# RA 26-233

# EMPLOYMENT APPEAL BOARD[486]

**Regulatory Analysis**

Notice of Intended Action to be published: 486—Chapter 15
"Internal Conduct of Employee Organizations"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 20.6(5)

State or federal law(s) implemented by the rulemaking: 2024 Iowa Acts, Senate File 2385, and Iowa Code chapter 20

*Public Hearing*

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

| | |
|---|---|
| September 24, 2026<br>9 a.m. | Via videoconference:<br>meet.google.com/hxy-euaj-uzq |

*Public Comment*

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

Christine Louis
Employment Appeal Board
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: eab.elections@eab.iowa.gov

*Purpose and Summary*

This proposed rulemaking includes revisions to administrative rules based on the requirements of Executive Order 10 and statutory changes based on 2024 Iowa Acts, Senate File 2385. This proposed rulemaking provides procedural rules that govern the internal conduct of employee organizations involved in public collective bargaining.

This chapter is being moved from the legacy Public Employee Relations Board agency number [621] to a new chapter within the Employment Appeal Board agency number [486]. These rules were previously located in 621—Chapter 8.

The rules under legacy agency number [621] are proposed to be rescinded and reserved herein (**RA 26-246**, IAB 8/19/26).

All references to 486—Chapter 18 are to those as published herein as **RA 26-236**, IAB 8/19/26.

*Analysis of Impact*

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

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

There is no additional expected cost to the State or individuals.

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

Public sector employers, employees, and employee organizations and Board staff will benefit from this proposed rulemaking.

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

- **Quantitative description of impact:**

There is no expected economic impact created by this proposed rulemaking.

- **Qualitative description of impact:**

There is no expected economic impact created by this proposed rulemaking.

3. **Costs to the State:**

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

There is no expected economic impact created by this proposed rulemaking.

- **Anticipated effect on State revenues:**

There is no expected economic impact created by 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:**

No alternative methods were considered.

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

The changes are mandated by statute and executive order.

*Small Business Impact*

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

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

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

There is no expected impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Adopt the following **new** 486—Chapter 15:

CHAPTER 15
INTERNAL CONDUCT OF EMPLOYEE ORGANIZATIONS

**486—15.1(20) Requirements.**

**15.1(1)** *Certification requirements.* An employee organization may not be certified by the appeal board as the exclusive representative of a bargaining unit until that employee organization has uploaded in Superb, the appeal board's database, a complete registration report, its constitution and bylaws, and an annual report.

**15.1(2)** *Bylaw and constitution requirement.* Changes or amendments to a certified employee organization's constitution or bylaws will not be recognized until that certified employee organization has uploaded in Superb both a complete registration report and its constitution and bylaws.

**15.1(3)** *Petitions to amend certification.* A certified employee organization's filing of a petition to amend its certification will not be accepted until that certified employee organization has uploaded in Superb a complete registration report, its constitution and bylaws, and an annual report.

**486—15.2(20) Registration report.** An employee organization shall file a complete registration report:

**15.2(1)** Before the employee organization may be certified as the exclusive representative of a bargaining unit; and

**15.2(2)** Whenever changes or amendments are made to its constitution or bylaws after the employee organization has been certified; and

**15.2(3)** When the certified employee organization files a petition to amend its certification.

**486—15.3(20) Constitution and bylaws.**

**15.3(1)** *Time of filing.* An employee organization shall file its constitution and bylaws:

*a.* Before the employee organization may be certified as the exclusive representative of a bargaining unit; and

*b.* Whenever changes or amendments are made to its constitution or bylaws after the employee organization has been certified; and

*c.* When the certified employee organization files a petition to amend its certification.

**15.3(2)** *Form and content.*

*a.* The constitution or bylaws of every employee organization shall contain the information required by Iowa Code section 20.25 and be uploaded in Superb.

*b.* The employee organization's national or international constitution and bylaws will be accepted in lieu of the employee organization's constitution and bylaws provided that such national or international constitution and bylaws conform to the requirements of Iowa Code section 20.25.

**486—15.4(20) Annual report.**

**15.4(1)** *Time of filing.* A certified employee organization shall file a complete annual report within 90 days following the certified employee organization's fiscal year end.

**15.4(2)** *Form and content.* The annual report must be on the form on the appeal board's website. The annual report must also be uploaded in Superb and contain the information required by Iowa Code section 20.25.

*a.* The financial report that must accompany the annual report must contain the following information: the cash balance from the previous year; a listing of sources and amounts of income; an identified listing of disbursements; and a closing balance. For the first annual report filed by an employee organization, the financial report shall reflect the last completed fiscal year of the organization or, in the case of a new organization, the last completed quarter or quarters of the current fiscal year. For annual reports filed mid-fiscal year, the financial report must reflect the last completed quarter of the current fiscal year.

*b.* The audit that accompanies the annual report must include a statement that the financial report has been reviewed and found to be true and accurate. The audit must be signed by an auditing committee or a person or persons who hold no office in the employee organization and who did not prepare the financial report.

*c.* All annual reports must contain the name of any person required to be bonded by rule 486—15.5(20), the amount of that bond, and the name of the corporate surety company that issued the bond.

**486—15.5(20) Bond required.** Every person required by Iowa Code section 20.25(3)*"c"* to be bonded shall be bonded to provide protection against loss by reason of act of fraud or dishonesty on the part of such person, directly or through connivance with others.

