



IOWA ADMINISTRATIVE BULLETIN

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PREFACE

The Iowa Administrative Bulletin is published in pamphlet form biweekly pursuant to Iowa Code Chapter 17A and supersedes Part I of the Iowa Administrative Code Supplement.

The Bulletin contains Notices of Intended Action on rules, Filed and Filed Emergency rules by state agencies [continue to refer to General Information for drafting style and form], all proclamations and executive orders of the Governor which are general and permanent in nature, and other "materials deemed fitting and proper by the Administrative Rules Review Committee."

The Bulletin may also contain economic impact statements to proposed rules and filed emergency rules, objections filed by Administrative Rules Review Committee, Governor or the Attorney General, any delay by the Committee of the effective date of filed rules, regulatory flexibility analyses and agenda for monthly committee meetings.

PLEASE NOTE: *Italics* indicate new material added to existing rules; ~~strike through letters~~ indicate deleted material.

The ARC number which appears before each agency heading is assigned by the Administrative Rules Coordinator for identification purposes and should always be used when referring to this item in correspondence and other communications.

The Iowa Administrative Code Supplement is also published every other week in loose-leaf form, pursuant to Iowa Code section 17A.6. It contains replacement pages for the Iowa Administrative Code. These replacement pages incorporate amendments to existing rules, new rules or emergency or temporary rules which have been filed with the administrative rules coordinator and published in the Bulletin.

PHYLLIS BARRY, Deputy Code Editor
LAVERNE SWANSON, Administrative Code Assistant
DONNA WATERS, Administrative Code Assistant

Phone: (515) 281-3355
(515) 281-8157

PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
23	Friday, April 17, 1987	May 6, 1987
24	Friday, May 1, 1987	May 20, 1987
25	Friday, May 15, 1987	June 3, 1987

SUBSCRIPTION INFORMATION

Iowa Administrative Bulletin

The Iowa Administrative Bulletin is sold as a separate publication and may be purchased by subscription or single copy. All subscriptions will expire on June 30 of each year. Subscriptions must be paid in advance and are prorated quarterly as follows:

First quarter	July 1, 1986, to June 30, 1987	\$133.00 plus \$5.32 sales tax
Second quarter	October 1, 1986, to June 30, 1987	\$ 99.50 plus \$3.98 sales tax
Third quarter	January 1, 1987, to June 30, 1987	\$ 67.00 plus \$2.68 sales tax
Fourth quarter	April 1, 1987, to June 30, 1987	\$ 33.50 plus \$1.34 sales tax

Single copies may be purchased for \$4.00 plus \$0.16 tax. Back issues may be purchased if the issues are available.

Iowa Administrative Code

The Iowa Administrative Code and Supplements are sold in complete sets and subscription basis only. All subscriptions for the Supplement (replacement pages) must be for the complete year and will expire on June 30 of each year.

Prices for the Iowa Administrative Code and its Supplements are as follows:

Iowa Administrative Code - \$700.00 plus \$28.00 sales tax

(Price includes Volumes I through XII, index and binder, plus a one-year subscription to the Code Supplement and the Iowa Administrative Bulletin. Additional or replacement binders can be purchased for \$3.00 plus \$0.12 tax.)

Iowa Administrative Code Supplement - \$211.00 plus \$8.44 sales tax

(Subscription expires June 30, 1987)

All checks should be made payable to the Iowa State Printing Division. Send all inquiries and subscription orders to:

Iowa State Printing Division
Grimes State Office Building
Des Moines, IA 50319
Phone: (515) 281-5231

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Paper*

ATTENTION

ADMINISTRATIVE RULES COMPUTERIZATION

The Reorganization Act of 1986, Chapter 1245, Section 2044, requires the Code Editor to conduct a feasibility study on the computerization of the Iowa Administrative Code. In order to assist the Code Editor in the study, a Task Force has been formed under the auspices of the Legislative Service Bureau and the Legislative Computer Support Bureau. The Task Force is studying the desirability and feasibility of a system to computerize the Iowa Administrative Code and the rule-making process. Both agency personnel and the general public could have access to such a system.

The members of the Task Force are:

Donovan Peeters
Director, LSB

Phyllis Barry
Deputy Code Editor

Donna Waters
Code Editor's Office

Kristi Little
Superintendent of Printing

Joe Royce
Counsel, ARRC

Sandy Scharf
Director, LCSB

Barbara Burnett
Rules Coordinator

Linda Schlenker
Information Systems Division

Vern Lundquist
Former Superintendent of Printing

Anne Nolan
Software Analyst, LCSB

The Task Force has been studying this issue for the past few months. The members have studied the manner in which the Administrative Code is currently developed and distributed. They have discussed features of a computerized system that could make the system easier to use and reduce production costs. The Task Force would like your comments.

The study has revealed little automation in the current system—many drafters are developing rules on a word processor; submitting them on paper to the Administrative Rules Coordinator, but also transmitting the computer text to the Printing Division when it is time to publish the rule in the Iowa Administrative Bulletin.

The Task Force envisions a system with the entire Iowa Administrative Code stored on a central computer (sometime within the next three to four years). Such a system could offer features for both the drafters and users of rules. Potential features which have been discussed are:

For rules users:

On-line search of the Administrative Code, similar to that available for the Code of Iowa.

Allowing subscriptions to selected portions of the Iowa Administrative Code.

Historical searching—using a large-volume storage device to start collecting a copy of the Administrative Code each time it changes.

Possible elimination of the need to insert new pages in binders each time an update is received, by reducing the frequency of updates and distributing new segments rather than update pages.

For rules drafters:

Copying the current rule from the central base to a local word processor or PC, then sending the new version back to begin the rule-making process. Editing and publishing preparation would be done on the mainframe, eliminating retyping of paper copies. The central rules base would save storage space on the local word processing equipment, and would ensure that a rule about to be modified is available in its most current version.

Making formats of commonly used rules forms available on the system so that completing them becomes a "fill in the blank" process.

Storing the "docket" required by Uniform Rules.

Please take a few moments to complete and return the attached questionnaire. Your comments will assist the task force in its work. If you have any questions, comments, or suggestions, please contact:

Donovan Peeters
Legislative Service Bureau
State Capitol
(515) 281-3566



QUESTIONNAIRE

This questionnaire is directed to both the general public and agency personnel. To assist in the computerization study, it would be helpful to have your comments concerning what you need in a computer system and what you would like in additional services.

Please take a few minutes to fill out this questionnaire, and feel free to make additional comments or suggestions. Return to:

IOWA CODE OFFICE
Attn: Phyllis Barry
Deputy Code Editor
Lucas State Office Building
Des Moines, IA 50319

1. If the option were available, would you subscribe to only particular agency rules instead of the entire Iowa Administrative Code?

Yes _____ No _____

Comments?

2. Which agency rules would you subscribe to?

Comments?

3. Would you favor reducing the number of Iowa Administrative Code Supplements from twenty-six updates per year to six? (Note: It would be necessary to refer to up to the last five Bulletins.)

Yes _____ No _____

Comments?

4. Would you favor eliminating the system of replacement pages and instead periodically replacing either whole volumes or segments within volumes? (Note: Publication would be less frequent.)

Yes _____ No _____

Comments?

5. Do you believe it is necessary to update the Iowa Administrative Code every two weeks?

Yes _____ No _____

Comments?

6. Does your office have any word processors, personal computers, or other types of data processors?

Yes _____ No _____

Comments?

7. a. If so, what brands?

b. Do you anticipate replacing them in the next two years?

Yes _____ No _____

Comments?

8. Would you be interested in subscribing to on-line access to the Iowa Administrative Code?

Yes _____ No _____

Comments?

9. Would an on-line search of the rules be useful to you?

Yes _____ No _____

Comments?

10. Would a tracking system that identifies where all proposed rules are in the rule-making process be useful to you?

Yes _____ No _____

Comments?

11. Would you subscribe to a microfiche version?

Yes _____ No _____

Comments?

12. What general comments do you have? Could you suggest improvements you would like to see in the current system?

Comments?

Name _____

Agency/Company/Firm _____

Address _____

Telephone _____

Schedule for Rule Making 1987

FILING DEADLINE	NOTICE PUB. DATE	HEARING OR COMMENTS 20 DAYS	FIRST POSSIBLE ADOPTION DATE 35 DAYS	ADOPTED PUB. DATE	FIRST POSSIBLE EFFECTIVE DATE	POSSIBLE EXPIRATION OF NOTICE 180 DAYS
Jan. 9	Jan. 28	Feb. 17	Mar. 4	Mar. 25	Apr. 29	July 27
Jan. 23	Feb. 11	Mar. 3	Mar. 18	Apr. 8	May 13	Aug. 10
Feb. 6	Feb. 25	Mar. 17	Apr. 1	Apr. 22	May 27	Aug. 24
Feb. 20	Mar. 11	Mar. 31	Apr. 15	May 6	June 10	Sep. 7
Mar. 6	Mar. 25	Apr. 14	Apr. 29	May 20	June 24	Sep. 21
Mar. 20	Apr. 8	Apr. 28	May 13	June 3	July 8	Oct. 5
Apr. 3	Apr. 22	May 12	May 27	June 17	July 22	Oct. 19
Apr. 17	May 6	May 26	June 10	July 1	Aug. 5	Nov. 2
May 1	May 20	June 9	June 24	July 15	Aug. 19	Nov. 16
May 15	June 3	June 23	July 8	July 29	Sep. 2	Nov. 30
May 29	June 17	July 7	July 22	Aug. 12	Sep. 16	Dec. 14
June 12	July 1	July 21	Aug. 5	Aug. 26	Sep. 30	Dec. 28
June 26	July 15	Aug. 4	Aug. 19	Sep. 9	Oct. 14	Jan. 11 '88
July 10	July 29	Aug. 18	Sep. 2	Sep. 23	Oct. 28	Jan. 25 '88
July 24	Aug. 12	Sep. 1	Sep. 16	Oct. 7	Nov. 11	Feb. 8 '88
Aug. 7	Aug. 26	Sep. 15	Sep. 30	Oct. 21	Nov. 25	Feb. 22 '88
Aug. 21	Sep. 9	Sep. 29	Oct. 14	Nov. 4	Dec. 9	Mar. 7 '88
Sep. 4	Sep. 23	Oct. 13	Oct. 28	Nov. 18	Dec. 23	Mar. 21 '88
Sep. 18	Oct. 7	Oct. 27	Nov. 11	Dec. 2	Jan. 6 '88	Apr. 4 '88
Oct. 2	Oct. 21	Nov. 10	Nov. 25	Dec. 16	Jan. 20 '88	Apr. 18 '88
Oct. 16	Nov. 4	Nov. 24	Dec. 9	Dec. 30	Feb. 3 '88	May 2 '88
Oct. 30	Nov. 18	Dec. 8	Dec. 23	Jan. 13 '88	Feb. 17 '88	May 16 '88
Nov. 13	Dec. 2	Dec. 22	Jan. 6 '88	Jan. 27 '88	Mar. 2 '88	May 30 '88
Nov. 27	Dec. 16	Jan. 5 '88	Jan. 20 '88	Feb. 10 '88	Mar. 16 '88	June 13 '88
Dec. 11	Dec. 30	Jan. 19 '88	Feb. 3 '88	Feb. 24 '88	Mar. 30 '88	June 27 '88
Dec. 25	Jan. 13 '88	Feb. 2 '88	Feb. 17 '88	Mar. 9 '88	Apr. 13 '88	July 11 '88

20 days from the publication date is the **minimum** date for a public hearing or cutting off public comment.

35 days from the publication date is the **earliest** possible date for the agency to consider a noticed rule for adoption. It is the regular effective date for an adopted rule.

180 days See 17A.4(1)"b." If the agency does not adopt rules within this time frame, the Notice should be terminated.

NOTICE

Beginning on June 14, 1985, the deadline for filing rules with the office of the Administrative Rules Coordinator will be **12 o'clock noon** rather than 4:30 p.m.

Rules will not be accepted after 12 o'clock noon on the Friday filing deadline days unless prior approval has been received from the Administrative Rules Coordinator's office.

UNIFORM RULES OF STATE AGENCY PROCEDURE

Governor Terry E. Branstad appointed a nine-member Task Force in the summer of 1985 to draft uniform rules of agency procedure.

