~start-up, location, expansion, or modernization of the business project~~ for purposes of receiving tax incentives and assistance under this program.

ITEM 5. Amend paragraph **68.2(4)“d”** as follows:

d. Notwithstanding paragraphs “b” and “c” of this subrule, a business located at a brownfield site or grayfield site or in an economically distressed area shall demonstrate that the jobs may be awarded incentives for jobs that will pay at least 100 percent of the qualifying wage threshold throughout the applicable contract period less than 120 percent of the qualifying wage threshold if the conditions described in rule 261—174.6(15) apply.

ITEM 6. Amend paragraph **68.4(1)“b”** as follows:

b. Racks, shelving, and conveyor equipment. If the project is the location, expansion, or modernization of a warehouse or distribution center, the approved business may be entitled to a refund of sales and use taxes attributable to racks, shelving, and conveyor equipment. The approved business shall, not more than 12 months following project completion, make written application to the department of revenue for a refund. The application must include the refund amount being requested

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and documentation such as invoices or contracts which substantiate the requested amount. The department of revenue will validate the refund amount and issue the refund.

The aggregate combined total amount of refunds and tax credits attributable to sales and use taxes on racks, shelving, and conveyor equipment issued by the department of revenue to businesses approved for high quality jobs program and enterprise zone program benefits shall not exceed \$500,000 during a fiscal year. Tax refunds and tax credits will be issued on a first-come, first-served basis. If an approved business's application does not receive a refund or tax credits due to the \$500,000 fiscal year limitation, the approved business's application shall be considered in the succeeding fiscal year. An approved business that receives a refund or a tax credit in one fiscal year shall not be considered in a succeeding fiscal year. No business shall receive more than \$500,000 in refunds or credits pursuant to this paragraph.

ITEM 7. Amend paragraph **68.4(2)“b”** as follows:

b. Racks, shelving, and conveyor equipment. If the project is the location, expansion, or modernization of a warehouse or distribution center, the approved business may claim a corporate tax credit up to the amount of sales and use taxes paid by a third-party developer and attributable to racks, shelving, and conveyor equipment. The approved business shall, not more than 12 months following project completion, make written application to the department of revenue for a tax credit. The application must include the tax credit amount being requested and documentation from the third-party developer such as invoices or contracts which substantiate the requested amount. The department of revenue will confirm the tax credit amount and issue a tax credit certificate in an amount equal to all or a portion of the sales and use taxes attributable to racks, shelving, and conveyor equipment. The approved business shall not claim the tax credit provided in this subrule unless a tax credit certificate is attached to the approved business's tax return for the tax year in which the tax credit is claimed. A tax credit certificate shall contain the approved business's name, address, tax identification number, the amount of the tax credit, and other information required by the department of revenue. Any tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. An approved business may elect to receive a refund of all or a portion of an unused tax credit.

The aggregate combined total amount of refunds and tax credits attributable to sales and use taxes on racks, shelving, and conveyor equipment approved by the authority for businesses under the high quality jobs program and enterprise zone program shall not exceed \$500,000 during a fiscal year. Tax refunds and tax credits will be issued on a first-come, first-served basis. If an approved business's application does not receive a refund or tax credits due to the \$500,000 fiscal year limitation, the approved business's application shall be considered in the succeeding fiscal year. An approved business that receives a refund or a tax credit in one fiscal year shall not be considered in a succeeding fiscal year. No business shall receive more than \$500,000 in refunds or credits pursuant to this paragraph.

ITEM 8. Amend subrule 68.4(3) as follows:

68.4(3) Value-added property tax exemption. Pursuant to Iowa Code section 15.332, the community may exempt from taxation all or a portion of the actual value added by improvements to real property directly related to jobs created or retained by the ~~location or expansion of the approved business project~~ and used in the operations of the approved business. The exemption may be allowed for a period not to exceed 20 years beginning the year the improvements are first assessed for taxation. For purposes of this subrule, improvements include new construction and rehabilitation of and additions to existing structures. The exemption shall apply to all taxing districts in which the real property is located. The community shall provide the authority and the local assessor with a copy of the resolution adopted by its governing body which indicates the estimated value and duration of the authorized exemption.

