

SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

Regulatory Analysis

Notice of Intended Action to be published: 27—Chapter 10
“Iowa Financial Incentive Program for Soil Erosion Control”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 161A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 161A

Public Hearing

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

July 14, 2026
9 to 10 a.m.

Borlaug Conference Room
Hoover State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Soil Conservation and Water Quality Division no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

This proposed rulemaking establishes procedures and standards to be followed by the Iowa Department of Agriculture and Land Stewardship (IDALS) when implementing the State’s financial incentive program for soil erosion control. It also establishes standards and guidelines to which the soil and water conservation districts (SWCDs) shall conform in fulfilling their responsibilities under this program.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

No costs are incurred by the public to comply with this proposed rulemaking.

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

This proposed rulemaking will not provide an additional benefit to any persons. Private landowners will still be given the opportunity to apply for financial assistance to implement water quality improvement and soil conservation practices on their land through a voluntary application process managed by the local SWCDs. These practices protect and improve water quality and land used for the production of food, fiber, or both to the benefit of all.

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

• **Quantitative description of impact:**

There will be no significant impact associated with this proposed rulemaking.

• **Qualitative description of impact:**

There will be no significant impact associated with this proposed rulemaking.

3. **Costs to the State:**

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

Costs incurred by IDALS are associated with SWCD, Natural Resources Conservation Service (NRCS), and IDALS staff to promote, design, implement, and process payments for practices installed using the program. Based on current staff involved, it is estimated that between 20 and 25 percent of annual costs associated with IDALS field staff time are associated with implementing these rules.

• **Anticipated effect on State revenues:**

There will be no effect on State revenues in association with this proposed rulemaking.

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

Not applicable.

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

Not applicable.

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

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

Not applicable.

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

The Iowa Financial Incentive Program is currently functioning efficiently utilizing the rules established in this chapter, and the revisions being proposed will not affect this, so no alternatives needed to be considered.

Small Business Impact

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

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

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

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

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

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

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

This proposed rulemaking will have no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 27—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10

IOWA FINANCIAL INCENTIVE PROGRAM FOR SOIL EROSION CONTROL

PART 1

27—10.1(161A) Authority and scope. This chapter establishes procedures and standards to be followed by the division of soil conservation and water quality, Iowa department of agriculture and land stewardship, in implementing the state’s financial incentive program for soil erosion control. It also establishes standards and guidelines to which the soil conservation districts shall conform in fulfilling their responsibilities under this program.

27—10.2(161A) Rules are severable. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without invalid provision or application, and to this end, the provisions of these rules are severable.

PART 2

27—10.3(161A) Definitions.

“*Administrative order*” means a written notice from the commissioners to the landowner or landowners of record and to the occupants of land informing them they are violating the district’s soil loss limit regulations or maintenance agreement and advising them of action required to conform to the regulations.

“*Agricultural production*” means the commercial production of food or fiber.

“*Allocation*” means those funds that are identified as a district’s share of the state’s appropriated funds that have been distributed to a particular program.

“*Applicant*” means a person, persons, or a legal entity requesting assistance for implementing soil and water conservation practices.

“*Appropriations*” means those funds appropriated by the Iowa legislature and provided to the division for funding the various incentive programs for soil erosion control.

“*Case file*” means a record that is assembled and maintained for each application approved for state cost sharing.

“*Certification/verification of practice form*” means a signature page used to attest that a practice was installed or performed, and will be maintained, in accordance with applicable standards and that the costs and associated cost-share payment are correct. The form requires the signature of the applicant(s) and the certifying technician.

“*Certifying technician*” means the district conservationist or resource team leader of the Natural Resources Conservation Service (NRCS), the district forester of the Department of Natural Resources (DNR), or another individual designated by the division as qualified to act in this capacity.

“*Complaint*” means a written and signed document received by the commissioners from a landowner or occupant of land stating that said property in the district is being damaged by sediment resulting from soil erosion on the property of another named landowner.

“*Conservation cover*” means that if a tract of agricultural land has not been plowed or used for growing row crops at any time within the prior 15 years, it shall be classified as agricultural land under conservation cover.

