

27—40.74(207) Civil penalties. The following is incorporated by reference: 30 CFR Part 845, as in effect on July 1, 2010, with the following exceptions:

40.74(1) Delete from 30 CFR 845.13(b)(1) the words “One point shall be assigned for each past violation contained in a notice of violation” and insert the words “One point shall be assigned for each past notice of violation of a similar nature”.

40.74(2) Delete 30 CFR 845.1.

40.74(3) Delete from 30 CFR 845.2 the words “section 518 of the Act” and insert the words “Iowa Code section 207.15”.

Delete from 30 CFR 845.15(b) the words “section 521(a) of the Act” and insert the words “Iowa Code section 207.14”.

Delete from 30 CFR 845.15(b)(1)(i) the words “section 525(c) of the Act” and insert the words “Iowa Code section 207.14, subsection 7”.

Delete from 30 CFR 845.15(b)(1)(ii) the words “section 526 of the Act” and “section 526(c) of the Act” and insert the words “Iowa Code section 207.15”.

Delete from 30 CFR 845.15(b)(2) the words “section 518(e), 518(f), 521(a)(4), or 521(c) of the Act” and insert the words “Iowa Code sections 207.15(6), 207.15(7), 207.14(3) or 207.14(8)”, respectively.

Delete from 30 CFR 845.15(b)(1)(i) the words “Office of Hearings and Appeals” and insert the word “division”.

40.74(4) Delete from 30 CFR 845.17(c) the phrase “Unless a conference has been requested,” and add a new sentence to the end of the paragraph that reads “The reassessment shall be served as a Notice of Assessment.”

40.74(5) “Procedures for assessment conference” are created by deleting 30 CFR 845.18 and establishing procedures for the same in this subrule.

a. The division will arrange for an assessment conference to review the Notice of Assessment, upon written request of the person to whom notice or order was issued, if the request is received within 30 days from the date the Notice of Assessment is mailed.

b. The division administrator or the administrator’s designee shall hold the assessment conference.

(1) The assessment conference shall be considered an informal proceeding and shall not be governed by Iowa Code chapter 17A, regarding requirements for formal adjudicatory hearings. The assessment conference shall be held within 60 days of the date the conference request is received or the end of the abatement period, whichever is later. However, failure by the division to hold such a conference within 60 days from the date of the conference request shall not be grounds for dismissal of all or part of an assessment unless the person against whom the proposed penalty has been assessed proves actual prejudice as a result of the delay.

(2) The division shall post notice of the time and place of the conference at least five days prior to the conference. Any person shall have a right to attend and participate in the conference.

(3) The division administrator or the administrator’s designee shall consider all relevant information on the violation. Within 30 days after the conference is held, the division shall either:

- Settle the issues, in which case a settlement agreement shall be prepared and signed by the permittee and the division; or

- Affirm, raise, lower, or vacate the penalty.

c. The division shall promptly serve the person assessed with a notice of the agency’s action in the manner provided in 30 CFR 845.17(b), and shall provide a worksheet if the penalty has been raised or lowered. The reasons for the conference officer’s actions shall be fully documented in the file.

d. Terms of settlement agreement.

(1) If a settlement agreement is entered into, the person assessed will be deemed to have waived all rights to further review of the violation or penalty in question except as otherwise expressly provided for in the settlement agreement. The settlement agreement shall contain a clause to this effect.

(2) If full payment of the amount specified in the settlement agreement is not received by the division within 30 days after the date of signing the settlement agreement, the division may enforce the agreement or rescind it and either affirm, raise, lower, or vacate the penalty within 30 days from the date of the rescission.

e. The division may terminate the conference when the administrator or the administrator's designee determines that the issues cannot be resolved or that the person assessed is not diligently working toward resolution of the issues.

f. No evidence as to statements made or evidence produced by one party at a conference shall be introduced as evidence by another party or to impeach a witness at a subsequent contested case or judicial proceeding.

40.74(6) Procedures to prepare a Request for a Hearing are created by deleting 30 CFR 845.19 and establishing procedures for the same in this subrule.

a. The person charged with the violation may contest the proposed penalty or the fact of the violation by submitting a petition and an amount equal to the proposed penalty, or if a conference has been held, the reassessed or affirmed penalty to the division (to be held in escrow as provided for in paragraph "*b*" of this subrule) within 30 days of receipt of the proposed assessment or reassessment or 30 days from the date of service of the division's action, whichever is later. The fact of the violation may not be contested if it has been decided in a review proceeding commenced under subrule 40.73(7).

b. The division shall hold all funds submitted under paragraph "*a*" of this subrule in an interest-bearing escrow fund, pending completion of the administrative and judicial review process, at which time funds shall be disbursed as provided in subrule 40.74(7). Interest shall accrue at the prevailing earnings rate for the fiscal year for the pooled investment fund of the State of Iowa.

40.74(7) Procedures for determining Final Assessment are created by deleting 30 CFR 845.20 and establishing procedures for the same in this subrule.

a. If the person to whom a notice of violation or cessation order is issued fails to request a hearing as provided in 40.74(6) "*a*," the Notice of Assessment shall become a final order of the division and the penalty assessed shall become due and payable upon expiration of the time allowed to request a hearing.

b. If any party requests judicial review of a final order of the division, the proposed penalty shall continue to be held in escrow until completion of the review.

c. If the final decision in the administrative and judicial review results in an order reducing or eliminating the proposed penalty assessed under this subrule, the division shall within 30 days of receipt of the order refund to the person assessed all or part of the escrowed amount, with interest from the date of payment into escrow to the date of the refund.

d. If the review results in an order increasing the penalty, the person or entity to whom the notice or order was issued shall pay the difference to the division within 15 days after the order is mailed to such person.

40.74(8) Use of civil penalties for reclamation. In accordance with Iowa Code section 207.10(6), the division may expend funds collected from civil penalties to perform reclamation work on sites where the bond has been forfeited and additional funds are needed to complete the reclamation of the site.

40.74(9) Delete 845.21.

[ARC 9575B, IAB 6/29/11, effective 8/3/11]