On December 5, 1986, the Task Force presented a report to the Governor. The Governor has accepted the Task Force recommendations on agency procedure for rule making which have been printed at the front of the Iowa Administrative Code for adoption by state agencies. [Green Tab — Uniform Rules]

The Administrative Rules Review Committee will hold a special meeting Tuesday, May 19, 1987, 10 a.m. and Wednesday, May 20, 1987, 9 a.m. in Committee Room 24, State Capitol. The meeting will be held in lieu of the statutory date. The following rules will be reviewed:

DIVISION I		Bulletin
Rules under Notice and Filed Emergency Rules		
AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]		
Livestock importation, 30—17.5(2)"b""1" ARC 7546, also filed emergency ARC 7545		4/22/87
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Emergency shelter grants program, ch 24, filed emergency ARC 7504		4/8/87
Ambassador's program, ch 57 ARC 7506, also filed emergency ARC 7505		4/8/87
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Administration, 1.1(2) to 1.1(5), 1.2(3), 1.2(5) ARC 7501		4/8/87
HUMAN SERVICES DEPARTMENT[441]		
Food stamp program, administration of, 65.3, filed emergency ARC 7529		4/22/87
Food stamp program—verification of deductible expenses, resources, 65.22(2) to 65.22(6), 65.30 ARC 7535		4/22/87
Medical assistance, eligibility, 75.1(25) ARC 7533		4/22/87
Amount, duration and scope of medical and remedial services, 78.1(2)"e," 78.1(11), 78.1(14), 78.4(1), 78.10, 78.28(1) ARC 7498		4/8/87
Amount, duration and scope of medical and remedial services—psychologists, 78.24(2)"a" to "d" ARC 7534		4/22/87
Collection services center, ch 97, filed emergency after Notice ARC 7530		4/22/87
Purchase of adoption services, 157.1, 157.2(3), 157.2(4), 157.3(5), 157.4, 157.5, filed emergency after Notice ARC 7528		4/22/87
INDUSTRIAL SERVICES DIVISION[343]		
Contested cases, 4.2, 4.27 ARC 7539		4/22/87
INSPECTIONS AND APPEALS DEPARTMENT[481]		
Program integrity section, ch 14 ARC 7537		4/22/87
Health facilities, ch 30 ARC 7512		4/8/87
JOB SERVICE DIVISION[345]		
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Bulletin

AGRICULTURAL DEVELOPMENT AUTHORITY[25]

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AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Iowa-foaled horses and Iowa-whelped dogs, 30—14.41 ARC 7543 4/22/87

BANKING DIVISION[187]

Amend, transfer rules 140—chs 1 to 4, 8, 9, and 21 and 130—ch 1 to agency number 187, renumber 140—ch 21 as 187—ch 15 and 130—ch 1 as 187—ch 16, new chs 5 and 6 ARC 7532 4/22/87

HUMAN SERVICES DEPARTMENT[441]

Program evaluation, ch 13 ARC 7523 4/22/87

ADC—unemployed parent, 42.4(3), 42.4(4) ARC 7524 4/22/87

Treatment of Medicaid qualifying trusts, 75.9 ARC 7525 4/22/87

Child care centers, family and group day care homes, 109.2(1)"i," 109.2(7), 109.3(6), 109.3(9), 109.5(2), 109.5(8), 109.6(4)"f" and "g," 109.6(6)"b," 109.7(4)"b" and "d," 109.9(1)"a," 110.5(12), 110.9(3)"e" ARC 7526 4/22/87

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INSPECTIONS AND APPEALS DEPARTMENT[481]

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Park user fee, 65.5(3) ARC 7511 4/8/87

PUBLIC HEALTH DEPARTMENT[470]

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Chiropractors—temporary certificates, utilization and cost control review, 141.18, 141.19 ARC 7541 4/22/87

REVENUE AND FINANCE DEPARTMENT[701]

Practice and procedure, 7.1, 7.2"12" to "14," 7.6"4," 7.8, 7.14, 7.23(2), 7.25 ARC 7542 4/22/87

UTILITIES DIVISION[199]

Practice and procedure—rehearings, 7.9(3) ARC 7520 4/8/87

Gas utilities—purchased gas adjustments, annual review of gas procurement practices, 19.10, 19.11, 19.2(4)"b" ARC 7536 4/22/87

To All Agencies:

At its December meeting the Administrative Rules Review Committee voted to request that Agencies comply with Iowa Code section 17A.4(1)"b" by allowing the opportunity for oral presentation (hearing) to be held at least twenty days after publication of Notice in the Iowa Administrative Bulletin.

AGENCY	HEARING LOCATION	DATE AND TIME OF HEARING
AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[30] Livestock importation, 17.5(2)"b" IAB 4/22/87 ARC 7546 (See ARC 7545, herein)	Conference Room Second Floor Wallace State Office Bldg. Des Moines, Iowa	May 18, 1987 1 p.m.
BLIND, DIVISION FOR THE[423] Department revision, chs 1 to 12 IAB 3/25/87 ARC 7481	Division Offices 524 Fourth St. Des Moines, Iowa	May 5, 1987 10 a.m.
CORRECTIONS DEPARTMENT[291] Visiting, amendments to ch 1 IAB 4/22/87 ARC 7544	Conference Room Corrections Department Jewett Bldg. Room 250 Des Moines, Iowa Courthouse State Penitentiary 31 Ave. G Ft. Madison, Iowa	May 12, 1987 1 to 4 p.m. May 12, 1987 1 to 4 p.m.
EMPLOYMENT SERVICES DEPARTMENT[341] Administration, amendments to ch 1 IAB 4/8/87 ARC 7501	Department of Employment Services 1000 East Grand Ave. Des Moines, Iowa	April 29, 1987 9:30 a.m.
INDUSTRIAL SERVICES DIVISION[343] Contested cases, 4.2, 4.27 IAB 4/22/87 ARC 7539	Hearing Room First Floor East Wing Employment Services Bldg. Des Moines, Iowa	May 12, 1987 9 a.m.
INSPECTIONS AND APPEALS DEPARTMENT[481] Health facilities, ch 30 IAB 4/8/87 ARC 7512 Program integrity section, ch 14 IAB 4/22/87 ARC 7537	Conference Room 248 Second Floor Lucas State Office Bldg. Des Moines, Iowa Conference Room 248 Second Floor Lucas State Office Bldg. Des Moines, Iowa	April 28, 1987 2 p.m. May 12, 1987 2 p.m.
JOB SERVICE DIVISION[345] Organization, amendments to chs 1, 3, and 4 IAB 4/8/87 ARC 7502	Department of Employment Services 1000 East Grand Ave. Des Moines, Iowa	April 29, 1987 9:30 a.m.
NATURAL RESOURCE COMMISSION[571] Motor regulations, 45.4(2) IAB 4/8/87 ARC 7508	Conference Room Fourth Floor Wallace State Office Bldg. Des Moines, Iowa	April 28, 1987 10 a.m.

RACING AND GAMING DIVISION[195]

Practice and procedure, ch 18
IAB 4/8/87 ARC 7497

Division Offices
1918 S.E. Hulsizer Ave.
Ankeny, Iowa

April 30, 1987
9 a.m.

RAILWAY FINANCE AUTHORITY[695]

Amend and transfer all rules
from [695] chs 1 to 4 to
[765] chs 1 to 4
IAB 3/11/87 ARC 7426

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 23, 1987

REGENTS BOARD[720]

Parietal rule at
University of Northern Iowa and
University of Iowa, 2.2(5), 2.36(5)
IAB 4/8/87 ARC 7500

Conference Room
Fifth Floor
Lucas State Office Bldg.
Des Moines, Iowa

April 29, 1987
10 a.m.

REVENUE AND FINANCE DEPARTMENT[701]

Productivity and net earning
capacity — agricultural realty,
71.12(1)
IAB 4/8/87 ARC 7513
(See ARC 7490 IAB 3/25/87)

Conference Room
Fourth Floor, Side 2
Hoover State Office Bldg.
Des Moines, Iowa

April 29, 1987
10 a.m.

TRANSPORTATION DEPARTMENT[820]

Transfer all rules from [820] to [761];
Miscellaneous amendments to
rules
IAB 3/11/87 ARC 7430

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Outdoor advertising,
amendments to (820)—[06,O]ch 5;
Logo signing, new ch 118
IAB 3/11/87 ARC 7413

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Outdoor advertising, 5.1(11),
5.7(1); Private directional
signing, new ch 120
IAB 3/11/87 ARC 7425

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Rescind [06,F] ch 8;
Real property acquisition
and relocation
assistance, new ch 111
IAB 3/11/87 ARC 7412

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Federal aid urban systems,
amendments to [06,Q] ch 10
IAB 3/11/87 ARC 7414

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Vehicle registration and
certificate of title,
amendments to [07,D] ch 11
IAB 3/11/87 ARC 7429

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Tourist oriented signing,
new ch 119
IAB 3/11/87 ARC 7424

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Driver licenses, rescind
[07,C] ch 13; License
examination, new ch 604
IAB 3/11/87 ARC 7415

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

April 28, 1987

Special permits for
operation and movement of
vehicles and loads of excess
size and weight, [07,F] 2.7 to 2.9
IAB 3/25/87 ARC 7478

Department of Transportation
Complex
800 Lincoln Way
Ames, Iowa

May 12, 1987

ARC 7546

**AGRICULTURE AND LAND
STEWARDSHIP DEPARTMENT[21]
NOTICE OF INTENDED ACTION**

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in §17A.4(1)"b", Iowa Code.

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3, 163.1, and 164.4, the Department of Agriculture and Land Stewardship hereby gives Notice of Intended Action to amend 30—Chapter 17, "Livestock Importation," Iowa Administrative Code.

The substance of this rule is also published herein as emergency adopted and implemented rule, **ARC 7545**. The purpose of this Notice is to solicit public comment on that submission, the subject matter of which is incorporated herein by this reference.

Any interested person may make written suggestions or comments on this rule prior to May 18, 1987. Such written materials should be directed to Dale M. Cochran, Secretary of Agriculture, Henry A. Wallace Building, Des Moines, Iowa 50319. All relevant comments received by that date will be considered. In addition, interested persons may present their views orally or in writing at a public hearing on May 18, 1987, at 1 p.m. in the Second Floor Conference Room of the Henry A. Wallace Building, East Ninth and Grand Avenue, Des Moines, Iowa.

**NOTICE — AGRICULTURAL
CREDIT CORPORATION
MAXIMUM LOAN RATE**

In accordance with the provisions of Iowa Code section 535.12, the Superintendent of Banking has determined that the maximum rate of interest that may be charged on loans by Agricultural Credit Corporations as defined in Iowa Code section 535.12, subsection 4, shall be:

October 1, 1985 — October 31, 1985	14.65%
November 1, 1985 — November 30, 1985	14.65%
December 1, 1985 — December 31, 1985	14.60%
January 1, 1986 — January 31, 1986	14.60%
February 1, 1986 — February 28, 1986	14.75%
March 1, 1986 — March 31, 1986	14.95%
April 1, 1986 — April 30, 1986	14.95%
May 1, 1986 — May 31, 1986	14.90%
June 1, 1986 — June 30, 1986	14.85%
July 1, 1986 — July 31, 1986	11.90%
August 1, 1986 — August 31, 1986	11.70%
September 1, 1986 — September 30, 1986	11.25%
October 1, 1986 — October 31, 1986	11.20%
November 1, 1986 — November 30, 1986	11.20%
December 1, 1986 — December 31, 1986	11.20%
January 1, 1987 — January 31, 1987	10.90%
February 1, 1987 — February 28, 1987	10.90%
March 1, 1987 — March 31, 1987	10.90%
April 1, 1987 — April 30, 1987	10.90%

ARC 7544

**CORRECTIONS DEPARTMENT[291]
TERMINATION OF NOTICE
AND
NOTICE OF INTENDED ACTION**

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)"b".

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 246.105, the Board of Corrections hereby gives Notice of Intended Action to rescind Chapter 21 and adopt a new Chapter 21, "Iowa State Penitentiary," Iowa Administrative Code.

Notice of Intended Action regarding this chapter was published in the September 10, 1986, Iowa Administrative Bulletin as **ARC 6915**. No action was taken on that Notice before the expiration of the 180-day period; therefore, **ARC 6915** is hereby terminated.

Visiting hours at the Iowa State Penitentiary, Fort Madison, will be revised to bring them into substantial compliance with the visiting conditions of the Hazen vs. Reagan settlement ruling by the U.S. Eighth Circuit, Southern District of Iowa. The Hazen settlement requires a total of fifty-six (56) hours of visiting per week of which twenty-four (24) hours must be scheduled on each weekend (Saturday and Sunday). This action removes Wednesday visiting and adds evening hours to all other visiting days except Thursday. With this change no institutions will allow visiting on Tuesdays and Wednesdays.

Any interested persons may make written suggestions or comments on these proposed rules no later than 4:30 p.m., May 12, 1987. Such written materials shall be sent to the Director, Department of Corrections, Jewett Building, Tenth and Grand, Des Moines, Iowa 50309.

A meeting will be held May 12, 1987, for the purpose of oral suggestions or comments from 1 p.m. to 4 p.m. in the Department of Corrections Conference Room, Jewett Building, Room 250, Tenth and Grand, Des Moines, Iowa, and from 1 p.m. to 4 p.m. in the Iowa State Penitentiary Courthouse, 31 Avenue G, Ft. Madison, Iowa. Directions to the I.S.P. Courthouse can be obtained from the officer located at the entrance to the I.S.P. grounds. Persons wishing to convey their views orally should contact the Director's office, 515/281-4811, at least one day prior to May 12, 1987.

These rules are intended to implement Iowa Code section 246.512.

Chapter 21 is rescinded and the following adopted in lieu thereof:

CHAPTER 21**IOWA STATE PENITENTIARY****291—21.1(246) Visiting.**

21.1(1) Visiting hours are 8 a.m. to 8 p.m. Monday, Friday, Saturday, and Sunday and 8 a.m. to 4 p.m. Thursday.

a. Weekday visits shall terminate after a maximum of four (4) hours or at the conclusion of visiting hours, whichever comes first.

b. Weekend or holiday visits shall terminate after a maximum of three (3) hours or at the conclusion of

CORRECTIONS DEPARTMENT[291] (cont'd)

visiting hours, whichever comes first. Visits may be extended at the discretion of the warden or the warden's designee when visitors must travel great distances or are able to make only rare visits.

21.1(2) Approved visitors may be allowed five (5) visits per month. The warden or designee may require that at least one (1) of the five (5) visits occur on a weekday.

21.1(3) Visitors of hospitalized inmates must have medical approval. Visits shall be limited to forty (40) minutes.

21.1(4) Visits between an attorney and inmate shall be permitted during normal business hours. Such visits during nonbusiness hours may be authorized by appointment.

21.1(5) Transferees from other correctional facilities shall not have visitors during the first two (2) days at this facility except at the discretion of the warden or designee.

21.1(6) Outer clothing garments and carry-in items in the visiting area must be approved by the warden or designee. Clutch purses are permitted upon approval of the warden or designee.

291—21.2(246) Visits for security unit inmates.

21.2(1) Visiting privileges may be granted to inmates at the discretion of the warden or designee. All general visiting rules of the institution as well as the additional rules for the security unit shall be followed.

21.2(2) Visits will normally be conducted in the no-contact visiting area located at the north end of the main visiting room.