“*Excessive erosion*” means soil erosion that is occurring at a rate exceeding the established soil loss limit.

“*FARMS*” means the financial and reports management system, which is a web-based tracking software used to track, maintain, and report on cost-share claims.

“*Fiscal year*” means the state fiscal year for which program funds were appropriated.

“*Maintenance/performance agreement*” means an agreement between the landowner and the district. The landowner agrees to maintain the soil and water conservation practices for which financial incentives from the division through the district have been provided. The agreement states that the landowner will maintain, repair, or reconstruct the practices if they are not maintained

according to the terms specified in the agreement. The terms of the agreement shall be specified by the division.

“Obligated funds” means those moneys that are set aside out of the district’s allocation or by the division for payment to the applicant after the commissioners have approved an application for financial incentives.

“Road” means the entire width between property lines of the publicly owned right-of-way.

“Row cropped lands” means land that is in an established rotation sequence that includes row crops and the sequence is actively being followed or is in consecutive row crop sequence.

“Soil and water conservation practices” means any of the practices that serve to reduce erosion of soil by wind and water on land used for agricultural or horticultural purposes and that are approved by the division.

“Soil loss limit” means the maximum amount of soil loss due to erosion by water or wind, expressed in terms of tons per acre per year, that the commissioners of the respective soil and water conservation districts have established by rule as acceptable.

“State soil survey data base for Iowa” means a listing of the soil map units for each county and the properties and interpretation for each of the map units.

“Supplemental allocation” means additional funds provided beyond the original allocation.

“Supplementary administrative order” means a written notice sent to those receiving an administrative order for violation of the district’s soil loss limit regulations advising that cost-share funds are being committed to the landowner or landowners and establishing time limits for correcting the soil erosion problems.

“Technician” means a person who is qualified to design, lay out and inspect construction of soil and water conservation practices and who is assigned to or employed by a soil and water conservation district.

“Unobligated funds” means those cost-share moneys the districts have been allocated and those the division administers that have not been obligated.

PART 3

27—10.4(161A) Compliance, refunds, reviews and appeals. This part establishes rules and procedures utilized in association with maintenance/performance agreements that have been entered into because of financial incentive payments being provided for implementing soil and water conservation practices.

27—10.5(161A) Compliance with maintenance/performance agreements.

10.5(1) *Maintenance/performance agreement.* As a condition for payment of any financial incentives funds for implementing soil and water conservation practices, the owner of the land on which the practices have been installed shall sign the maintenance/performance agreement to maintain those practices for the term specified. Specific conditions of the agreement are detailed on the form.

10.5(2) *Determination of compliance with maintenance/performance agreements.*

a. A technician shall inspect a practice at any time the district commissioners have reason to believe it is not being satisfactorily maintained so that it is successfully performing the function for which it was originally installed. Following the inspection, the technician shall add notes of the technician’s findings in the district’s case file for the landowner and communicate the findings to the commissioners. If the practice is found to be satisfactorily maintained, the landowner shall be considered to be in compliance with the maintenance/performance agreement. The division will evaluate the situation to determine that proper procedures were followed.

b. The district shall have a practice inspected by a technician whenever requested to do so by the landowner. The person requesting the inspection shall be provided with documentation of the technician’s inspection findings, and notes of the findings will also be added in the district’s case file for the landowner and communicated to the commissioners.

c. In the event that properly maintained practices that were installed with the assistance of Iowa financial incentive program funds are damaged due to natural disasters, completing the maintenance/performance agreement shall not constitute an action or intent on the part of the division to prevent the owner of the land on which the practices were installed from receiving federal emergency conservation program assistance to repair or replace the practices.

27—10.6(161A) Noncompliance with maintenance/performance agreements.