ITEM 9. Amend paragraph **68.4(4)“a,”** introductory paragraph, as follows:

a. Claiming the investment tax credit. Pursuant to Iowa Code section 15.333, the approved business may claim an investment tax credit equal to a percentage of the new investment directly related to jobs created or retained by the ~~start-up, location, expansion, or modernization of the approved business under the program project~~. The tax credit shall be earned when the qualifying asset is placed in service.

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ITEM 10. Amend paragraph **68.4(4)“b,”** introductory paragraph, as follows:

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment directly related to jobs created or retained by the ~~start-up, location, expansion or modernization of the approved business under the program~~ project means all of the following:

ITEM 11. Amend subrule 68.4(5) as follows:

68.4(5) Insurance premium tax credit. Pursuant to Iowa Code section 15.333A, the approved business may claim an insurance premium tax credit equal to a percentage of the new investment directly related to jobs created or retained by the ~~start-up, location, expansion, or modernization of the approved business under the program~~ project.

a. Claiming the tax credit. The tax credit shall be earned when the qualifying asset is placed in service. The tax credit shall be amortized equally over a five-year period which the authority will, in consultation with the eligible business, define. The five-year amortization period shall be specified in a contract entered into with the authority. The tax credit shall be allowed against taxes imposed under Iowa Code chapter 432. A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment directly related to jobs created or retained by the ~~start-up, location, expansion or modernization of the approved business under the program~~ project means all of the following:

(1) to (4) No change.

The approved business shall not claim a tax credit above the amount defined in the final award documentation or the amount specified in a contract entered into with the authority.

ITEM 12. Amend subrule 173.1(1) as follows:

173.1(1) Current programs. Effective July 1, ~~2012~~ 2014, this chapter shall apply to the following programs and funding sources:

a. EDSA (economic development set-aside) program (261—Chapter 23).

b. EZ (enterprise zone) program (261—Chapter 59). Effective as of July 1, 2014, the EZ program was repealed. See 2014 Iowa Acts, House File 2448. The rules adopted in 261—Chapter 59 continue to apply to agreements entered into prior to that date. All amendments to this chapter made on or after July 1, 2014, shall not apply to agreements entered into under the EZ program prior to that date.

c. HQJP (high quality jobs program) (261—Chapter 68).

ITEM 13. Adopt the following new definitions in rule ~~261—~~**173.2(15)**:

“*Brownfield site*” means the same as defined in Iowa Code section 15.291.

“*Grayfield site*” means the same as defined in Iowa Code section 15.291.

“*Greenfield site*” means a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped or agricultural land shall be presumed to be a greenfield site.

“*Project*” means an activity or set of activities directly related to the start-up, location, modernization, or expansion of a business, and proposed in an application by a business, that will result in the accomplishment of the goals of the program.

ITEM 14. Amend rule 261—174.6(15) as follows:

261—174.6(15) Qualifying wage threshold requirements—effective on or after July 1, 2012 ~~2014~~. ~~2012~~ 2014 Iowa Acts, House File 2473 ~~2448~~, (“the Act”) became effective on July 1, ~~2012~~ 2014. Among other things, the Act changed the qualifying wage thresholds applicable to HQJP and repealed the EZ program. As of July 1, 2012 2014, the qualifying wage thresholds described in this rule shall be in effect.

174.6(1) Enterprise zone (EZ) program. The qualifying wage threshold requirement applicable to the EZ program is 90 percent of the laborshed wage. The wage threshold described in this subrule continues to apply to agreements entered into before July 1, 2014. However, no new agreements may be entered into on or after July 1, 2014.

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174.6(2) *High quality jobs program (HQJP).* The qualifying wage threshold requirement applicable to HQJP is 120 percent of the laborshed wage unless subrule 174.6(3) or 174.6(4) applies to a project.