21.2(3) An inmate shall have a maximum of three (3) visits per calendar month with a maximum of two (2) approved adults per visit. Minor children of an inmate may visit when accompanied by an adult.

a. Visits by clergy and attorneys shall not be counted in the maximum of three (3) visits per month.

(1) An attorney's visit shall take precedence over those of relatives and friends.

(2) When other people are waiting, an attorney shall be limited to a maximum of two (2) hours with any one inmate unless prior approval is granted by the warden or designee.

b. Only two (2) inmates shall be visited at any one time within the unit.

(1) Visitors shall be admitted on a first-come, first-served basis.

(2) Visitors shall visit only one inmate before being moved to the bottom of the rotation to again visit persons within the unit.

c. When more than two (2) persons are waiting, the inmate shall decide who shall visit.

d. Each inmate shall inform the inmate's approved visitors of the unit's visiting rules.

21.2(4) Visiting hours are from 8 a.m. to 4 p.m. on Monday, Thursday, Friday, and from 6 a.m. to 8 p.m. Saturday and Sunday. Visits shall be limited to a maximum of two (2) hours.

a. Processing of visitors shall begin at least two (2) hours prior to the close of visiting.

b. Reserved.

21.2(5) Questions during a visit shall be directed to the escorting officers or the officer in charge of the visiting room area.

21.2(6) Requests for special or extended visitation shall be made at least three (3) days in advance and shall be approved by the warden or designee.

291—21.3(246) Tours. Tours of small groups of persons may be approved as deemed appropriate by the warden or designee.

291—21.4(246) John Bennett Correctional Unit.

21.4(1) Visiting.

a. Visiting hours are Monday, Thursday and Friday 8 a.m. to 4 p.m. and Saturday and Sunday from 9 a.m. to 7 p.m.

b. Outer clothing garments and carry-in items in the visiting area must be approved by the warden or designee. Clutch purses are permitted upon approval of the warden or designee.

c. The inmate and visitor may briefly embrace at the beginning and the termination of the visit.

d. The only physical contact permitted while visiting is holding hands, which shall be in view at all times. Inmates may hold small children.

e. Furniture shall not be rearranged by the inmate or the visitor.

f. Only one person at a time shall be permitted in the rest room, except that an adult may accompany a child.

g. Neither the visitor nor the inmate shall leave the visiting area except in emergency. Once either of the parties leaves, the visit will be terminated for that day.

h. The following additional rules apply to visits to the minimum security units.

(1) Visiting hours are Saturday, Sunday, and state holidays from 8:30 a.m. to 3:30 p.m.

(2) Each visit may last seven (7) consecutive hours. Departure from the unit will be construed to be the end of the visit for that day.

(3) Visiting through the normal workweek will be held at the main unit. With prior approval from the unit manager, attorneys, pastors, and prospective employers will be permitted to visit at the minimum security unit during the week. A person visiting during the normal workweek may not visit on the upcoming weekend.

(4) Visitors shall report to the main unit so the inmate can be notified of the visitor.

(5) Visitors shall remain in the designated visiting area and not wander back and forth. The outside visiting area is immediately in front of the unit. The indoor visiting area is the television room or lounge and dining area.

21.4(2) Meals. Meals may be served to visitors, guests of the institution, and other persons approved by the warden or designee under the following circumstances:

a. The meal is a direct result of an approved institutional program, meeting, or activity.

b. The serving of the meal does not conflict with or otherwise disrupt the operation of the institution.

c. All persons participating in a meal meet all institutional regulations, rules, and conditions.

d. Persons may be charged a fee based on the cost of the meal.

These rules are intended to implement Iowa Code section 246.512.

ARC 7535**HUMAN SERVICES
DEPARTMENT[441]****NOTICE OF INTENDED ACTION**

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)*b*.

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 234.6, the Department of Human Services proposes to amend Chapter 65, "Administration," appearing in the Iowa Administrative Code.

This amendment clarifies and expands current policy regarding verification of deductible expenses for determining food stamp income and revises policy on the treatment of jointly owned resources.

This amendment clarifies when verification of dependent care costs, medical expenses, shelter costs and utilities is needed. Policy is expanded to require verification of heating and air conditioning expenses for households choosing the standard utility deduction and to require verification of the basic service fee for telephone expense for households choosing the actual utility deduction.

The wording of the current policy on verification of expenses is inconsistent and has the potential for errors.

Current policy on treatment of jointly owned resources provides that the resources shall be considered available to each person in their entirety, unless it can be demonstrated that the resources are inaccessible to the person.

The United States Department of Agriculture has issued a policy interpretation that each state agency is to apply current state law in determining whether jointly owned resources are considered available. Current Iowa law assumes that jointly held resources are held in equal shares unless the parties can demonstrate a different intention. The Iowa Supreme Court recently confirmed Iowa law to be that the intention of the parties, as determined by all facts and circumstances, controls ownership.

Therefore, this amendment revises policy to provide that jointly owned resources are held equally by all persons, unless otherwise established. This revision will also provide that the treatment of jointly held resources in the food stamp program is more consistent with that of the Aid to Dependent Children program.

Consideration will be given to all written data, views, and arguments thereto received by the Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, Des Moines, Iowa 50319-0114 on or before May 13, 1987.

These rules are intended to implement Iowa Code section 234.12.

ITEM 1. Amend rule 441—65.22(234) as follows:

Amend subrules 65.22(2) to 65.22(5) as follows:

65.22(2) Dependent care costs. Households shall be required to verify dependent care costs at the time of ~~certification~~ *application and recertification*, when reported in the monthly reporting system, and whenever

a change is reported (when a household is not in the monthly reporting system).

65.22(3) Medical expenses. Households shall be required to verify medical expenses at the time of *application and recertification*, and when reported in the *monthly reporting system and whenever a change is reported (when the household is not in the monthly reporting system)*.

65.22(4) Shelter costs. Households shall be required to verify shelter costs (other than utility expenses) at the time of *application and recertification* and whenever the household reports moving or a change in its shelter costs.

65.22(5) Utilities. Actual utilities (for households required or choosing to use actual utility expenses) shall be verified at time of ~~certification and application and recertification~~, when reported in the *monthly reporting system and whenever a change is reported (when the household is not in the monthly reporting system)*.

Households choosing the utility standard shall verify responsibility for heating or air conditioning expenses when not previously verified, whenever the household has moved or a change in responsibility for heating or air conditioning expenses is reported.

Add the following new subrule:

65.22(6) Telephone expense. In order to receive the standard telephone deduction, households using actual utility deductions shall be required to verify that it is their responsibility to pay for the basic telephone service fee at application and recertification, whenever the household has moved or a change in responsibility for the telephone expense is reported.

ITEM 2. Add the following new rule:

441—65.30(234) Resources. When property is jointly held it shall be assumed that each person owns an equal share unless the intent of the persons holding the property can be otherwise established.

ARC 7533**HUMAN SERVICES
DEPARTMENT[441]****NOTICE OF INTENDED ACTION**

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)*b*.

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 249A.4, the Iowa Department of Human Services proposes to amend Chapter 75, "Conditions of Eligibility," appearing in the Iowa Administrative Code.

The Employment Opportunities for Disabled Americans Act, Public Law 99-643, requires states to provide Medicaid coverage effective July 1, 1987, for certain persons who lose their Supplemental Security Income or State Supplementary Assistance.

HUMAN SERVICES DEPARTMENT[441] (cont'd)

This amendment provides that Medicaid shall be available to persons who receive Supplemental Security Income (SSI) or State Supplementary Assistance (SSA) after their eighteenth birthday because of a disability or blindness which began before age twenty-two (22) and who would continue to receive SSI or SSA except that they become entitled to or receive an increase in social security benefits from a parent's account.

Consideration will be given to all written data, views, or arguments thereto received by the Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, Des Moines, Iowa 50319-0114 on or before May 13, 1987.

This rule is intended to implement Iowa Code section 249A.4.

Amend rule 441—75.1(249A) by adding the following new subrule:

75.1(25) Persons who would be eligible for supplemental security income or state supplementary assistance except that they receive child's social security benefits based on disability. Medical assistance shall be available to persons who receive supplemental security income (SSI) or state supplementary assistance (SSA) after their eighteenth birthday because of a disability or blindness which began before age twenty-two (22) and who would continue to receive SSI or SSA except that they become entitled to or receive an increase in social security benefits from a parent's account.

ARC 7534

HUMAN SERVICES
DEPARTMENT[441]

NOTICE OF INTENDED ACTION

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)"b".

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services proposes to amend Chapter 78, "Amount, Duration and Scope of Medical and Remedial Services," appearing in the Iowa Administrative Code.

Under current Medicaid policy the services of some providers are limited to a maximum number of visits per "year." For all providers except independently practicing psychologists, "year" has been defined as a twelve (12)-month period.

This amendment revises the policy for payment of independently practicing psychologists to provide that the limitations on therapy and examinations and testing apply to a twelve (12)-month period and not a calendar year.

This change will provide consistency in policy and will make administration of the limitations easier.

Consideration will be given to all written data, views, or arguments thereto received by the Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, Des Moines, Iowa 50319-0114 on or before May 13, 1987.

This rule is intended to implement Iowa Code section 249A.4.

Amend subrule 78.24(2), paragraphs "a" to "d," as follows:

a. Individual outpatient psychotherapy or other psychological procedures not to exceed one (1) hour per week or forty (40) hours per calendar year in any twelve (12)-month period, or

b. Couple, marital, family, or group outpatient therapy not to exceed one and one-half (1½) hours per week or sixty (60) hours during any calendar year in any twelve (12)-month period, or

c. A combination of individual and group therapy not to exceed the cost of forty (40) individual therapy hours during any calendar year in any twelve (12)-month period.

d. Psychological examinations and testing for purposes of evaluation, placement, psychotherapy, or assessment of therapeutic progress, not to exceed eight (8) hours during any calendar year in any twelve (12)-month period.

ARC 7539

INDUSTRIAL SERVICES
DIVISION[343]

NOTICE OF INTENDED ACTION

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)"b".

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 86.8, the Industrial Commissioner hereby gives Notice of Intended Action to amend Chapter 4, "Contested Cases," Iowa Administrative Code.

The proposed amendments provide clarification to the intent of 343—4.2(86) and 343—4.27(17A,86).

The Industrial Commissioner has determined that the proposed rules will not have an impact on small business within the meaning of Iowa Code section 17A.24.

Any interested person may make written or oral comments on this rule prior to May 12, 1987. Written materials should be directed to the Division of Industrial Services, 507 10th Street, Des Moines, Iowa 50319. Persons who wish to convey their views orally should contact the Division of Industrial Services at (515) 281-5934.

There will be a public hearing on May 12, 1987, at 9 a.m. in the hearing room on the first floor, east wing of the Department of Employment Services Building, 1000 East Grand Avenue, Des Moines, Iowa. Persons may present their views at this public hearing either orally or in writing.

Persons who wish to make oral presentations at the public hearing should contact the Division of Industrial Services at least one day prior to the date of the public hearing.

These rules are intended to implement Iowa Code sections 17A.15 and 86.24.

INDUSTRIAL SERVICES DIVISION[343] (cont'd)

ITEM 1. Rescind the third unnumbered paragraph of rule 343—4.2(86) and insert in lieu thereof the following:

Entitlement to denial or delay benefits provided in Iowa Code section 86.13 shall be pled, and if pled, discovery shall be limited to matters discoverable in the absence of such pleading unless it is bifurcated. The claimant may bifurcate the denial or delay issue by filing and serving a notice of bifurcation at any time before a case is assigned for hearing, in which case discovery on that issue may proceed only after the final decision of the agency on all other issues.

ITEM 2. Amend rule 343—4.27(17A,86), second unnumbered paragraph, to read as follows:

No appeal shall be separately taken under this or 4.25(17A,86) from an interlocutory decision, order or ruling of a deputy industrial commissioner. A decision, order or ruling is interlocutory if it does not dispose of the contested case, *unless the sole issue remaining for determination is claimant's entitlement to additional compensation for unreasonable denial or delay of payment pursuant to Iowa Code section 86.13.*

ARC 7537

INSPECTIONS AND APPEALS
DEPARTMENT[481]

NOTICE OF INTENDED ACTION

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)"b".

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 10A.104(5), the Department of Inspections and Appeals hereby gives Notice of Intended Action to adopt a new Chapter 14, "Program Integrity Section," Iowa Administrative Code.

These rules explain action by the Department when the Department of Human Services asks for help in determining eligibility for particular people.

Any interested party may make written comments on these proposed rules prior to May 12, 1987. Written materials may be sent to and will be considered by the Acting Director, Iowa Department of Inspections and Appeals, Lucas State Office Building, Des Moines, Iowa 50319.

Oral comments on these rules may be made at a public hearing scheduled for May 12, 1987, at 2 p.m. in the Lucas State Office Building, Room 248, Des Moines, Iowa.

These rules are intended to implement Iowa Code sections 10A.104(5), 10A.402(7), 17A.3(1)"b," and 22.11.

The following new chapter is proposed:

CHAPTER 14

PROGRAM INTEGRITY SECTION

481—14.1(10A) Definitions.

"Client" means any person who has made an application for or is receiving public assistance from the department of human services.

"Collateral contact" means a source other than the client.

"Department" means the department of inspections and appeals.

"Department of human services" will be designated DHS in this chapter.

"Eligibility factors" means conditions considered necessary by DHS for a person to be entitled to public assistance.

"Overpayment" means the dollar amount of public assistance, by program received by, or on behalf of, a person in excess of that allowed by law for any given month(s).

"Program error rate" means the percentage of misspent dollars for public assistance programs as determined by DHS.

"Public assistance" means aid to families with dependent children, food stamps, Medicaid assistance, state supplementary assistance and refugee cash assistance.

"Referral" means a request to investigate client eligibility factors. The request shall be made by DHS for help from the department.