10.6(1) *Determination of noncompliance with maintenance/performance agreements.*

a. A practice inspected by a technician that is found not to be satisfactorily maintained will result in the landowner of the property where the practice is located being considered as not in compliance with the maintenance/performance agreement. Notes of the findings shall be added to the district's case file for the landowner and communicated to the commissioners.

b. The district shall notify the division in writing of the noncompliance finding. This notification shall contain an explanation of why the practice is considered not to be in compliance with the maintenance/performance agreement. The division will evaluate the situation to determine that proper procedures were followed.

c. Upon determination by the district and the division that a landowner is not in compliance with a maintenance/performance agreement, the district shall notify the landowner of the noncompliance with the maintenance/performance agreement issue for the specified practice. The notice will include the technician's inspection findings, outline what would need to be done in order to address the maintenance issue(s), and offer the landowner technical assistance in voluntarily bringing the practice back into compliance with the maintenance/performance agreement.

d. If all voluntary efforts with the landowner to address the maintenance issues have been exhausted, the division shall assist the district in the issuance of an administrative order to the landowner requiring appropriate maintenance, repair or reconstruction of the practice.

(1) Within 60 days from the date of issue of the administrative order, the landowner shall submit to the district a written and signed statement of intent to maintain, repair or reconstruct the practice.

(2) The maintenance, repair or reconstruction work shall be initiated within 180 days from the date of issue of the administrative order and shall be satisfactorily completed within one year of the date of issue of the administrative order.

10.6(2) *Refunds for noncompliance with a maintenance/performance agreement.*

a. The district, in its sole discretion, may allow the current landowner to refund to the division the entire amount of the financial incentive payment that was issued for implementing the practice in lieu of maintaining, repairing or reconstructing a practice.

b. Refund process. The landowner shall provide the district with a check made out to "Treasurer, State of Iowa" in the amount of the refund. The district will then submit the check to the division. The division will deposit refunds to the appropriate district account.

10.6(3) *Agricultural land converted to nonagricultural land.* If land subject to a maintenance/performance agreement is converted to a nonagricultural use that does not require the soil and water conservation practice that has been established with financial incentives, the practice shall not be removed until the landowner refunds the appropriate amount of the payment that was issued.

a. *Amount of refund.* The amount of the refund will be calculated by dividing the total amount of the financial incentive payment issued by the total number of years the practice is required to be maintained. That amount will then be multiplied by the number of years remaining in the maintenance/performance agreement time period to determine the refund amount.

b. *Refund process.* The landowner shall follow the refund process indicated in paragraph 10.6(2) "a."

27—10.7(161A) Review process for noncompliance with maintenance/performance agreements.

A landowner who has been ordered to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement may, as appropriate, request to review the order with the district commissioners and the division.

10.7(1) Review with soil and water conservation district commissioners. When a landowner wishes to appeal an order to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement, the landowner may request a review of the order with the district commissioners. The commissioners shall schedule a meeting to review the issue with the landowner. This proceeding shall be informal. A landowner shall request a review with the district commissioners in writing and within 30 days following receipt of the order. The commissioners will either affirm, modify, or vacate the administrative order following the completion of the review.

10.7(2) Review with the division. After having unsuccessfully met with the district commissioners, a landowner who has been ordered to maintain, repair or reconstruct a soil and water conservation practice subject to a maintenance/performance agreement may file a written request for review with the division. The division review shall be conducted by the division director or the director's designee. This proceeding shall be informal. A landowner shall request the review with the division in writing within 30 days following the review with the district. The division will either affirm, modify, or vacate the administrative order following the review.

PART 4

27—10.8(161A) Appropriations. The division receives a yearly appropriation of funds from the state legislature to support the Iowa financial incentive program for soil erosion control. These funds are distributed to soil and water conservation districts to be used in support of the programs listed in this rule and as established in Iowa Code chapter 161A.

10.8(1) Voluntary program. A maximum of 90 percent of the appropriation is to be used to provide financial assistance for the installation of soil and water conservation practices as specified in Iowa Code section 161A.73.

a. The first \$15,000 allocated to each district and up to 30 percent of the amount remaining in a district's original and supplemental allocation may be used for the establishment of residue and management practices listed in subrule 10.21(1).

b. Voluntary program funds may be used for emergency repairs of soil and water conservation practices under the qualifying conditions as specified in Iowa Code section 161A.75.

10.8(2) Publicly owned lakes program. A minimum of 5 percent of the appropriation shall be set aside to be used as specified in Iowa Code section 161A.73.

10.8(3) Mandatory program. A maximum of 5 percent of the appropriation shall be set aside to be used as specified in Iowa Code section 161A.74.