**15.5(1)** *Bond requirements.* The bond of each such person shall be fixed at the beginning of the employee organization's fiscal year and shall be in an amount of not less than 10 percent of the funds handled by such person or that person's predecessor, if any, during the preceding fiscal year. The bond may not be less than $2,000 nor more than $500,000. If the employee organization or the trust in which an employee organization is interested does not have a preceding fiscal year, the amount of the bond may not be less than $2,000. Such bonds must have a corporate surety company as surety thereon.

**15.5(2)** *Prohibitions.* No person will be permitted to receive, handle, disburse or otherwise exercise control of the funds or other property of an employee organization or of a trust in which an employee organization is interested unless that person is covered by a bond as set forth in subrule 15.5(1). No such bond may be placed through an agent or broker or with a surety company in which any employee organization or any officer, agent, shop steward or other representative of an employee organization has any direct or indirect interest.

**486—15.6(20) Trusteeships.**

**15.6(1)** *Application and establishment.* Prior to establishing a trusteeship, an organization shall file an application to establish or administer a trusteeship over a subordinate employee organization certified by the appeal board. The organization shall attach a copy of its constitution and bylaws to its application.

*a.* The appeal board will review the organization's constitution and bylaws and permit the establishment of a trusteeship if the trusteeship procedures are reasonable.

*b.* Trusteeships may be established or administered by an organization over a subordinate employee organization only in accordance with the constitution or bylaws of the organization that has assumed trusteeship over the subordinate body and for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures or otherwise carrying out the legitimate objectives of the employee organization.

**15.6(2)** *Reports.*

*a.* Every organization that assumes trusteeship over any subordinate employee organization shall file with the appeal board within 30 days after the imposition of any such trusteeship, and semiannually thereafter, a report, signed by its president and treasurer or corresponding principal officers, as well as by the designated trustees of such subordinate employee organization. The report must contain the following information:

(1) The name and address of the subordinate employee organization;

(2) The date of the establishment of the trusteeship;

(3) A detailed statement of the reason for the establishment or the continuation of the trusteeship; and

(4) The nature and extent of participation by the membership of the subordinate employee organization in the selection of delegates to represent such employee organization in regular or special conventions or other policy-determining bodies and in the election of officers of the organization that has assumed trusteeship over the employee organization.

*b.* The initial report of the establishment of the trusteeship must include a full and complete account of the financial condition of the subordinate employee organization as of the time trusteeship was assumed over it.

**15.6(3)** *Continuing duty to report.* During the continuance of a trusteeship, the organization that has assumed trusteeship over a subordinate employee organization shall file on behalf of the subordinate employee organization all reports required by this chapter. Such reports must be signed by the president and treasurer or corresponding principal officers of the organization that has assumed such trusteeship and the designated trustees for the subordinate employee organization.

**15.6(4)** *Method of filing.* The application and any required reports must be electronically filed in the electronic document management system (EDMS) pursuant to 486—Chapter 18.

**486—15.7(20) Failure to comply with employee organization requirements.**

**15.7(1)** *Upon completion of a valid certification election.* If an employee organization fails within 90 days following the completion of a valid certification election to file a registration report, its constitution and bylaws, or an annual report or fails to otherwise comply with Iowa Code section 20.25, the appeal board will not certify the employee organization and will serve notice of noncertification. The appeal board may grant extensions of time for good cause.

**15.7(2)** *Failure to file reports once certified.* If an employee organization fails to file a registration report, its constitution and bylaws, or an annual report or fails to otherwise comply with Iowa Code section 20.25, the agency appeal board may revoke the certification of the employee organization.

**15.7(3)** *Complaints by affected parties.*

*a.* Any affected person may file with the appeal board a complaint that an employee organization has violated Iowa Code section 20.25. The complaint and all subsequent documents in the case must be filed in the appeal board's EDMS pursuant to 486—Chapter 18. The matter will be assigned a case number and all subsequent documents in that proceeding before the appeal board must be filed under the same case number.

*b.* Upon receipt of a complaint, the appeal board will serve copies of the complaint upon the employee organization by electronic means when possible and, where service by electronic means is not possible, by personal service as provided in the Iowa Rules of Civil Procedure; by certified mail, return receipt requested; by first-class mail; or by publication as provided in the Iowa Rules of Civil Procedure.

*c.* The appeal board shall conduct a preliminary investigation of the alleged violation. In conducting the investigation, the appeal board may require the production of evidence, including affidavits and documents. If the investigation shows there is no reasonable cause to believe a violation has occurred, the complaint will be dismissed and the parties notified.

*d.* If the investigation shows reasonable cause to believe a violation has occurred, the appeal board may transmit the matter to the administrative hearings division created by Iowa Code section 10A.801. The board will file a transmittal form with a copy of the complaint and answer attached. After the matter is transmitted, future filings must be made in the administrative hearings division's administrative electronic document management system.

*e.* After the case is transmitted to the administrative hearings division, it will be assigned a case number. The administrative hearings division will assign the proceeding to an administrative law judge to serve as a presiding officer. The administrative law judge will issue a notice for a prehearing conference or a notice of hearing.

*f.* The contested case proceeding will be conducted pursuant to 481—Chapter 10 and any other administrative rule applicable to the specific type of proceeding.

*g.* The proposed decision of the presiding officer may be reviewed by the appeal board in accordance with rules 7—2506.27(17A) and 7—2506.28(17A).

These rules are intended to implement Iowa Code chapter 20.