174.6(3) *HQJP projects in distressed areas.*

a. Notwithstanding subrule 174.6(2), the qualifying wage threshold requirement applicable to an HQJP project may be lowered to 100 percent of the laborshed wage if the eligible business is located in an economically distressed area.

b. For purposes of this subrule, “economically distressed area” means a county that ranks among the bottom 25 33 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent 12-month period or the average annualized unemployment level for the most recent five-year period.

c. The authority will update the list of economically distressed areas according to the same schedule as the qualifying wage thresholds are updated pursuant to subrule 174.2(1) and will apply the provisions of subrule 174.2(2) to the list of economically distressed areas in the same manner.

174.6(4) *HQJP projects at brownfield or grayfield sites.*

a. Notwithstanding subrule 174.6(2), the qualifying wage threshold requirement applicable to an HQJP project may be lowered to 90 percent of the laborshed wage if the eligible business is located at a brownfield site. The qualifying wage threshold for a brownfield site may be lowered to 90 percent regardless of where the project site is located as long as the project meets the requirements of a brownfield site.

b. Notwithstanding subrule 174.6(2), the qualifying wage threshold requirement applicable to an HQJP project may be lowered to 100 percent of the laborshed wage if the eligible business is located at a grayfield site. The qualifying wage threshold for a grayfield site may be lowered to 100 percent regardless of where the project site is located as long as the project meets the requirements of a grayfield site.

c. The authority may consult with the brownfield redevelopment advisory council established pursuant to Iowa Code section 15.294 in order to make a determination as to whether a project site meets the requirements of a brownfield site or grayfield site for purposes of this subrule. The determination as to whether a project site qualifies as a brownfield or grayfield site shall be within the discretion of the authority. In making such determinations, the authority will attempt to apply the same definition in substantially the same manner as similar definitions are applied by the brownfield redevelopment advisory council.

d. A project that does not meet the requirements of a brownfield site or grayfield site will be presumed to be a greenfield site.

~~174.6(4)~~ 174.6(5) *Economic development set aside (EDSA) program.* The qualifying wage threshold requirement applicable to the EDSA program is 90 percent of the laborshed wage.

ITEM 15. Amend paragraph **175.4(4)“b”** as follows:

b. *Key to table.*

ACE – The accelerated career education program job credits authorized under Iowa Code chapter 260G.

ASSISTIVE – The assistive device tax credits authorized in Iowa Code section 422.33.

BRN – The brownfield redevelopment advisory council established in Iowa Code section 15.294.

BROWN – Redevelopment tax credits for brownfield and grayfield sites and the brownfield redevelopment fund as established in Iowa Code chapter 15.

CDBG – Federal community development block grant funded programs.

DDC – Due diligence committee organized by the board pursuant to 261—Chapter 1.

EDSA – The economic development set aside component of the CDBG program established in 261—Chapter 23.

ETAP – The export trade assistance program established in 261—Chapter 72.

EZ – Enterprise zone program as established in Iowa Code chapter 15E, including both the business and housing development tax credits.

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HQJP – High quality jobs program as established in Iowa Code chapter 15, including both tax incentives and project completion assistance.

INNOVATION – Programs related to innovation, commercialization, and targeted industries development, including the programs described in Iowa Code section 15.411 and the program rules in 261—Part V.

NSP – Neighborhood stabilization program as established in 261—Chapter 27.

TCC – Technology commercialization committee organized by the board pursuant to 261—Chapter 1.

TJWTC – Targeted jobs withholding tax credit program for pilot project cities established in Iowa Code section 403.19A.

~~TSB—Targeted small business advisory council established in Iowa Code section 15.247(8).~~

~~TSB LOAN—The targeted small business financial assistance program established in Iowa Code section 15.247.~~

WORKFORCE – Workforce housing tax incentives program established pursuant to Iowa Code section 15.351 et seq., as enacted by 2014 Iowa Acts, House File 2448.