481—14.2(10A) Referrals. The program integrity section is responsible for investigating referrals to:

1. Determine whether information supplied by the client is correct;
2. Assist in reducing the program error rate;
3. Identify overpayments for recoupment or recovery.

481—14.3(10A) Investigation procedures. Procedures for investigations may include but not be limited to the following steps.

14.3(1) The program integrity section shall inform the client of the referral by sending an introductory letter (Form 427-0326).

- 14.3(2)** Client information may be verified by using:
- a. Property verification to identify possible property ownership. (Form 427-0325)
 - b. Postmaster statement to verify current address. (Form 427-0336)
 - c. Motor vehicle information to identify possible vehicle ownership. (Form 427-0324)

This information may be verified by telephone.

14.3(3) The client may be asked to sign the following releases during an office or home interview with the investigator of the program integrity section. Each form used will be explained during the interview.

1. Landlord Questionnaire (427-0318),
2. Mortgage Questionnaire (427-0320),
3. Earned Income Questionnaire (427-0321),
4. Bank Questionnaire (427-0319), or
5. Miscellaneous Information (427-0317).

14.3(4) The DHS client file may be requested.

14.3(5) Collateral contacts may be used to collect information by the program integrity section.

481—14.4(10A) Findings. The program integrity section must report the results of the investigation to DHS. Lack of cooperation by the client will also be reported. The program integrity section must follow the terms of the contract between DHS and the department with respect to confidentiality. A copy of the contract is available upon request through the director's office.

These rules are intended to implement Iowa Code sections 10A.402(7), 10A.104(5), 17A.3(1)"b," and 22.11.

ARC 7538
REAL ESTATE COMMISSION[700]
NOTICE TERMINATED

Pursuant to Iowa Code subsection 17A.4(1), paragraph "b," the Iowa Real Estate Commission terminates the rule-making proceedings initiated by its Notice of Intended Action published in the Iowa Administrative Bulletin as **ARC 7355** on February 11, 1987. The subject of the Notice was Chapter 3, "Prelicense Education and Continuing Education." A hearing was held to solicit public comment on March 19, 1987. Two written comments were received in regard to this amendment. Because of adverse comments received, the Real Estate Commission voted March 19, 1987, to terminate the rule-making proceeding.

ARC 7531
REVENUE AND FINANCE
DEPARTMENT[701]
NOTICE OF INTENDED ACTION

Twenty-five interested persons, a governmental subdivision, an agency or an association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code §17A.4(1)"b".

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under §17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 421.14 and 422.68(1), the Iowa Department of Revenue and Finance hereby gives Notice of Intended Action to amend Chapter 32, "Receipts Exempt From Use Tax," Iowa Administrative Code.

The rule explaining the exemption for vehicles used in interstate commerce is amended for the purpose of clarifying it. The amended rule states explicitly that the statutory record-keeping requirements for vehicles used initially in Iowa between July 1, 1985, and June 30, 1986, are in effect for a vehicle's initial registration period only, and not for any subsequent registration periods. The rule had not addressed this particular point previously.

The proposed rule will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions.

The Department has determined that this proposed rule may have an impact on small business. The Department has considered the factors listed in Iowa Code section 17A.31(4). The Department will issue a regulatory flexibility analysis as provided in Iowa Code sections 17A.31 to 17A.33 if a written request is filed by delivery or by mailing postmarked no later than May 12, 1987, to the Policy Section, Technical Services

Division, Iowa Department of Revenue and Finance, Hoover State Office Building, Post Office Box 10457, Des Moines, Iowa 50306. The request may be made by the Administrative Rules Review Committee, the Governor, a political subdivision, at least 25 persons who qualify as a small business under Iowa Code sections 17A.31 to 17A.33, or an organization of small businesses representing at least 25 persons which is registered with this agency under Iowa Code sections 17A.31 to 17A.33.

Any interested person may make written suggestions or comments on this proposed amendment on or before May 22, 1987. Such written comments should be directed to the Policy Section, Technical Services Division, Iowa Department of Revenue and Finance, Hoover State Office Building, Post Office Box 10457, Des Moines, Iowa 50306.

Persons who want to orally convey their views should contact Clair R. Cramer, Policy Section, Technical Services Division, Iowa Department of Revenue and Finance, at 515/281-4250 or at Department of Revenue and Finance offices on the fourth floor of the Hoover State Office Building.

Requests for a public hearing must be received by May 15, 1987.

The amendment is intended to implement Iowa Code subsection 423.4(10).

The following amendment is proposed.

Rule **701-32.4(423)** Iowa Administrative Code, the first unnumbered paragraph, is amended to read as follows:

For trailers and semitrailers registered under Iowa Code chapter 326 and initially used in Iowa between July 1, 1985, and June 30, 1986, inclusive, and for any other vehicle registered under chapter 326, including those purchased for lease, and truck and road tractors, a use tax is not to be imposed provided that the vehicle is used in interstate commerce, accrues at least twenty-five percent (25%) of its mileage outside of Iowa and is registered for a gross weight of thirteen tons or more. Mileage records must be maintained for each vehicle by the vehicle owner on a fiscal year basis which begins on July 1 and ends on June 30. *For trailers and semitrailers, the requirements of this paragraph and the subsequent paragraph are not applicable to any registration period which begins on or after July 1, 1986. For registration periods beginning on and after that date, trailers and semitrailers are treated as if they are used initially in Iowa on or after July 1, 1986, and the first paragraph of this rule is applicable to their use.* The vehicle will be subject to use tax if the required mileage outside of Iowa is not attained during each fiscal year. For purposes of determining eligibility for this exemption, mileage accrued in the year before the first full fiscal year of operation must be added to the mileage accrued during the first full fiscal year of operation and mileage accrued in the year after the last full fiscal year of operation must be added to the mileage accrued during the last full fiscal year of operation. The vehicle owner is responsible for maintaining mileage records that prove eligibility for the exemption.

EXAMPLE

	<u>Iowa Miles</u>	<u>Non-Iowa Miles</u>	<u>Total</u>	<u>Percent Non-Iowa</u>
1/1/86-6/30/86	45,000	5,000	50,000	10%
7/1/86-6/30/87	305,000	145,000	450,000	32%
	350,000	150,000	500,000	30%

REVENUE AND FINANCE DEPARTMENT[701] *(cont'd)*

In this example, the vehicle was acquired on January 1, 1986, and traveled 50,000 miles through June 30, 1986, of which 5,000 miles were outside of Iowa. From July 1, 1986, through June 30, 1987, the vehicle traveled 450,000 miles of which 145,000 miles were outside of Iowa. The use tax exemption is applicable in this situation even though the vehicle traveled only ten percent (10%)

of its mileage outside of Iowa in the year of acquisition since it traveled thirty percent (30%) of its mileage outside of Iowa in the year of acquisition plus its first full fiscal year of operation.

This rule is intended to implement Iowa Code section 423.4(10).

ARC 7545

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Pursuant to the authority of Iowa Code sections 17A.3, 163.1, and 164.4, the Department of Agriculture and Land Stewardship hereby emergency adopts and implements an amendment to 30—Chapter 17, "Livestock Importation," Iowa Administrative Code.

This rule provides for continuing the quarantine and retesting of breeding and dairy cattle originating from a Class "A" state with a modification to retest only twenty-five percent (25%) of the imported cattle. Twenty-five percent retests of imported cattle, but not less than ten individual animals, applies to each group at point of purchase as specified on sale records. The Uniform Methods and Rules, APHIS 91-1, effective July 1, 1984, strongly recommends the continued quarantining and retesting of breeding cattle at forty-five to one hundred twenty days if they are imported from other than a free state. When reactor cattle from any source are discovered in a herd, they become subject to the restrictions and procedures of quarantine and retest as set forth in Iowa rule 30—16.51(163), as well as the guidelines detailed in the Uniform Methods and Rules.

Iowa remains committed to achieving the status of a brucellosis-free state in the belief that such a status offers the best climate for the long-term health of the livestock industry, affords the livestock owners the best protection against a disease which can destroy livelihoods, and serves the broadest public policy objectives. For the livestock industry as a whole, both beef and dairy cattle, any delay in Iowa's progress toward attaining brucellosis-free status is a setback.

During the past five federal fiscal years, Iowa has had total cumulative infected herds of 73 (1982); 38 (1983); 35 (1984); 31 (1985); and 13 (1986). As can be seen, Iowa's cumulative totals are continuing to decrease in number. In addition, an examination of available USDA, APHIS statistics reveals great discrepancy among the nineteen states that are currently at Class "A" status. These totals range from 248 to 2 for FY 1986, with at least half of the Class "A" states having more cumulative infected herds than Iowa. During 1985, Iowa imported over 55,000 beef breeding cattle and over 12,000 dairy cattle. In 1986, these figures were over 85,000 and 13,000 respectively. The numbers for January and February of 1987 alone total over 25,000 for beef and almost 3,000 for dairy. With the Iowa livestock industry experiencing such a significant increase in activity, there is no reason to believe the 1987 figures for imported cattle will dramatically drop.

In balancing the potential economic impact of continued quarantining and retesting of breeding cattle originating from a Class "A" state with the protection afforded by such restriction, it was the goal of the Department to promote the greatest amount of protection while inflicting the least amount of hardship on those affected. For individual producers the economic impact of such restrictions is minimal when compared to the potential losses resulting from an infected herd. Any producer who is forced to depopulate a herd will almost certainly experience a loss, since the Brucellosis Indemnity Fund cannot match the value for those cattle at today's prices. The exportation of Iowa cattle would also be promoted with free status and a 30-day negative test would no longer be required for intrastate farm-to-farm

movement. Finally, the state of Iowa's Indemnity Fund for the Eradication of Brucellosis is afforded protection only if quarantining and retesting restrictions are in place. If reactors are discovered in cattle that have been quarantined and retested by the state, they are not considered native Iowa cattle and do not qualify, therefore, for state indemnity. In these cases, indemnity is paid by the federal fund. If the cattle were accepted and considered native Iowa cattle, the state indemnity fund could be jointly liable with the federal fund for depopulation payments.

According to a recent USDA news report, brucellosis, caused by the brucella bacteria, is the single most important cause of abortion in cattle and also lowers milk yields. The disease also occurs in swine, goats, horses, and dogs. When ingested by cattle, the bacteria spread quickly throughout the body, settling in the udder and uterus of pregnant cows. During calving or abortion, billions of brucella bacteria are shed in the fluids and after-birth. Animals may become infected when they lick contaminated surfaces or newborn calves. The difficulties entailed in attempting to prevent a potential outbreak of brucellosis are compounded by this bacteria's incubation period of up to two years. Because 1) the dormancy time for this disease is so great, 2) the spring calving season greatly compounds the threat of exposure, and 3) more breeding cattle are currently being imported into Iowa than in recent years, it is imperative that the Department take immediate action by rule to continue the quarantine and retest of breeding and dairy cattle.

Humans can also become infected by brucella bacteria. The resulting disease, undulant fever, can be quite severe. Humans can contract the disease by drinking raw milk from an infected animal and by handling infected material when helping with the delivery of a calf or removing the afterbirth from a cow. The bacteria usually enter the body through cut or cracked skin, but evidence also indicates they can pass through unbroken skin.

In compliance with Iowa Code section 17A.4(2), the Department finds that public notice and participation are impracticable or contrary to the public interest because of time constraints. Delay in implementation of this rule would cause greater public harm.

In accordance with Iowa Code section 17A.5(2)"b"(2), the Department also finds that the usual effective date of this rule, thirty-five days after publication, should be waived and the rule become effective on April 6, 1987, upon filing with the Administrative Rules Coordinator. This rule confers a benefit on the Iowa livestock industry and the public health, safety and welfare for the reasons set forth above. Pursuant to Iowa Code section 17A.5(2)"b"(3), the Department will, prior to indexing and publication, make reasonable efforts to make these rules known to the livestock industry affected by emergency implementation of this rule.

This rule is intended to implement Iowa Code section 163.11.

This rule is also being submitted simultaneously under Notice of Intended Action as ARC 7546 to solicit public comment.

The following rule is adopted:

Amend subrule 17.5(2), paragraph "b," numbered paragraph "3," by striking the paragraph in its entirety and inserting in lieu thereof the following:

3. Originate from a Class "A" state with a pre-movement, negative brucellosis test. On arrival, the cattle

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21] (cont'd)

must be quarantined and held for retest. A twenty-five percent (25%) sample of each group of cattle, but not less than ten (10) individual animals, shall be retested. All retested cattle must show a negative postmovement brucellosis test within sixty (60) to one hundred twenty (120) days of entry.

[Filed emergency 4/6/87, effective 4/6/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7529

HUMAN SERVICES
DEPARTMENT[441]

Pursuant to the authority of Iowa Code section 234.6, the Department of Human Services hereby amends Chapter 65, "Administration," appearing in the Iowa Administrative Code.

The Department has received revised federal regulations published on February 4 and February 23, 1987.

Under current policy food stamp households must cooperate with federal quality control reviewers or be terminated from participation. The February 4, 1987, regulations provide that the sanction may be ended if the household reapplies after seven (7) months from the end of the annual review period and provides the required verification. The annual review period extends from October 1 to September 30.

Current policy also requires that in order for a household which receives Low-Income Home Energy Assistance (LIHEA) payments to be eligible for the standard utility deduction, the household must incur out-of-pocket expenses for heating or cooling costs. The February 23, 1987, regulations allow households to use the standard utility deduction even when the utility expenses are completely covered by the LIHEA payments.

The Department of Human Services finds that notice and public participation on this rule are impracticable. The Department has no option but to implement these changes. Therefore, these rules are filed pursuant to Iowa Code section 17A.4(2) and rule 441-1.5(17A).

The Department finds these rules confer a benefit on the public. Households disqualified for failure to cooperate with federal quality control reviewers now have a cure, and households receiving LIHEA payments may experience some increase in benefits. Therefore, these rules are filed pursuant to Iowa Code section 17A.5(2)"b"(2).