10.8(4) Special watershed projects. Appropriated funds may be used as specified in Iowa Code section 161A.73 to support these projects.

10.8(5) Summer construction incentives program. Appropriated funds may be used as specified in Iowa Code section 161A.73 in support of this program. Summer construction incentives are only available in conjunction with state-funded soil and water conservation practices.

PART 5

27—10.9(161A) Allocations to soil and water conservation districts. This division identifies those program funds that are available for allocation to the districts and explains how the allocations are made.

27—10.10(161A) Voluntary program. The division will allocate program funds to the districts in steps identified as original allocations and supplemental allocations.

10.10(1) Original allocation. Sixty percent of the fiscal year funds distributed to this program will be allocated to the districts at the beginning of the fiscal year in accordance with a formula based on the state soil survey database for Iowa. The formula is $A = wzf$, where:

a. A = allocation to the district.

b. w = the percentage factor for the district, determined by $(x/y) (100)$, where:

(1) x = district acres, determined by totaling the district's land capability class acres from the state soil survey database for Iowa using the formula: $(\frac{1}{4})2e + 3e + 4e$.

(2) y = state acres, determined by totaling the state's land capability class acres from the state soil survey database for Iowa using the formula: $(\frac{1}{4})2E + 3E + 4E$.

c. z = 60 percent of fiscal year funds distributed to the voluntary program.

d. f = an adjustment factor of 0.980 applied to each district's allocation to adjust the original allocation to compensate for establishing a minimum of four-tenths of 1 percent of "z" to ensure that each district has a workable program.

e. The following table provides the value of "w" for each district:

Individual Soil and Water Conservation District Percentage Allocation Factors

<u>W(%) District</u>	<u>W(%) District</u>	<u>W(%) District</u>	<u>W(%) District</u>
1.7 Adair	1.2 Davis	1.0 Jefferson	0.2 Pocahontas*
1.1 Adams	1.4 Decatur	1.2 Johnson	0.8 Polk
1.5 Allamakee	0.8 Delaware	1.2 Jones	1.4 E. Pottawattamie
1.1 Appanoose	0.5 Des Moines	1.4 Keokuk	1.2 W. Pottawattamie
1.3 Audubon	0.4 Dickinson	0.5 Kossuth	1.6 Poweshiek
1.2 Benton	1.8 Dubuque	1.0 Lee	1.6 Ringgold
0.3 Black Hawk*	0.4 Emmet	1.0 Linn	0.7 Sac
0.6 Boone	1.1 Fayette	0.5 Louisa	0.8 Scott
0.3 Bremer*	0.3 Floyd*	1.1 Lucas	1.8 Shelby
0.3 Buchanan*	0.6 Franklin	0.9 Lyon	1.0 Sioux
0.5 Buena Vista	1.0 Fremont	1.2 Madison	0.6 Story
0.6 Butler	0.5 Greene	1.2 Mahaska	1.5 Tama
0.3 Calhoun*	0.5 Grundy	1.3 Marion	1.7 Taylor
1.2 Carroll	1.5 Guthrie	1.5 Marshall	1.1 Union
1.5 Cass	0.4 Hamilton	1.1 Mills	1.2 Van Buren
1.2 Cedar	0.4 Hancock	0.2 Mitchell*	1.0 Wapello
0.4 Cerro Gordo	0.7 Hardin	1.3 Monona	1.2 Warren
1.0 Cherokee	1.7 Harrison	1.0 Monroe	1.1 Washington
0.4 Chickasaw	0.9 Henry	1.2 Montgomery	1.4 Wayne
1.2 Clarke	0.4 Howard	0.5 Muscatine	0.3 Webster*
0.4 Clay	0.2 Humboldt*	0.5 O'Brien	0.5 Winnebago
2.0 Clayton	1.3 Ida	0.3 Osceola*	2.0 Winneshiek
1.2 Clinton	1.4 Iowa	1.5 Page	2.2 Woodbury
2.5 Crawford	1.7 Jackson	0.4 Palo Alto	0.2 Worth*
0.8 Dallas	1.8 Jasper	2.4 Plymouth	0.4 Wright

*The minimum value to be used in determining original allocations to districts shall be 0.4.