ITEM 16. Amend paragraph **175.4(4)“c”** as follows:

c. Recommendation and approval entities for state and federal programs. The application approval process for applications for tax incentives, project completion assistance, other financial assistance, or other benefits under the authority’s various programs is as follows:

PROGRAM	STATE/FEDERAL	RECOMMENDATION BY	FINAL DECISION BY
HQJP	State	DDC	Board
EZ (Business)	State	DDC	Board
EZ (Housing)	State		Director
INNOVATION	State	TCC	Board
ASSISTIVE	State		Director
EDSA	Federal	DDC	Board
CDBG	Federal		Director
NSP	Federal		Director
BROWN	State	BRN	Director
TSB LOAN	State	TSB	Director
ETAP	State		Director
ACE	State		Director
TJWTC	State	<u>DDC</u>	<u>Director Board</u>
<u>WORKFORCE</u>	<u>State</u>		<u>Director</u>

ITEM 17. Amend paragraph **175.5(1)“c”** as follows:

c. For projects seeking both direct assistance and tax incentives, the amount of local match will be based on the amount required for ~~the direct~~ each form of assistance.

[Filed 12/2/14, effective 1/28/15]

[Published 12/24/14]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 12/24/14.

ARC 1803C**LABOR SERVICES DIVISION[875]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 88.5, the Labor Commissioner hereby amends Chapter 10, "General Industry Safety and Health Rules," and Chapter 26, "Construction Safety and Health Rules," Iowa Administrative Code.

Earlier this year, the U.S. Department of Labor, Occupational Safety and Health Administration, (federal OSHA) made significant updates to the occupational safety and health standards concerning electrical protective equipment and electrical power generation, distribution and transmission. On September 24, 2014, federal OSHA published corrections to the recently adopted standards, and in this rule making, the Iowa Labor Commissioner adopts those corrections.

The principal reasons for adoption of these amendments are to implement legislative intent, protect the safety and health of Iowa workers, and make Iowa's regulations current and consistent with federal regulations. Pursuant to Iowa Code subsection 88.5(1) and 29 CFR 1953.5, Iowa must adopt changes to the federal occupational safety and health standards.

Notice of Intended Action was published in the October 29, 2014, Iowa Administrative Bulletin as **ARC 1687C**. No public comment was received on the proposed amendments. These amendments are identical to those published under Notice.

No variance procedures are included in this rule making. Variance procedures are set forth in 875—Chapter 5.

After analysis and review of this rule making, no impact on jobs will occur.

These amendments are intended to implement Iowa Code section 88.5 and 29 CFR 1953.5.

These amendments shall become effective on January 28, 2015.

The following amendments are adopted.

ITEM 1. Amend rule **875—10.20(88)** by inserting the following at the end thereof:
79 Fed. Reg. 56960 (September 24, 2014)

ITEM 2. Amend rule **875—26.1(88)** by inserting the following at the end thereof:
79 Fed. Reg. 56960 (September 24, 2014)

[Filed 12/3/14, effective 1/28/15]

[Published 12/24/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/24/14.

ARC 1804C**MEDICINE BOARD[653]****Adopted and Filed**

Pursuant to the authority of Iowa Code sections 147.76 and 272C.2, the Board of Medicine hereby adopts new Chapter 18, "Military Service and Veteran Reciprocity," Iowa Administrative Code.

The purpose of Chapter 18 is to establish procedural rules implementing the licensing provisions of 2014 Iowa Acts, chapter 1116, section 34.

A Notice of Intended Action to adopt new Chapter 18 was approved by the Board on August 7, 2014. Notice of Intended Action for these rules was published in the Iowa Administrative Bulletin on September 17, 2014, as **ARC 1632C**. A public hearing was held on October 7, 2014. No oral or written public comments were received. These rules are identical to those published under Notice.

On December 5, 2014, the Board voted to adopt new Chapter 18.