The Council on Human Services adopted this rule on March 24, 1987.

This rule is intended to implement Iowa Code section 234.12.

This rule became effective April 1, 1987.

Amend rule 441-65.3(234) as follows:

441-65.3(234) Administration of program. The food stamp program shall be administered in accordance with the Food Stamp Act of 1977 and in accordance with federal regulation, Title 7, Parts 270 through 282 as amended to **January 12, 1987 February 23, 1987.**

A copy of the federal law and regulations may be obtained at no more than the actual cost of reproduction

by contacting the Bureau of Economic Assistance, Department of Human Services, Hoover State Office Building, Des Moines, Iowa 50319-0114, 515/281-3133.

This rule is intended to implement Iowa Code section 234.12.

[Filed emergency 3/26/87, effective 4/1/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7530

HUMAN SERVICES
DEPARTMENT[441]

Pursuant to the authority of Iowa Code section 217.6, the Department of Human Services hereby adopts Chapter 97, "Collection Services Center."

The Council on Human Services adopted these rules on March 24, 1987. Notice of Intended Action regarding these rules was published in the Iowa Administrative Bulletin on February 11, 1987, as **ARC 7373.**

The General Assembly in 1986 Iowa Acts, chapter 1246, section 316, required the Department to establish a collection services center within the Bureau of Collections for the receipt and disbursement of all support payments. All orders or judgments for support entered on or after April 1, 1987, are to be paid to the collection services center. Existing orders are to be transferred to the collection services center from April 1, 1987, to April 1, 1988.

These rules establish the procedures for operation of the collection services center including the content of records, method of billing, and collection and application of payments.

At the present time support payments in Iowa are processed through the ninety-nine (99) clerks of court. Each of the clerks of court has a different system of recording and disbursing those support payments. The centralized collection services center will establish one system for receiving and disbursing the support payments and standardize the recording and tracking of payments statewide.

The clerks of court will be assisted in the conversion effort by teams from the Department. The case records of each clerk of court will be reviewed on a county-by-county basis and the needed data extracted to establish the collection services center record. Both the payee and payor will receive written notice at least fifteen (15) days prior to the date when payments will be sent to the collection services center. The written notice shall include the names of the payees, names of the persons to whom the support is owed, the name of the payor, the amount of the payment, due dates, any arrearages and the beginning date for sending payments to the collection services center. The payee or payor or legal representative may request a conference at any time to review the payment record.

Each payor will be sent a book of support payment coupons and return envelopes for the processing of payments on an annual or semiannual basis. The payor may send payments with these coupons to the collection services center, or may authorize the automatic withdrawal of funds from a bank account or may transfer the funds electronically through use of an automated teller machine. Payments sent in the mail may be in

HUMAN SERVICES DEPARTMENT[441] (cont'd)

the form of cash, check, bank draft, or money order. If a payor submits a check without sufficient funds, the payor may be required to submit payments by cash, bank draft or money order for twelve (12) months.

The payee and payor or legal representative or any designated party may request copies of the support payment record at any time. The record will be updated daily, unlike most clerk of court's records which are only updated once or twice a month.

Upon receipt of payment from the payor a state warrant will be sent to the payee within one (1) working day unless the payee has previously sent an insufficient funds payment and is paying by personal check. Thus the payee will be guaranteed the first payment. The payee may also choose to have the payment automatically deposited in a bank account.

Unclaimed support payments will be held in an escrow account for two (2) years. Payments held in escrow beyond two (2) years will revert to the state.

This centralized system will also ensure that support owed to the state is correctly disbursed. When a family stops receiving Aid to Dependent Children (ADC) there may be delinquent support owed to the state of Iowa. In the past not all clerks of court have correctly distributed the portion owed to the state. The automated system will allow support to be directed to the Department the instant the family is approved for ADC. This also eliminates delays and misdirected support.

The Department of Human Services finds that these rules confer a benefit on the public by standardizing the recording and disbursement of support payments and updating the records daily; allowing for payment of support by the payor through the mail, by automatic withdrawal, or by electronic transfer of funds; providing for payment to be sent to the payee within one (1) working day of receipt and allowing for automatic deposit; and ensuring support owed to the state is correctly disbursed. Therefore, these rules are filed pursuant to Iowa Code section 17A.5(2)"b"(2).

These rules are identical to those published under Notice of Intended Action.

These rules are intended to implement Iowa Code sections 252B.13 to 252B.17.

These rules became effective April 1, 1987.

Adopt 441—Chapter 97 as follows:

CHAPTER 97
COLLECTION SERVICES CENTER
PREAMBLE

The collection services center is the public agency designated by state law for the receipt, recording, and disbursement of support payments within the state of Iowa. The administrative guidelines within this chapter describe the process of converting and transferring support cases from the clerks of district court to the collection services center and the policies and procedures used to receive, monitor, and distribute support payments.

441—97.1(252B) Definitions. The definitions of terms used in this chapter shall follow those terms defined in rule 441—95.1(252B) with the exception or addition of the following:

"Collection services center" shall mean the public agency designated to receive, record, monitor, and disburse all support payments as defined in Iowa Code section 598.1, in accordance with Iowa Code section 252B.13.

"Insufficient funds payment" shall mean a support payment by check or other financial instrument which is dishonored, not paid, or the funding of the payment is determined to be inadequate.

"Payee" shall mean the obligee, guardian, custodial parent, or person entitled to receive support payments according to a support order or judgment as defined in Iowa Code section 598.1.

"Payor" shall mean the obligated parent, relative, or any other designated person declared to be legally liable for the support of a child or the custodial parent or guardian of the child.

"Support payment" shall mean a monetary payment received by the collection services center for support obligations which meet the definition of support as defined in Iowa Code section 598.1.

441—97.2(252B) Support payment records.

97.2(1) The collection services center shall establish and maintain support payment records based off information transferred from the clerk of district court for all temporary, voluntary or permanent orders, or judgments of support established under Iowa Code chapter 234, 252A, 252C, 598, or 675, which are entered or modified on or after April 1, 1987. The collection services center shall also establish and maintain support payment records for said support orders which were entered or modified prior to April 1, 1987, which are converted from the clerk of district court to the collection services center.

97.2(2) The content of the transfer of case information from the clerk of district court to the collection services center shall include the following:

a. The name and last known mailing address of the payee and, if different in whole or part, the names of the persons to whom the obligation of support is owed by the payor.

b. The name, birth date, social security number, and last known mailing address of the payor.

c. The amount of the periodic support payment, the due dates of the payments, and any support arrearages which have accrued.

d. The beginning date for sending payments to the collection services center.

e. The names and dates of birth of any minor dependents for whom support is ordered.

f. The criteria for termination of support payments to the minor dependents.

g. Any circumstances which would alter the regularity of support payments.

h. The conditions and provisions of property settlements or payments to be performed for purposes other than support.

i. A record of any support payments received by the clerk of district court prior to the transfer of case information and any payments received by the collection services center.

j. A reference to any other support order against the payor.

k. A record of support assignments to the department, the termination of support assignments, and their effective dates.

97.2(3) The collection services center shall provide an informal conference or desk review regarding the contents of the support payment record to the parties of the action in a support order or their legal representative. This conference shall be available, upon request, to review the payment record and to answer questions

HUMAN SERVICES DEPARTMENT[441] (cont'd)

of the payee or payor regarding the accuracy of the record.

97.2(4) The collection services center shall file a partial or full satisfaction of judgment, as appropriate, with the clerk of district court upon the partial or full satisfaction of an assigned support arrearage as defined in subrule 41.2(7).

97.2(5) Copies of the support payment record shall be made available, upon request, as a public record. The collection services center shall provide a certified copy of the support payment record to the clerk of district court as the official record of unpaid support for the purpose of issuance of an execution.

97.2(6) Support payment records shall be certified upon request, with a certification statement and signature of a designated employee.

441—97.3(252B) Support payments.

97.3(1) The collection services center shall provide each payor with periodic payment coupons showing the amount and due date of each support payment, the address to which payments shall be sent, and other case identification for the processing of payments. Support payment coupons and return envelopes shall be provided to the payor within fifteen (15) days following the completion of the transfer of case information described in subrule 97.2(2) or within fifteen (15) days following conversion of payment functions described in Iowa Code section 252B.16 and shall be resupplied to the payor on an annual or semiannual basis depending upon the frequency of the payments. A payment coupon shall accompany each support payment to designate to which support account the payment shall be applied unless support payments are paid by preauthorized withdrawal of funds from the bank account of the payor, by electronic transfer of funds, or by direct withholding from the wages or other income of the payor according to Iowa Code chapter 252D.

97.3(2) Support payments may be paid in the form of cash, check, bank draft, money order, preauthorized withdrawal of funds, or other financial instrument, and sent by regular mail to the collection services center, or by the electronic transfer of funds.

A payor submitting an insufficient funds support payment to the collection services center shall be required to submit payments by bank draft or money order for a period of up to twelve (12) months unless waived by the collection services center. Insufficient funds payments shall not be credited to the collection services center account for the payor or shall be removed from the account if credited before sufficiency was verified. Insufficient funds support payments shall be subject to additional collection by the collection services center for the dishonored amount.

97.3(3) The collection services center shall receive, record, monitor, and disburse support payments for payees receiving child support enforcement services (IV-D cases) and for payees not receiving child support enforcement services (non-IV-D cases).

a. Support payments received by the collection services center on all cases shall first be applied as payment of the current obligation for the month in which the support payment was received by the collection services center. Support payments received in a month which exceed the support obligation for that month shall be applied to the support arrearage from prior months beginning with the most recent arrearage, until the entire support payment has been applied.

b. Support payments received by the collection services center on public assistance cases shall be applied according to rule 441—95.3(252B) and subrules 95.6(7) and 95.7(9).

c. Support payments received by the collection services center on nonpublic assistance cases shall be applied according to rules 441—96.5(252B) and 441—96.9(252B) in addition to paragraph "a" above.

d. Support payments received by the collection services center which are not directed to a specific account or support obligation shall first be applied proportionately to the current support obligations on all of the accounts of the payor within the collection services center and, secondly, to the support arrearages owed by the payor.

97.3(4) The collection services center shall authorize the transmittal of support payments to the payee, without waiting for verification of the sufficiency of the payment from a payor who has not previously, within a twelve (12)-month period, tendered an insufficient funds support payment.

a. Transmittal of support payments to the payee shall be in the form of a state warrant, sent by regular mail to the last known address of the payee or by electronic transfer of funds to the designated account of the payee. Payees who want electronic transfer of support payments shall complete Form 470-0261, Agreement for Automatic Deposit, and submit it to the collection services center. Support payments shall not be hand delivered to the payee on a walk-in basis.

b. The payee may change the address to which support payments are mailed by sending a request for address change to the collection services center, which is signed by the payee. The address of payment may also be changed by the collection services center upon receipt of an address correction from the post office.

c. The transmittal of support payments to the payee shall be authorized within the following time periods:

(1) Within one (1) working day when payment to the payee is based on a personal check from a payor who has not previously tendered an insufficient funds payment to the collection services center within a twelve (12)-month period.

(2) Within one (1) working day when payment to the payee is based on a payment from a payor who has previously tendered an insufficient funds payment to the collection services center within a twelve (12)-month period but who submits payment by bank draft, money order, or other financial instrument whose sufficiency is certain.

(3) Within ten (10) working days when payment to the payee is based on a payment from a payor, who has previously tendered an insufficient funds payment to the collection services center within a twelve (12)-month period, but who submits payment by personal check, or other financial instrument, whose sufficiency must be verified.

97.3(5) Support payments to payees which are unclaimed, or which are returned by the post office as undeliverable, or for which a mailing address is unknown, shall be held in escrow by the collection services center for a period of up to two (2) years or until the correct mailing address of the payee can be obtained, whichever occurs first. Support payments held in escrow beyond two (2) years shall be considered abandoned and shall be disposed of according to Iowa Code section 556.8.

HUMAN SERVICES DEPARTMENT[441] (cont'd)

441—97.4(252B) Conversion of records and payments. The collection services center shall notify the payor and the payee in support orders entered on or before March 31, 1987, of the date support payments shall be directed to the collection services center. Notification shall be in accordance with Iowa Code subsections 252B.16(2) and 252B.16(3). Form 470-2234 or 470-2235, Notice of Direction of Payments, shall be sent by ordinary mail to the last known address of the payee and the last known address of the payor, respectively, at least fifteen (15) calendar days before payments must be directed to the collection services center.

These rules are intended to implement Iowa Code sections 252B.13 to 252B.17.

[Filed emergency after Notice 3/26/87, effective 4/1/87]
[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7528**HUMAN SERVICES
DEPARTMENT[441]**

Pursuant to the authority of Iowa Code section 234.6, the Department of Human Services hereby amends Chapter 157, "Purchase of Adoption Services," appearing in the Iowa Administrative Code.

The Council on Human Services adopted these rules on March 24, 1987. Notice of Intended Action regarding these rules was published in the Iowa Administrative Bulletin on February 11, 1987, as **ARC 7374**.

The Department has received a federal grant for "adoption opportunities" of \$53,516. Part of this grant will be used to purchase counseling services for special needs children and their adoptive parents who are in danger of disruption prior to finalization of the adoption.

This amendment adds counseling as one of the adoption services which may be purchased, specifies who may provide the service, who is eligible for the service, and the time limits and method of payment for the service. A reference to the Mid-American Exchange, which no longer exists, is removed.

Counseling services are important for both the children and the families. Many special needs children, especially older children, need professional assistance in the transition from a temporary home, or homes, to a permanent adoptive home. Families may need assistance in dealing with the physical, mental, or emotional problems of special needs children.

