

571—33.14(455A) Penalties. Whenever any property, real or personal, acquired or developed with REAP funds passes from the control of the grantee or is used for purposes other than the approved project purpose, it will be considered an unlawful use of the funds. If a grantee desires to use the approved funds for a purpose other than the approved project purpose that is an approved use of funds under the provisions of Iowa Code chapter 455A and these rules, the grantee shall seek an amendment to the project purpose by following the provisions provided in this rule. The department shall notify the grantee of any such violation.

33.14(1) *Remedy.* Funds used without authorization, for purposes other than the approved project purpose, or unlawfully must be returned to the department for deposit in the account of the REAP fund from which they were originally apportioned. In the case of diversion of property acquired with REAP fund assistance, property of equal value at current market prices and with similar open space benefits may be acquired with local, nongrant funds to replace it. Such replacement must be approved by the appropriate review and selection committee and the director. In the case of diversion of personal property, the grantee shall remit to the department at the current valuation of the real estate. The grantee shall have a period of two years after notification by the department in which to correct the unlawful use of funds. The remedies provided in this subrule are in addition to others provided by law.

33.14(2) *Land disposal.* Whenever the department, and, if a city or county, the grantee, determine that land acquired or developed with REAP fund assistance is no longer of value for the program purposes, or that the grantee can show good cause why the land should no longer be used in accord with the approved project purpose, the land may be disposed of with the director's approval and the proceeds therefrom used to acquire or develop an area of equal value, or the grantee shall remit to the department funds at the current valuation of the real estate for inclusion in the account from which the grant was originally made. If land acquired through the private grant program is determined to be no longer of interest by the state, the proposed dispersal of the property shall be reviewed by the grantee, and the grantee shall have the first right of refusal on an option to take title to the property in question. For projects that only received developmental money, the life of the project is deemed closed after a period of 20 years from the date of the original grant; repayment of the grant will not be required.

33.14(3) *Ineligibility.* Whenever the director determines that a grantee is in violation of this rule or in violation or noncompliance with other grants administered by the department, that grantee shall be ineligible for further assistance until the matter has been resolved to the satisfaction of the commission.

[ARC 7910C, IAB 5/1/24, effective 6/5/24]