After analysis and review of this rule making, it has been determined that these rules could have a positive impact on jobs in Iowa. The new rules could encourage qualified military veterans to establish

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physician or acupuncture practices in Iowa. The licensure reciprocity provision could assist in the recruitment of physicians or acupuncturists wishing to practice in Iowa.

These rules are intended to implement Iowa Code chapters 147, 148, 148E, and 272C and 2014 Iowa Acts, chapter 1116, division VI.

These rules will become effective January 28, 2015.

The following amendment is adopted.

Adopt the following new 653—Chapter 18:

CHAPTER 18 MILITARY SERVICE AND VETERAN RECIPROCITY

653—18.1(85GA,ch1116) Definitions. As used in this chapter:

“License” means a license issued by the board, including a permanent medical license, resident physician license, special physician license, temporary physician license or licensed acupuncturist license.

“Military service” means honorably serving on federal active duty, state active duty, or national guard duty, as defined in Iowa Code section 29A.1; in the military services of other states, as provided in 10 U.S.C. Section 101(c); or in the organized reserves of the United States, as provided in 10 U.S.C. Section 10101.

“Military service applicant” means an individual who is requesting credit toward licensure that is subject to the jurisdiction of the board for military education, training, or service obtained or completed in military service including, but not limited to, a medical physician or surgeon, osteopathic physician or surgeon, or licensed acupuncturist.

“Provisional license” means a license that is issued by the board to a veteran who is licensed in another jurisdiction in which licensure requirements are not substantially equivalent to those required in Iowa and that will allow the veteran an opportunity to obtain additional experience or education required for licensure in Iowa. A provisional license may be issued for a specified period of time upon such conditions as the board deems reasonably necessary to protect the health, welfare or safety of the public.

“Veteran” means an individual who meets the definition of “veteran” in Iowa Code section 35.1(2).

653—18.2(85GA,ch1116) Military education, training, and service credit. A military service applicant may apply for credit for verified military education, training, or service toward any experience or educational requirement for licensure by submitting a military service application form to the board office.

18.2(1) The completed military service application may be submitted with an application for licensure or examination or prior to an applicant’s applying for licensure or to take an examination. No fee is required with submission of an application for military service credit.

18.2(2) The applicant shall identify the experience or educational licensure requirement to which the credit would be applied if granted. Credit shall not be applied to an examination requirement.

18.2(3) The applicant shall provide documents, military transcripts, a certified affidavit, or forms that verify completion of the relevant military education, training, or service, which may include, when applicable, the applicant’s Certificate of Release or Discharge from Active Duty (DD Form 214) or Verification of Military Experience and Training (VMET) (DD Form 2586).

18.2(4) The applicant shall fully comply with all other requirements necessary for licensure in Iowa pursuant to 653—Chapter 9.

18.2(5) Upon receipt of a completed military service application, the board shall promptly determine whether the verified military education, training, or service will satisfy all or any part of the identified experience or educational qualifications for licensure.

18.2(6) The board shall grant the application in whole or in part if the board determines that the verified military education, training, or service satisfies all or part of the experience or educational qualifications for licensure.

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18.2(7) The board shall inform the military service applicant in writing of the credit, if any, given toward an experience or educational qualification for licensure or explain why no credit was granted. The applicant may request reconsideration upon submission of additional documentation or information.

18.2(8) A military service applicant who is aggrieved by the board's decision may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. There shall be no fees or costs assessed against the military service applicant in connection with a contested case conducted pursuant to this subrule.

18.2(9) The board shall grant or deny the military service application prior to ruling on the application for licensure. The applicant shall not be required to submit any fees in connection with the licensure application unless the board grants the military service application. If the board does not grant the military service application, the applicant may withdraw the licensure application or request that the application be placed on pending status. The withdrawal of a licensure application shall not preclude subsequent applications supported by additional documentation or information.

653—18.3(85GA,ch1116) Veteran reciprocity.

18.3(1) A veteran with an unrestricted professional license in another jurisdiction may apply for licensure in Iowa through reciprocity. A veteran must pass any examinations required for licensure to be eligible for licensure through reciprocity. A fully completed application for licensure submitted by a veteran under this subrule shall be given priority and shall be expedited.