10.10(2) Supplemental allocation. The remaining balance of the fiscal year funds plus recalled funds will be provided to the districts in a supplemental allocation. The districts shall identify valid applications and cost estimates, if any, for supplemental allocations to the division by September 1 and by December 31. Factors to be considered in making a supplemental allocation to a district include:

a. The sum of cost estimates (for pending applications) in each district, divided by the total cost estimates (for pending applications) for all 100 districts, multiplied by the remaining available program funds; and

b. Whether or not the proposed supplemental allocation exceeds three times the original allocation to the district.

10.10(3) Recall of funds. The division shall recall unobligated funds from district accounts on December 31 and on June 30. Recalled funds will be made available to qualifying districts as supplements to their initial allocation.

10.10(4) Eligibility for supplemental allocations.

a. In order to be considered as a pending application for the purpose of calculating supplemental need, an application must be in the waiting initial board approval status in FARMS.

b. Spring supplemental funding shall be made available for practices that will be completed by June 30 of the current year.

10.10(5) Recall and reallocation of funds by division director. If districts are not demonstrating an ability to use available funding, the division director may recall these funds and reallocate the funds to a district that has an immediate need for additional funding.

27—10.11(161A) Publicly owned lakes program. Appropriated funds will be allocated to districts for use in eligible watersheds as specified in Iowa Code section 161A.73.

10.11(1) Recall of unobligated funds. Funds that are allocated to districts under this program and are not obligated by June 30 shall be recalled by the division.

10.11(2) Reallocation of recalled funds. The reallocation of recalled funds will be based on need and demonstrated ability to use the funds. The districts shall submit their requests identifying valid applications and cost estimates, if any, to the division. The division shall allocate funds for these requests on a first-come, first-served basis to eligible watersheds above publicly owned lakes.

10.11(3) Applications and agreements. Applications and agreements under this program will follow the guidance provided in Part 7 of these rules.

27—10.12(161A) Mandatory program. Appropriated funds will be allocated to districts when necessary for use as specified in Iowa Code section 161A.74.

10.12(1) Applications and agreements. Applications and agreements used for this program will be the same as those outlined in Part 7 of these rules.

a. Districts will notify the division of applications and funding allocation requests associated with soil and water conservation practices to be installed in support of this program.

b. The division will review the application(s) and, if approved, allocate funds to the district and notify the district of the approval. If the division does not approve the application(s) or if funds are not available for the application(s), the division will contact the district to discuss these issues.

c. The district will notify the landowner of the status of the funding request by issuing a supplementary administrative order.

10.12(2) Recall of unobligated funds. Funds that are allocated to districts under this program and are not obligated as of June 30 shall be recalled by the division.

27—10.13(161A) Special watershed projects. Appropriated funds may be allocated to districts for use as indicated in Iowa Code section 161A.73.

27—10.14(161A) Reserve fund. A reserve fund consisting of a specified amount of the yearly appropriated funds will be set aside and used to meet contingencies that occur in the districts or within the division. At any time during the fiscal year, the reserve fund may be replenished with recalled funds to return it to the original balance, if needed. The amount of the reserve fund shall be established by the division and maintained in policy.

PART 6

27—10.15(161A) Funding rates. Information on the cost-share rates provided under the various programs is shown in this part. In all cases, except for the mandatory program, the state's share will be computed using the specified percentages multiplied by the lesser of the estimated or eligible cost of implementing the soil and water conservation practice. Payments under the mandatory program will

be based on actual costs. All funds included in this part may be used in combination with other public funds as long as the maximum cost-share rate provided does not exceed 75 percent of the lesser of the estimated or eligible costs.

10.15(1) *Voluntary.* Cost share will be provided based on the percentage indicated in Iowa Code section 161A.73. Additional maximum cost-share amounts for specified practices may be imposed based on policy established and maintained by the division. Cost-share payments for disaster emergency repairs of permanent practices may be provided as indicated in Iowa Code section 161A.75.