The Department of Human Services finds that these rules confer a benefit on adoptive families with special needs children by providing counseling services to assist them in resolving problems which might lead to failure of the placement. Therefore, these rules are filed pursuant to Iowa Code section 17A.5(2)"b"(2).

These rules are identical to those published under Notice of Intended Action.

These rules are intended to implement Iowa Code chapter 600.

These rules became effective April 1, 1987.

ITEM 1. Rescind rule 441—157.1(600) and insert the following in lieu thereof:

441—157.1(600) Purchase of adoption services. There are five (5) components of adoption services which may be purchased: recruitment, preplacement services, placement, postplacement, and counseling services.

157.1(1) Recruitment, preplacement services, placement, and postplacement may be purchased for an eligible special needs child or sibling group from a licensed child-placing agency, hereinafter referred to as the provider agency.

157.1(2) Counseling services may be purchased for eligible special needs children and their adoptive parents from a licensed child-placing agency, a licensed child-caring agency, or persons who meet one of the following minimum education and experience requirements:

a. Graduation from an accredited four (4)-year college or university and the equivalent of three (3) years of full-time experience in a social work or related human service capacity in a public or private agency.

b. A bachelor's degree in social work or related human service field from an accredited four (4)-year college or university and the equivalent of two (2) years of full-time experience in a social work or related human service position in a public or private agency.

c. A master's degree in social work or related human service field from an accredited college or university.

d. Any equivalent combination of graduate education in the social or behavioral sciences from an accredited college or university and qualifying experience up to a maximum of thirty (30) additional semester hours for one (1) year of the required experience.

e. Social workers licensed under department of public health rules, 470—chapter 161.

ITEM 2. Amend rule 441—157.2(600) as follows:

Amend subrule 157.2(3) as follows:

157.2(3) Children registered on the ~~Mid-American Exchange and the National Exchange~~ for whom no family can be found and who are currently in foster care.

Add the following new subrule:

157.2(4) Children at risk of disruption.

ITEM 3. Amend rule 441—157.3(600) by adding the following new subrule:

157.3(5) Counseling. Counseling services may include individual or family counseling, or therapy, provided after adoptive placement to prevent disruption.

ITEM 4. Amend rule 441—157.4(600) as follows:

441—157.4(600) Contracting requirements. The contracting parties, the department of human services and the provider agency or individual provider, shall complete Form 470-1979, Purchase of Adoption Services Contract. Components to be provided each child or sibling group and the amount to be paid for each component will be stated in the contract.

The time limit for placement of a child in an adoptive home and completion of the components of service defined in subrules 157.3(1) to 157.3(4) is two (2) years from the effective date of the purchase contract. *The time limit for counseling is up to nine (9) months from the effective date of the purchase contract but prior to finalization of the adoption.* Time frames will be stated in the contract.

HUMAN SERVICES DEPARTMENT[441] (cont'd)

ITEM 5. Amend rule 441—157.5(600) as follows:

441—157.5(600) Payment. The department will make payment *for the components of service defined in subrules 157.3(1) to 157.3(4)* in two (2) lump sums payable at the completion of the preplacement component and after the court grants an adoptive decree. If an adoptive placement disrupts, the department shall make payment for that portion of the components completed. *The department*

will make payment for counseling on a monthly basis. The provider agency shall submit request for payment on Form 075-0297, Claim Order/Claim Voucher.

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ARC 7540

AGRICULTURAL
DEVELOPMENT AUTHORITY[25]

Pursuant to the authority of Iowa Code section 175.6(14), the Agricultural Development Authority adopted at its meeting held on March 25, 1987, amendments to 523—Chapter 1, "General"; Chapter 2, "Beginning Farmer Loan Program"; and Chapter 4, "Soil Conservation Loan Program"; and the transfer of Chapters 1 to 6 to Agricultural Development Authority [25], Iowa Administrative Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin on January 28, 1987, as ARC 7336.

The rules are identical to those published other than grammatical changes recommended by the Administrative Rules Review Committee and the following:

25—1.9(175), line 10, after the word "waiver" delete "is" and add "shall be for good cause to avoid irreparable harm or injury to citizens of this state, shall";

25—2.12(175), line 6, after the word "Code" add "1986, as currently amended" and line 7, delete "promulgated thereunder" and add "or under the Internal Revenue Code of 1954, as amended".

These rules will become effective on May 27, 1987.

ITEM 1. Transfer 523—Chapters 1 to 6 to 25—Chapters 1 to 6.

ITEM 2. Amend Chapter 1 as follows:

Amend rule 1.1(68GA, ch1050) as follows:

~~52325—1.1(68GA, ch1050)~~ (175) **Description of Iowa family farm agricultural development authority organization.** The Iowa family farm agricultural development authority consists of nine (9) members. The treasurer of the state or the treasurer's designee and the state secretary of agriculture or the secretary's designee are ex officio nonvoting members. Members are appointed for staggered six (6)-year terms. A chairperson, vice-chairperson and treasurer are elected by the membership. Authority staff consists of an executive director who shall be the executive director of the Iowa housing finance authority, and additional staff as approved by the family farm agricultural development authority.

Amend rule 1.2(68GA, ch1050) as follows:

~~52325—1.2(68GA, ch1050)~~ (175) **General course and method of operations.** The authority usually meets on a monthly basis at a time and place designated by resolution of the authority. If the meeting date coincides with a legal holiday, it shall be held on the next succeeding business day a date mutually agreed upon by the members. The purpose of such the meetings shall be to review progress in implementation and administration of authority programs, to consider and act upon proposals for authority assistance, to establish policy as needed, and take other actions as necessary and appropriate.

Amend rule 1.4(68GA, ch1050) as follows:

~~52325—1.4(68GA, ch1050)~~ (175) **Location where public may submit requests for assistance or obtain information.** Requests for assistance or information should be directed to the Iowa Family Farm Agricultural Development Authority, 418 Sixth Avenue Henry A. Wallace State Office Building, Des Moines, Iowa 50309 50319, telephone 515/281-40586444. Requests may be

made personally, by phone, mail or any other medium available, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday. Special arrangements for accessibility to the authority at other times will be provided as needed.

Amend subrule 1.5(6), introductory paragraph, as follows:

1.5(6) The petition should be typed or printed, and captioned BEFORE THE FAMILY FARM AGRICULTURAL DEVELOPMENT AUTHORITY, and shall be deemed filed when received by the executive director. Upon receipt of the petition, the executive director shall:

ITEM 3. Add the following new rule:

25—1.9(175) **Waiver.** The executive director of the authority may in the director's discretion retroactively or prospectively waive or vary particular provisions of these rules as necessary to conform to changes in federal or state law or regulations; to further the legislative purposes of programs of the authority; to bestow additional benefits or privileges on persons eligible to participate in the authority's programs; or to avoid inequitable, harsh or unforeseen results from the application of these rules; provided that the waiver shall be for good cause to avoid irreparable harm or injury to citizens of this state, shall not be unduly prejudicial to any person and shall not be in conflict with the Act.

ITEM 4. Amend Chapter 2 as follows:

CHAPTER 2

BEGINNING FARMER LOAN PROGRAM

Subchapter A.—~~Bond Market Program~~
General Provisions

Amend subrule 2.1(2), paragraph "a," as follows:

a. Total assets shall not include items used for personal, family or household purposes by the applicant; but in no event shall such any property be excluded, to the extent a deduction for depreciation is allowable for federal income tax purposes. All assets shall be valued at fair market value by the participating lender. Such The value shall be what a willing buyer would pay a willing seller in the locality. A deduction of ten percent (10%) may be made from fair market value of farm and other real estate.

Amend subrule 2.1(6) as follows:

2.1(6) "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation or cost recovery is allowable in computing federal income tax under the Internal Revenue Code of 1954 as defined in section 422.4, The Code and which is qualified for financing with tax-exempt bonds pursuant to section 144 of the Internal Revenue Code.

Amend subrule 2.1(8) as follows:

2.1(8) "Application" means a completed instrument with all of the information required by subrule 2.7(4) in the Bond Market Loan Program or rule 2.10(175) in the Individual Agricultural Development Bond Program. The time of application is when a completed application is submitted to the participating lender.

Amend subrule 2.2(1), introductory paragraph, as follows:

2.2(1) Forms. The executive administrator director shall prepare and, as needed, revise and amend, with the approval of the authority, such forms as necessary for administration of authority programs. The number

AGRICULTURAL DEVELOPMENT AUTHORITY[25] (cont'd)

and type of forms shall be sufficient to safeguard the interests of the authority.

ITEM 5. Add a new subchapter heading following subrule 2.3(4) and continue to amend Chapter 2 as follows:

Subchapter B — Bond Market Loan Program

Amend subrule 2.5(1) as follows:

2.5(1) Security for loans. The authority may take security for any loan. The form of ~~such~~ security may include, but not be limited to a promissory note, security agreement, or first mortgage.

Amend rule 2.6(175) as follows:

~~52325~~—**2.6(175) Procedures for application by participating lenders.**

2.6(1) The authority will disseminate a summary of the beginning farmer program to eligible lending institutions located within Iowa. Lenders wishing to secure a commitment of ~~Iowa family farm agricultural~~ development authority funds must submit a letter of interest to the ~~Iowa family farm agricultural~~ development authority by the initial application deadline set out in the letter of instructions accompanying the program summary.

2.6(2) The ~~Iowa family farm agricultural~~ development authority board will review the letters of interest and will determine if the requests would provide opportunity for statewide participation by beginning farmers.

2.6(3) Based on the above determination, the ~~Iowa family farm agricultural~~ development authority will send full program information and documents to selected lenders, and will invite full applications in a format prescribed by the ~~Iowa family farm agricultural~~ development authority and sent to all lenders initially, with the program summary.

2.6(4) Prospective participating lenders must complete and execute the full application and forward to ~~the same with any commitment fee required by the Iowa family farm development authority to the Iowa family farm agricultural~~ development authority ~~with any commitment fee required~~ on or before the final application deadline set out in the letter of instructions accompanying the program summary.

2.6(5) The full application must be based on the participating lender's estimate of potential for timely loan of the ~~Iowa family farm agricultural~~ development authority funds to qualified beginning farmers.

Amend subrule 2.7(1) as follows:

2.7(1) The ~~Iowa family farm agricultural~~ development authority shall give public notice of the application period, application procedures, and participating lenders, as soon as possible after the initial lender application deadline.

Amend subrule 2.7(3) as follows:

~~2.7(3) a.~~ All applications will be taken and processed on a first-come, first-served basis. Applications approved for funding, subject to sale of the ~~Iowa family farm agricultural~~ development authority bonds, will be ~~prioritized given priority~~ by the lender on a first-come, first-served basis.

~~b.~~ An application shall expire if it is subsequently denied any applicable guarantee or insurance or is rejected by the lender or the authority as unqualified. An application shall lose its priority if it is not funded by the authority within the number of days following the issuance of the authority's bonds issued to fund ~~such~~

the loan determined by the authority as a reasonable period of time to deliver ~~such~~ the loans. In any of ~~such~~ these events, the participating lender's commitment (to the extent available) shall be allocated to the next qualified applicant of the original applications, if any, and any subsequent applicants, if any, to the extent permitted by law, on a first-come, first-served basis.

e. The authority may deviate from the first-come, first-served rule to the extent necessary to (1) comply with federal income tax laws and regulations, or (2) fully utilize the proceeds of any series of bonds or allocations of bond proceeds to participating lenders.

Amend subrule 2.7(4) as follows:

~~2.7(4)~~ Applications will be made on customary and appropriate forms approved by the authority. Each application must include the following: Applicant name, address and credit data; ~~evidence of unavailability of alternative credit~~; description of anticipated use of beginning ~~farm~~ farmer loan proceeds; amount of loan and applicant down payment (if any); the ~~Iowa family farm agricultural~~ development authority net worth compliance; application for FmHA commitment (if applicable); last two (2) years' federal income tax returns.

Amend subrule 2.7(5) as follows:

~~2.7(5)~~(4) Each participating lender shall, within one (1) year of the date of issuance of the bonds from which the ~~Iowa family farm agricultural~~ development authority loan is made, have originated and disbursed all of the loan proceeds to beginning farmers. Failure to comply will result, at a minimum, in forfeiture of any commitment fees and loss of the unused ~~Iowa family farm agricultural~~ development authority commitment.

Amend rule 2.8(175) as follows:

~~52325~~—**2.8(175) Allocation of bond proceeds among participating lenders.**

2.8(1) The authority will aggregate its approved full applications and will base its preliminary offering circular on the aggregate loan amount. Based on the ratio between the amount of bonds actually sold by the ~~Iowa family farm agricultural~~ development authority and the aggregate loan application amounts, the ~~Iowa family farm agricultural~~ development authority will allocate its bond proceeds to the participating lenders, with ~~such~~ those adjustments as the authority deems appropriate.

2.8(2) Participating lenders shall maintain adequate books and records setting forth payments received and disbursements made pursuant to all authority loans. ~~Such~~ The participating lender's books and records shall be available for examination by the authority or its agent at any time during normal business hours.

ITEM 6. Amend the subchapter heading following subrule 2.8(2) and continue to amend Chapter 2 as follows:

Subchapter B C — Individual Agricultural Development Bond Program

~~52325~~—**2.9(175) Individual agricultural development bond program description.** This program is intended to allow beginning farmers to obtain lower interest rate loans for qualified purposes by obtaining loan funds from the proceeds of a tax-free~~exempt~~ bond issued by the authority and purchased by the participating lender. The authority will enter into a loan agreement with the beginning farmer and assign that loan to the participating lender. At the same time, the authority will issue a tax-free~~exempt~~ bond in the amount of the

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loan and the participating lender will purchase that bond, which is used to fund the loan assigned to the lender. The bond which is issued by the authority and purchased by the lender is a nonrecourse obligation. The only security for the lender is the underlying security on the assigned loan.

ITEM 7. Rescind subrule 2.10(1) and renumber subrule 2.10(2) as rule 2.10(175).