18.3(2) An application for licensure by reciprocity shall contain all of the information required of all applicants for licensure who hold unrestricted licenses in other jurisdictions and who are applying for licensure by reciprocity, including but not limited to completion of all required forms, payment of applicable fees, disclosure of criminal or disciplinary history, and, if applicable, a criminal history background check. In addition, the applicant shall provide such documentation as is reasonably needed to verify the applicant's status as a veteran under Iowa Code section 35.1(2).

18.3(3) Upon receipt of a fully completed licensure application, the board shall promptly determine if the professional or occupational licensing requirements of the jurisdiction where the veteran is licensed are substantially equivalent to the licensing requirements in Iowa. The board may consider the following factors in determining substantial equivalence: scope of practice, education and coursework, degree requirements, and postgraduate experiences.

18.3(4) The board shall promptly grant a license to the veteran if the veteran is licensed in the same or similar profession in another jurisdiction whose licensure requirements are substantially equivalent to those required in Iowa, unless the applicant is ineligible for licensure based on other grounds, for example, the applicant's disciplinary or malpractice history or criminal background.

18.3(5) If the board determines that the licensing requirements in the jurisdiction in which the veteran is licensed are not substantially equivalent to those required in Iowa, the board shall promptly inform the veteran of the additional experience, education, or examinations required for licensure in Iowa. Unless the applicant is ineligible for licensure based on other grounds, such as disciplinary or malpractice history or criminal background, the following shall apply:

a. If a veteran has not passed the required examination(s) for licensure, the veteran may request that the application be placed in pending status.

b. If additional experience or education is required in order for the applicant's qualifications to be considered substantially equivalent, the applicant may request that the board issue a provisional license for a specified period of time during which the applicant will successfully complete the necessary experience or education. The board shall issue a provisional license for a specified period of time upon such conditions as the board deems reasonably necessary to protect the health, welfare or safety of the public, unless the board determines that the deficiency is of a character that the public health, welfare or safety will be adversely affected if a provisional license is granted.

c. If a request for a provisional license is denied, the board shall issue an order fully explaining the decision and shall inform the applicant of the steps the applicant may take in order to receive a provisional license.

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d. If a provisional license is issued, the application for full licensure shall be placed in pending status until the necessary experience or education has been successfully completed or the provisional license expires, whichever occurs first. The board may extend a provisional license on a case-by-case basis for good cause.

18.3(6) A veteran who is aggrieved by the board's decision to deny an application for a reciprocal license or a provisional license or is aggrieved by the terms under which a provisional license will be granted may request a contested case (administrative hearing) and may participate in a contested case by telephone. A request for a contested case shall be made within 30 days of issuance of the board's decision. There shall be no fees or costs assessed against the veteran in connection with a contested case conducted pursuant to this subrule.

These rules are intended to implement Iowa Code chapters 147, 148, 148E, and 272C and 2014 Iowa Acts, chapter 1116, division VI.

[Filed 12/5/14, effective 1/28/15]

[Published 12/24/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/24/14.

AGENCY	RULE	DELAY
Economic Development Authority[261]	31.1 to 31.20 [IAB 9/17/14, ARC 1626C]	Effective date of October 22, 2014, delayed 70 days by the Administrative Rules Review Committee at its meeting held October 14, 2014. [Pursuant to §17A.4(7)] Delay Lifted: At its meeting held November 18, 2014, the Committee voted to lift the delay, effective November 19, 2014.
Education Department[281]	43.15 [IAB 10/15/14, ARC 1661C]	Effective date of November 19, 2014, delayed 70 days by the Administrative Rules Review Committee at its meeting held November 18, 2014. [Pursuant to §17A.4(7)] At its meeting held December 12, 2014, the Committee delayed the effective date of 43.15 until the adjournment of the 2015 Session of the General Assembly. [Pursuant to §17A.8(9)]