10.15(2) *Summer construction incentives.* In addition to cost share for the establishment of a permanent soil and water conservation practice, a per-acre incentive payment is available to offset income lost from cropland acres taken out of production during the growing season in order to install the soil and water conservation practice. The maximum per-acre incentive payment shall be based on the average cropland rental rate in Iowa as provided by the Iowa State University Cash Rental Rates Survey. Every three years, the division will review and, if necessary, adjust the maximum per-acre incentive payment to account for fluctuations in the average cropland rental rate. The division shall notify the districts of the current maximum per-acre incentive payment rate each year. Payment will be made upon completion of the permanent soil and water conservation practice. To qualify:

a. The field being treated shall be in row cropland during the growing season in which the permanent soil and water conservation practice is being constructed.

b. The construction area must have suitable cover that minimizes soil erosion prior to and after the construction of the permanent soil and water conservation practice.

c. The construction of the permanent soil and water conservation practice shall take place between June 15 and October 15. Work must start and be completed between these dates and verified by the technician prior to payment of the incentive.

d. Only the land necessary for construction is eligible for this incentive. The construction work area shall be determined by the technician.

e. The construction work area shall not be used to grow a crop that will be harvested for grain at any time during the June 15 to October 15 construction period.

10.15(3) *Special watershed projects.* Cost share will be provided for qualified projects at rates specified in Iowa Code section 161A.73.

10.15(4) *Mandatory.* Cost share will be provided based on the rates and the process specified in Iowa Code section 161A.74.

10.15(5) *Watersheds above publicly owned lakes.* Cost share will be provided at the rate specified in Iowa Code section 161A.73.

10.15(6) *Conservation cover.* For land determined to meet this classification, the cost-share rate will be provided as specified in Iowa Code section 161A.76.

PART 7

27—10.16(161A) Applications and agreements. Applicants may apply for Iowa financial incentive funds following the application process guidance provided by and utilizing documents specified by the soil and water conservation district in the county where the proposed soil and water conservation practice would be located.

27—10.17(161A) Eligibility for financial incentives.

10.17(1) *Practices installed on adjoining public lands.* Where soil and water conservation practices are installed on public lands, that benefit adjoining private lands, and costs of the installation are to be shared by the parties, state cost-share funds may be used to cost-share the landowner cost of the erosion control portion of the project.

10.17(2) *Ineligible lands.*

a. Iowa financial incentive funds shall not be used to reimburse other units of government for implementing soil and water conservation practices or to reimburse other applicants for the cost of implementing soil and water conservation practices on land owned by other units of government.

b. Privately owned land not used for agricultural production does not qualify for financial incentives except for land where specific practices designated in policy established and maintained by the division are being implemented.

c. Tracts of land used for agricultural production that are less than ten acres in size and from which less than \$2,500 of agricultural products are sold annually do not qualify for financial incentives funds, unless approved by the commissioners as part of a group project or as a continuation of an adjacent system.

10.17(3) *Need for soil and water conservation practices.* Financial incentives shall be available only for those soil and water conservation practices determined to be needed by the district to reduce excessive erosion or sedimentation and are included in the designated practices identified in Part 8 of these rules. Such determination of need shall be made by a qualified technician.

10.17(4) *District priorities.* Each application for financial incentives shall be evaluated under the priority system adopted by the district for disbursement of allocated funds. The district priority system shall be reviewed annually by the district. The priority system shall be sent electronically to the division for the division's record after the annual review. The priority system shall consider the public benefit derived. The priority system adopted by the district shall be made available for review at the district office.

27—10.18(161A) Financial incentive application and processing procedures.

10.18(1) Applicants shall submit their application for Iowa financial incentive funds as specified in rule 27—10.16(161A). Districts shall enter and process financial incentive applications in FARMS following guidance provided by and maintained in policy established by the division.

10.18(2) *Case files.* A case file shall be maintained for each application approved for Iowa financial incentive funds. All documents pertinent to the application process that are not already stored within the FARMS application will be retained in the file. Any financial incentive documents stored in the file may be removed and disposed of after the period of time indicated in the records guide provided by and maintained in policy established by the division.

PART 8

27—10.19(161A) General conditions, eligible practices and specifications. The purpose of this part is to establish the general conditions and limitations concerning practice implementation, the state-approved soil and water conservation practices eligible for Iowa financial incentives and the specifications for which funded practices must conform.