52325—2.10(175) Definitions.

~~2.10(1)~~ The definitions for the individual agricultural development bond program include the definitions in subrules ~~2.1(1) through 2.1(7)~~.

~~2.10(2)~~ "Application" means a completed instrument on a form approved by the authority. Each application must include the following: applicant name, address, and credit data, ~~evidence of unavailability of alternative credit~~, description of anticipated use of loan proceeds, amount of loan and applicant down payment (if any), and the ~~IFFDA~~ authority's net worth compliance.

Amend rule 2.11(175) as follows:

52325—2.11(175) Application procedures. The beginning farmer may apply (on forms approved by the authority) for an authority loan with any participating lender. Any loan approved will be assigned to that participating lender. Authority loan eligibility is determined by the requirements of the Act and the rules of the authority.

If a beginning farmer meets the loan eligibility requirements, the decision on whether to enter into the loan agreement is between the beginning farmer and the participating lender. They must agree on terms of the loan such as interest rates, length of loan, down payment, service fees, origination charges, and repayment schedule, which may not be any more onerous than ~~that those~~ charged to similar customers for similar loans, but taking into account the tax-exempt nature of interest on the loan.

Following completion of the loan application by the beginning farmer and approval by the participating lender, the loan application must be submitted to the authority for its review and approval. The authority's review will include, but not be limited to whether: (1) The loan applicant is a qualified beginning farmer, (2) the loan proceeds will be used for a qualified purpose *by a qualified borrower* under the Act, and rules of the authority, and the Internal Revenue Code and IRS regulations relating to ~~industrial development revenue private activity~~ bonds, and (3) the terms of the loan comply with these rules.

Following approval and issuance of the bond, the authority will enter into a loan agreement with the beginning farmer and then assign the loan without recourse to the participating lender. The authority may charge ~~such reasonable and necessary~~ fees as needed to defray its costs for processing the loan and bond.

Amend rule 2.12(175), introductory paragraph and the first unnumbered paragraph, as follows:

52325—2.12(175) Issuance of bond. The authority will not issue a bond for the purpose of financing a project for a specific beginning farmer unless, prior to its issuance, the authority has conducted a public hearing conforming to the applicable requirements of the United States Internal Revenue Code of ~~1954~~ 1986, *as currently amended*, and ~~the its~~ regulations ~~promulgated there~~

~~under or under the Internal Revenue Code of 1954, as amended.~~ Upon receipt of a completed application, in a form prescribed by the authority, the ~~secretary or executive administrator~~ director of the authority ~~may shall~~ set a date, time and place for the hearing. The hearing shall be preceded by a notice ~~thereof~~ published at least fourteen (14) days prior to the date of the hearing in a newspaper of general circulation and available to residents in the county where the project is located. The notice shall include, but not be limited to, the date, time and place of the hearing, the name of the beginning farmer, a general description of the project, and the right of individuals to request a local hearing.

The hearing shall be held ~~at in~~ the authority's offices in Des Moines, or other location stated in the notice, unless at or prior to the time scheduled for the hearing, the authority receives a written request that a local hearing be held. In the event a local hearing is requested, the previously scheduled hearing may be canceled. ~~the The~~ ~~secretary or executive administrator~~ director of the authority ~~may shall~~ set a date, time and place for a local hearing and notice of the hearing in the local area shall be published ~~as in the time and manner~~ stated above. The date, time and place for the local hearing shall be reasonably convenient to persons affected by the project.

Amend rule 2.13(175) as follows:

52325—2.13(175) Participating lenders. Any bank, trust company, *bank holding company*, mortgage company, national banking association, savings and loan association, life insurance company, ~~any~~ state or federal ~~government governmental~~ agency or instrumentality, or any other financial institution or entity authorized to make mortgage loans or secured loans in this state may be a participating lender. A financial institution may become a participating lender at any time by signing an agreement with the authority to become a participating lender.

ITEM 8. Add a new subchapter D heading following 2.15(175) and continue to amend Chapter 2 as follows:

Subchapter D — Postissuance Procedures

Amend rule 2.16(175) as follows:

52325—2.16(175) Procedures following bond issuance. No bond proceeds may be used for a nonqualified purpose or by a nonqualified user. Following disbursement of the bond proceeds, the participating lender and beginning farmer *may be required to shall* certify to the ~~IFFDA~~ authority that the proceeds were used by ~~a the~~ qualified beginning farmer for a qualified purpose.

Amend rule 2.18(175) as follows:

52325—2.18(175) Assumption of loans, substitution of collateral and transfer of property. Loans may not be assumed without the prior approval of the ~~IFFDA~~ authority, and then only if the purchaser of the property is an eligible applicant for an ~~IFFDA~~ authority loan. Equipment and other depreciable property may be exchanged or traded ~~in on~~ for similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the lender without prior approval of the ~~IFFDA~~ authority. The benefits of the loan made at the tax ~~free~~ exempt rate from the proceeds of an ~~IFFDA~~ authority bond must remain with the qualified beginning farmer, and no person to

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whom property is traded or otherwise transferred may obtain the benefits of the ~~IFDA~~ *authority* loan.

ITEM 9. Amend Chapter 4 as follows:

Amend subrule 4.2(7), definition of "Tillage equipment," as follows:

"Tillage equipment" means primary conservation tillage machines that are used in the first tillage function after harvest or into sod ground. Machines in this class must leave soil ridges and significant amounts of residue to impede wind and water erosion. Machines in this class shall include chisel plows, combination coulter-chisel machines and subsoilers. ~~Such~~ *These* machines shall be limited to straight points or twisted shovels not more than three (3) inches in width. ~~Such m~~ *M*achines with other tillage attachments are not authorized.

Amend rule 4.3(175) as follows:

~~52325—4.3(175)~~ **Application procedures.** Soil conservation loans can be made to an owner or operator of a farm located within the state for which a conservation plan has been developed by the USDA Soil Conservation Service and adopted by the soil conservation district and the project for which the loan is to be made has been approved by the district, and meets applicable requirements of the U.S. Internal Revenue Service (IRS) for tax-exempt financing. The landowner or operator may apply for an authority loan with any participating lender. The participating lender may aggregate loan requests into one (1) loan application and submit it to the authority. Any loan approved will be assigned by the authority to that participating lender.

Applicant loan eligibility will be determined on the basis of the Act and rules of the authority. If the project for which a loan is sought meets loan eligibility requirements, the decision on whether to enter into a loan agreement is between the landowner or operator and the participating lender. They must agree on terms of the loan including interest rates, length of loan, loan amount, down payment, service fees, origination charges, and repayment schedule, which may not be any more onerous than that charged to similar customers for similar loans, but taking into account the tax-exempt nature of the loan.

Following completion of the application by the landowner or operator, it is submitted to a participating lender who will submit an application for those loan requests approved by the lender to the authority for review and approval. The authority's review will include, but not be limited to whether: (1) The loan proceeds will be used for a qualified purpose(s) *by a qualified borrower(s)* under the Act and rules of the authority and the Internal Revenue Code and IRS regulations relating to ~~industrial development revenue~~ *private activity* bonds as determined by bond counsel; and (2) the terms of the loan comply with these rules.

In granting loan requests, the authority will give preference to those landowners or operators with the lower net worth. Following approval and issuance of the bond, the authority will enter into a loan agreement with the participating lender and then assign the loan without recourse to the lender. The loan *proceeds* shall not be remitted to the landowner or operator until evidence is provided that payment of the permanent soil and water conservation practice is arranged for and the soil conservation district certifies that the practice is completed and approved. The authority may charge reasonable and

necessary fees needed to defray its costs for processing the loan and bond.

Amend rule 4.4(175), introductory paragraph and the first unnumbered paragraph, as follows:

~~52325—4.4(175)~~ **Issuance of bond.** The authority will not issue a bond for the purpose of financing a project for a specific landowner(s) or operator(s) unless, prior to the issuance, the authority has conducted a public hearing conforming to the applicable requirements of the United States Internal Revenue Code of 1954 and ~~the its regulations promulgated thereunder.~~ Upon receipt of a completed application, in a form prescribed by the authority, the ~~secretary or executive administrator~~ *director* of the authority ~~may shall~~ set a date, time and place for the hearing. The hearing shall be preceded by a notice ~~thereof~~ published at least fourteen (14) days prior to the date of the hearing in a newspaper of general circulation and available to *the* residents in the county where the project is located. The notice shall include, but not be limited to, the date, time and place of the hearing, the name of the landowner(s) or operator(s), a general description of the project, and the right of individuals to request a local hearing.

The hearing shall be held ~~at~~ *in* the authority's offices in Des Moines, or other location stated in the notice, unless at or prior to the time scheduled for the hearing, the authority receives a written request that a local hearing be held. In the event a local hearing is requested, the previously scheduled hearing may be canceled; ~~the~~ *The* ~~secretary or executive administrator~~ *director* of the authority ~~may shall~~ set a date, time, and place for a local hearing and notice of the hearing in the local area shall be published in the time and manner stated above. The date, time and place for the local hearing shall be reasonably convenient to persons affected by the project.

Amend rule 4.9(175) as follows:

~~52325—4.9(175)~~ **Procedures following bond issue issuance.** No bond proceeds may be used for a nonqualified purpose *or by a nonqualified user.* Following ~~the~~ disbursement of the bond proceeds, the participating lender ~~and landowner or operator shall may be required~~ to certify to the authority that the proceeds were used ~~by a~~ *the* qualified landowner(s) or operator(s) *for a qualified purpose.*

[Filed 4/3/87, effective 5/27/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7543

**AGRICULTURE AND
LAND STEWARDSHIP
DEPARTMENT[21]**

Pursuant to the authority of Iowa Code section 159.5(11), the Iowa Department of Agriculture and Land Stewardship hereby adopts rules amending Chapter 14, "Registration of Iowa-Foaled Horses and Iowa-Whelped Dogs," Iowa Administrative Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin February 25, 1987, as ARC

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT [21] (cont'd)

7391. Public comments were solicited until March 17, 1987, and no comments or suggestions were received.

This rule is identical to that published under Notice.

This rule will become effective May 27, 1987.

This rule is intended to implement Iowa Code section 99D.22.

The following rule is adopted:

Amend rule 30—14.41(99D), introductory paragraph, to read as follows:

30—14.41(99D) Procedures for registration. Within fifteen (15) days after litter registration with the National Greyhound Association, a copy of the original litter acknowledgment and a copy of the breeding acknowledgment must be received by the department. A copy of the driver's license or voter registration of all first-time litter applicants must accompany the litter acknowledgment. Any late registrations will be assessed a penalty of twenty-five dollars (\$25.00). All litter registrations over one year old will not be accepted. When application for individual dog registration is made to the National Greyhound Association, the onionskin copy shall be provided to the department.

Further amend 30—14.41(99D) by striking the implementation sentence at the end of the rule and inserting in lieu thereof the following:

This rule is intended to implement Iowa Code section 99D.22.

[Filed 4/3/87, effective 5/27/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7532

BANKING DIVISION[187]

Pursuant to the authority of Iowa Code sections 17A.3, 524.213, 536.21, 536A.28, 546.2, and 546.3, the Banking Division of the Department of Commerce hereby amends and transfers rules of Banking Department [140]—Chapters 1 to 4, 8, 9, and 21, and Auditor of State [130]—Chapter 1 to Banking Division [187] and rennumbers 140—Chapter 21 as 187—Chapter 15, and 130—Chapter 1 as 187—Chapter 16, Iowa Administrative Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin, February 25, 1987, as ARC 7399.

These rules are identical to the Notice of Intended Action with the exception of minor grammatical changes.

These rules implement Iowa Code chapters 524, 536, and 536A.

These rules shall become effective May 28, 1987.

ITEM 1. Transfer Chapters 1 to 4, 8, 9, and 21 of Banking Department [140] to Banking Division [187] and Chapter 1 of Auditor of State [130] to Banking Division [187] as Chapter 16. Renumber 140—Chapter 21 as 187—Chapter 15.

ITEM 2. Amend renumbered 187—Chapters 1 and 15 by striking the word "department" and inserting "division" wherever it appears.

ITEM 3. Amend renumbered 187—Chapters 1 and 4 by striking "530 Liberty Building, 418 Sixth Avenue" and inserting "Suite 300, 200 East Grand Avenue" wherever it appears.

ITEM 4. Amend renumbered rule 187—1.3(17A,524) as follows:

Rescind the introductory paragraph and insert in lieu thereof the following:

187—1.3(17A,524) Division of banking. The division is the office of the superintendent and consists of the superintendent and those employees who discharge the duties and responsibilities imposed upon the superintendent by the laws of this state. The superintendent has general control, supervision and regulatory authority over all state chartered banks, regulated loan companies, industrial loan companies, persons licensed to engage in the business of debt management and persons licensed to engage in the business of selling written instruments for the transmission or payment of money. The division consists of two separate bureaus. The bank bureau has primary responsibility relating to the supervision, regulation and chartering of state banks. The finance company bureau has primary responsibilities relating to the supervision, regulation and licensing of regulated loan companies, industrial loan companies, persons engaged in the business of selling written instruments, and persons engaged in the business of debt management.

Amend subrule 1.3(1) by rescinding paragraph "b" and inserting in lieu thereof the following:

b. Assistants to the superintendent. Three assistants to the superintendent perform duties prescribed by the superintendent, including general supervision of all bank examining personnel and scheduling, general supervision of all matters relating to bank and bank office applications, and renewals and amendments to articles of incorporation, and general supervision of the bank examination process, for which each is responsible.

Further amend subrule 1.3(1) by rescinding paragraph "c," relettering paragraph "d" as "c," and rescinding paragraph "e" and inserting the following:

d. Bureau chief. The bureau chief performs duties prescribed by the superintendent, including general supervision over all matters relating to regulated loan companies, industrial loan companies, persons engaged in the business of debt management and persons engaged in the sale of written instruments.

