

CHAPTER 24
BLUFFLANDS PROTECTION PROGRAM AND REVOLVING LOAN FUND

571—24.1(161A) Purpose. The purpose of this chapter is to establish policies and procedures for the administration of the blufflands protection revolving loan fund program. The fund was established by 1999 Iowa Acts, chapter 1219, section 17, to provide assistance to private conservation organizations in the acquisition and protection of significant blufflands along the Iowa side of the Mississippi River and Missouri River.

571—24.2(161A) Allocation of funds. As specified in Iowa Code section 161A.80, 50 percent of available funds shall be allocated to projects on the Missouri River blufflands and 50 percent to projects on the Mississippi River blufflands.

571—24.3(161A) Definitions. For the purpose of this rule:

“*Blufflands*” means a cliff, headland, or hill with a broad, steep face along the channel or floodplain of the Missouri River or Mississippi River and their tributaries.

“*Conservation organization*” means a nonprofit corporation incorporated in Iowa or an entity organized and operated primarily to enhance and protect natural resources in this state.

“*Fund*” means the bluffland protection revolving fund established in Iowa Code section 161A.80.

“*State-owned lands*” means lands in which the state holds the fee title through acquisition and lands in which the state holds title by virtue of its sovereignty, including the beds of the Mississippi River and Missouri River.

571—24.4(161A) Types of acquisitions. Organizations meeting the definition of conservation organization are eligible to receive loans from the fund for the purchase of bluffland properties adjacent to state-owned public lands. Acquisition must be fee simple and title to lands purchased must be free of encumbrances, unless approved by the director on the recommendation of the attorney general. Loan applicants shall submit an abstract of title to lands to be purchased with loans from the fund for examination by the attorney general prior to issuance of any loan.

571—24.5(161A) Application for loans. Conservation organizations shall apply for loans on forms and at times announced by the department as sufficient moneys are available in the fund. Applications shall clearly identify the applicant and give a complete description of the area to be acquired, the expected date of acquisition, and planned long-term use and management of the land to be acquired.

571—24.6(161A) Approval of loan applications. The director shall appoint a committee to review loan applications and the committee shall make appropriate recommendations to the director. If applications exceed funds available, the committee shall evaluate the proposals using criteria established in the department’s land acquisition priority plan. The director shall present loans and projects recommended for funding or nonfunding to the natural resource commission for informational purposes.

571—24.7(161A) Interest and other terms of loan agreements. Loans shall be for a maximum term of five years with payment due at the end of the loan term. At the end of the loan term, an appropriate conservation easement approved by the department shall be in effect unless the fee title is conveyed to a public entity in trust to be held for conservation purposes. Simple interest at an annual rate of 4 percent shall accrue on the principal amount of the loan and shall be payable with the principal at the end of the loan term. However, interest shall be waived for the period commencing with the effective date of an approved conservation easement. All interest shall be waived if the fee title is conveyed to a public entity in trust for conservation purposes. The loan agreement and documents establishing security for the loan shall be in a form approved by the department and the attorney general. The applicant shall execute and deliver a first mortgage in favor of the state of Iowa acting through the department of natural resources or provide equivalent security to secure the principal and interest due on the loan. The mortgage shall contain provisions for foreclosure in accordance with Iowa Code chapter 654.

571—24.8(161A) Eligible expenditures with loan funds. Loan funds shall be limited to the following: land purchase, usual and customary incidental costs (not including personnel, staff time, and administrative overhead), land appraisal fees and land survey fees.

571—24.9(161A) Custody and management of land during loan term. Loan recipients must hold title to blufflands acquired throughout the term of the loan. Where practicable, lands purchased with loan funds shall be available for public use under terms and conditions stated in the loan agreement. If the bluffland is sold before the end of the loan term, it must first be offered to a governmental entity. If no governmental entity agrees to purchase the land, it may be sold to a private buyer provided title is first encumbered by a conservation easement granted to the conservation organization or the state of Iowa or its political subdivisions. The easements shall ensure that the natural, scenic or cultural resources of the bluffland are permanently protected. If the bluffland is sold before the end of the loan term, the loan balance shall become due immediately at the time of sale. A loan recipient may enter into agreements, at any time, with governmental entities for the care, management and public use of lands purchased with loan funds.

571—24.10(161A) Loans not to exceed appraised value. Loan recipients may be required to submit to the department an appraisal of land to be acquired with loan funds. The department shall review the appraisal and certify that it is fair and accurate. Loans from the fund shall not exceed the appraised value of the land to be acquired plus approved incidental expenses listed in rule 571—24.8(161A).

These rules are intended to implement Iowa Code section 161A.80.

[Filed emergency 8/20/99 after Notice 6/30/99—published 9/8/99, effective 8/20/99]