27—10.20(161A) General conditions. The following general conditions shall be met, where applicable, in addition to the specifications in rule 27—10.23(161A). To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

10.20(1) *Limitation of reimbursable costs of practices.* Overbuilding or other practice modifications that exceed the minimum requirements of the specification shall be permitted, if approved by the technician. Any additional costs resulting from such overbuilding or exceeding of the minimum specifications shall not be cost-shared by the state. Examples of overbuilding or exceeding specifications include but are not limited to the following:

a. Where an applicant desires that water be stored for purposes other than grade stabilization to control erosion.

b. Where additional top width is added to an earthen fill to provide a field crossing or road.

c. Where additional flow capacity for lowland drainage laterals is added to an underground outlet constructed as a component of a terrace system.

10.20(2) *Materials.* Projects funded with Iowa financial incentive funds will utilize only new materials or used materials that meet or exceed design specifications and standards.

10.20(3) *Existing practices.*

a. Repair and maintenance. Repair and maintenance of existing practices are not eligible for funding except for emergency disaster repairs as specified in subrule 10.15(1).

b. Addition of underground outlets. The addition of underground outlets to existing waterways and terraces is not eligible for funding.

10.20(4) *Upland treatment.* Seventy-five percent of the upland area shall be adequately treated for erosion control before waterways or grade stabilization structures will be funded.

10.20(5) *Seeding.*

a. Seeding required. Following practice construction, seeding shall be performed as appropriate in accordance with seeding specifications referenced in rule 27—10.23(161A), except as waived below.

b. Seeding after specified seeding dates. When the construction of a practice is completed after the seeding date contained in the specifications, seeding may be delayed until the following year. If delayed, the applicant shall be responsible for protecting the practice with temporary vegetative cover or other means until the seeding can be completed. For seeding delayed until the next year, the district may approve payment for the completed practice, but such payment shall exclude the seeding cost. The remaining payment for seeding may be made available the following year.

27—10.21(161A) Eligible practices. Only those soil and water conservation practices listed in this rule are eligible for the Iowa financial incentives program funds.

10.21(1) *Residue and management practices.* One-time only payments may be provided for each of these practices.

- a. No-till planting.*
- b. Ridge-till planting.*
- c. Strip-till planting.*
- d. Cover crops.*
- e. Contour farming.*
- f. Strip-cropping.*

10.21(2) *Temporary practices.*

a. Critical area planting.

b. Field border.

c. Filter strips.

d. Pasture and hay planting. Pasture and hay planting will be eligible for funding only when land that has been planted to row crop for at least three out of the last five years is being converted to vegetative cover.

10.21(3) *Permanent practices.*

a. Diversion. Diversions are eligible for funding only when used to prevent downstream erosion.

b. Windbreak and shelterbelt establishment. A strip or belt of trees or shrubs established within or adjacent to a field to reduce sediment damage and soil depletion caused by wind.

c. Grade stabilization structure.

d. Grassed waterway.

e. Terrace.

f. Underground outlet. Underground outlets are eligible for Iowa financial incentive funding only when used as a component of eligible permanent practices contained in this subrule.

g. Water and sediment control basin.

h. Conservation cover.

i. Tree/shrub establishment. The minimum eligible area is three acres.

27—10.22(161A) Designation of eligible practices. District commissioners may designate which soil and water conservation practices will be eligible for Iowa financial incentive payments in their district. The selected practices must be from the state-approved practices contained in rule 27—10.21(161A).

27—10.23(161A) Practice standards and specifications. Practices shall meet NRCS practice standards and specifications where applicable and may be accessed through the NRCS Field Office Technical Guide. Forestry practice of tree/shrub establishment shall meet DNR practice standards and specifications and may be accessed through the DNR Forestry Practices Manual Technical Guide. Copies of standards and specifications may be requested in the district office where the practice will be implemented. To the extent of any inconsistency between the general conditions and the specifications, the general conditions shall control.

PART 9

27—10.24(161A) Annual report. The district will submit an annual report to the division upon request that will reflect accomplishments from the fiscal year ending June 30.

These rules are intended to implement Iowa Code chapter 161A.