Amend subrule 1.3(2), paragraph "a," to read as follows:

a. Bank examination territories. ~~Twelve~~ *Thirteen (13)* bank examination territories are located throughout the state. Each territory is headed by a senior examiner who is assisted by three ~~(3)~~ *to five or more* junior examiners. All bank examiners perform ~~such~~ *such* duties as the ~~superintendent prescribes; prescribed by the superintendent,~~ including general supervision over the banks located in the territory to which they are assigned. Senior examiners also have general supervision over the junior examiners under them.

Further amend subrule 1.3(2) by rescinding paragraphs "b" and "c," and inserting in lieu thereof the following:

b. Trust examination. Trust examiners perform duties prescribed by the superintendent, including general supervision over bank trust examinations and junior examiners who may be assigned to assist in examinations.

BANKING DIVISION[187] (cont'd)

c. Finance company examination. The examiners perform duties prescribed by the superintendent, including general supervision of regulated loan companies, industrial loan companies and persons engaged in the business of debt management.

ITEM 5. Amend subrule 1.4(1) as follows:

Amend subrule 1.4(1), paragraph "a," by changing "division" to "bureau" and in subparagraphs (1) to (82) by changing "BD" to "BB".

Amend subrule 1.4(1), paragraph "b," by changing "Small loan division" to "Finance company bureau"; in subparagraphs (1) to (4) by changing "SL" to "RL"; and in subparagraph (4) by striking "Small" and inserting in lieu thereof "Regulated".

ITEM 6. Rescind and reserve Chapter 3.

ITEM 7. Adopt Chapters 5 and 6 as follows:

Adopt the petitions for rule making segment of the Uniform Administrative Rules which is printed in the front of Volume I of the Iowa Administrative Code with the following amendments:

CHAPTER 5
PETITIONS FOR RULE MAKING

187-5.1(17A) Petition for rule making. In lieu of the words "the agency at (designate office)" insert "the Superintendent of Banking, Iowa Department of Commerce, Division of Banking, Suite 300, 200 East Grand Avenue, Des Moines, Iowa 50309". In lieu of the words "(AGENCY NAME)" the heading on the petition should read:

BEFORE THE DIVISION OF BANKING

187-5.3(17A) Inquiries. Inquiries concerning the status of a petition for rule making may be made to the Superintendent of Banking, Iowa Department of Commerce, Division of Banking, Suite 300, 200 East Grand Avenue, Des Moines, Iowa 50309.

Adopt the declaratory rulings segment of the Uniform Administrative Rules which is printed in the front of Volume I of the Iowa Administrative Code, with the following amendments:

CHAPTER 6
DECLARATORY RULINGS

187-6.1(17A) Petition for declaratory ruling. In lieu of the words "the agency at (designate office)" insert "the Superintendent of Banking, Iowa Department of Commerce, Division of Banking, Suite 300, 200 East Grand Avenue, Des Moines, Iowa 50309". In lieu of the words "(AGENCY NAME)" the heading on the petition should read:

BEFORE THE DIVISION OF BANKING

187-6.3(17A) Inquiries. Inquiries concerning the status of a petition for a declaratory ruling may be made to the Superintendent of Banking, Iowa Department of Commerce, Division of Banking, Suite 300, 200 East Grand Avenue, Des Moines, Iowa 50309.

Chapters 7 and 10 to 14 are reserved.

ITEM 8. Amend subrule 15.1(1) as follows:

15.1(1) Form used. Printed copies of application for license shall be obtained from the Superintendent, Department Division of Banking, State of Iowa, Suite 300, 200 East Grand, Des Moines, Iowa. The printed application form shall be used by each applicant when applying for a license. All questions shall be answered in full and whenever space is inadequate a rider may be attached giving in full the information required.

ITEM 9. Amend subrule 15.4(3) as follows:

15.4(3) Splitting loans. An individual, copartnership, association or corporation holding more than one license shall not induce or permit any borrower or any husband and wife, individually or jointly, to be indebted to him under more than one contract of loan at the same time at any one or more of his licensed offices.

ITEM 10. Amend rule 16.2(536A) as follows:

187-16.2(536A) Multiple business authorization. This regulation shall be known as the "Multiple Business Regulation." Any authorization granted by this regulation shall be conditional upon full compliance with all parts thereof. Printed copies of the "Application for Multiple Business Authorization" shall be obtained from the office of Auditor of State, Division of Industrial Loan Audits, State Capitol Building, Des Moines, Iowa 50319 Superintendent of Banking, Division of Banking, Suite 300, 200 East Grand, Des Moines, Iowa 50309. The printed application form shall be used by each licensee when applying for multiple business authorization. All information shall be supplied in full and where space is inadequate for a full answer, a rider shall be attached.

ITEM 11. Amend 187-Chapter 16 by striking "auditor of state" and "auditor" and inserting "superintendent" and by striking "auditor's" and "his" and inserting "superintendent's" wherever they appear in the following rules:

16.3(536A)

16.4(536A)

16.12(536A)

16.15(536A), except for subrule 16.15(3), paragraph "b," where "his" changes to "the"

16.27(536A)

16.28(536A)

16.30(536A)

Further amend 187-Chapter 16 by striking "small" and inserting in lieu thereof "regulated" wherever it appears in rules 16.5(536A), 16.8(536A), 16.9(536A), and 16.10(536A).

Further amend 187-Chapter 16 by striking "Iowa housing finance authority" and inserting "Iowa finance authority" wherever it appears in rules 16.27(536A) and 16.30(536A).

Further amend 187-Chapter 16 by rescinding subrule 16.30(1), paragraph "d," and inserting in lieu thereof the following:

d. "Superintendent" shall mean that as defined in Iowa Code section 524.103(21).

[Filed 4/1/87, effective 5/28/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7523

HUMAN SERVICES
DEPARTMENT[441]

Pursuant to the authority of Iowa Code sections 234.6, 239.18, and 249A.4, the Department of Human Services hereby adopts Chapter 13, "Program Evaluation," Iowa Administrative Code.

The Council on Human Services adopted these rules on March 24, 1987. Notice of Intended Action regarding these rules was published in the Iowa Administrative Bulletin on January 28, 1987, as ARC 7334.

The Department currently has no rules governing the quality control review process of public assistance case records. Quality control reviews are mandated by federal regulations. If the reviews are not completed by the state, the federal agencies will complete the reviews at state expense.

This amendment sets forth the procedures used by the Department to provide a systematic method of measuring the validity of the Aid to Dependent Children, Food Stamp, and Medicaid programs' eligibility determinations by the local office. This information is used to establish the state's liability for errors which exceed the national standard, establish eligibility for additional funding, and to identify error-prone issues used to plan corrective action.

Although the Department has no rules currently, the procedures outlined in these rules are in effect and have been followed in the past.

The definitions of "active case" and "negative case" were changed to the singular.

The definition of "random sample" in rule 441-13.1(234, 239, 249A) was revised to clarify that the sample is drawn monthly and that the size of the sample is determined by federal guidelines.

The term "areas" in subrules 13.3(2) and 13.7(2) was changed to "issues".

Paragraph "b" of subrule 13.5(3) was revised for brevity.

These rules are intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

These rules shall become effective June 1, 1987.

Adopt 441—Chapter 13 as follows:

CHAPTER 13

PROGRAM EVALUATION

PREAMBLE

The purpose of this chapter is to define the methods and procedures used by the department to provide a systematic method for measuring the validity of the eligibility determinations in the aid to dependent children (ADC), food stamp, and Medicaid programs; to provide a basis for establishing state agency liability for errors that exceed the national standard and state agency eligibility for enhanced funding; and to provide program information which can be used by the department in determining a corrective action plan to ensure the rules and regulations are implemented in accordance with the ADC, food stamp, and Medicaid rules.

441—13.1(234, 239, 249A) Definitions.

"Active case" means a case that was receiving assistance for the month of review.

"Case record" means the record used to establish a client's eligibility.

"Client" means a current or former applicant or recipient of aid to dependent children, food stamps, or Medicaid.

"Collateral contact" means a source of information which can be used to verify the client's circumstances.

"Department" means the Iowa department of human services.

"Field investigation" means a contact involving the public or other agencies to obtain information about the client's circumstances for the appropriate month of review.

"Local agency" means the local or district office of the department.

"Month of review" means the specific calendar or fiscal month for which the assistance under review is received.

"Negative case" means a case that was terminated or denied assistance for the month of review.

"Public assistance programs" means those programs involving federal funds, i.e., aid to dependent children, food stamps, Medicaid.

"Random sample" means a systematic (or every nth unit) sample drawn monthly for which each item in the universe has an equal probability of being selected. Sample size is determined by federal guidelines.

"State policies" means the rules and regulations used by the local agency to administer the aid to dependent children, food stamp, and Medicaid programs.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.2(234, 239, 249A) Review of public assistance records by the department.

13.2(1) Authorized representatives of the department shall have the right to review case records to determine the following:

a. If the client has provided complete, correct, and accurate information to the local agency to be used in the determination of the assistance benefits.

b. If the local agency has correctly administered the state policies in determination of assistance for the public assistance programs.

c. Whether overpayments or underpayments have been made correctly to the public assistance client during the month of review.

d. If there is indication of fraudulent practice or abuse of the public assistance programs by either the client or local agency.

13.2(2) All pertinent case records within the department may be used by the reviewer to assist in substantiating an accurate reflection as to the correctness of the assistance paid to the client.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.3(234, 239, 249A) Who shall be reviewed. Any active or negative public assistance case may be reviewed at any time at the discretion of the department based upon a random sample to:

13.3(1) Assure federal and state requirements for quality control are met.

13.3(2) Detect error-prone case issues to assist in corrective action.

13.3(3) Maintain public assistance program integrity.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.4(234, 239, 249A) Notification of review. On positive case actions, clients shall be notified, either orally

HUMAN SERVICES DEPARTMENT[441] (cont'd)

or in writing, that their case has been selected for review. The client will be contacted in a negative case only if a discrepancy exists which cannot be resolved from the case record.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.5(234, 239, 249A) Review procedure. The department will select the appropriate method of conducting the review. Review procedures may include, but are not limited to the following:

13.5(1) A random sampling of active and negative case actions shall be used to determine the case records to be studied.

13.5(2) The case record shall be analyzed for discrepancies, correct application of policies and procedures and shall be used as the basis for a field investigation.

13.5(3) Client interviews shall be required as follows:

a. Personal interviews are required on all active aid to dependent children and food stamp reviews. Form 470-1065, Appointment Confirmation, may be sent to the client requesting written confirmation of the appointment time.

b. In lieu of the personal interview, Medicaid clients or their representatives are required to provide all information requested on Form 470-1633, Medicaid Questionnaire.

c. Client contacts are only required in negative case reviews when there is a discrepancy which cannot be resolved from the case record.

13.5(4) Collateral contacts are required whenever the client is unable to furnish information needed or the reviewer needs additional information to establish the correctness of eligibility and payment. The following forms shall be used to contact the collateral source in order to verify information specified below. The collateral contact shall complete the requested information and return the form to the reviewer.

a. The client shall not be required to give written permission for the following collateral contacts:

(1) Absent Parent Questionnaire, Form 470-0457, sent to the absent parent in order to determine whether or not the absent parent had provided any income to or had any resources for the client or children which would have affected the review month.

(2) Grandparent Questionnaire, Form 470-1643, sent to the child(ren)'s grandparents to determine whether or not the grandparents had provided any income or had any resources for the client or child(ren) which would have affected the review month.

(3) Motor Vehicle Information Request, Form 470-1634, used to determine whether or not the client had any registered vehicles.

(4) Property Verification Request, Form 470-1641, used to determine whether or not the client had any recorded property.

(5) Application for Confidential Verification of Vital Statistics, Form 470-0474, used to verify birth, death, and marital status when the event took place in Iowa.

(6) Address Information Request, Form 470-0176, used to contact the post office to determine a person's mailing address.

(7) Facility Questionnaire, Form 470-0100, used in Medicaid cases to determine information concerning a client's stay in a facility.

(8) Parent Questionnaire for Foster Children, Form 470-2014, used to contact the natural parents of the foster

care child to determine the resources and income of the child.

(9) Foster Parent Questionnaire, Form 470-2013, used to contact the foster parents of the foster child to determine any resources and income of the child.

(10) Child Support Verification Request, Form 470-2009, used to contact the clerk of court or the friend of court in order to determine if child support or alimony was paid.

b. The client shall be required to sign the following specified release of information forms whenever necessary to verify information essential to the determination of eligibility and payment:

(1) Household Member Questionnaire, Form 470-1630, used to obtain information concerning a client's household composition.

(2) Landlord Questionnaire, Form 470-1632, used to contact the client's landlord.

(3) Financial Institution Questionnaire, Form 470-1631, used to verify information from a financial institution.

(4) Request for School Verification, Form 470-1638, used to verify information in the child(ren)'s school records.

(5) Earned Income Verification, Form 470-1639, used to verify information concerning a client's employment.

(6) Verification of Educational Financial Aid, Form 470-1640, used to verify information from an institution of higher learning.

(7) Authorization for Release of Information, Form PA-2206-0, used whenever it is necessary to verify information which is not covered by a specific release in order to establish the correctness of eligibility and payment.

c. Should the client refuse to authorize the department to contact an informant to verify information that is necessary for the completion of the review, collateral contacts shall still be made through use of the general release statement contained in the Public Assistance Application, Form PA-2207-0 or PA-2230-0 (Spanish version); Form PA-1107-0, Application for Medical Assistance or State Supplementary Assistance; Public Assistance Eligibility Report, Form PA-2140-0; or Application for Food Stamps, Form FP-2101-0 or FP-2101-1 (Spanish version).

13.5(5) On aid to dependent children and Medicaid reviews, the quality control reviewer shall seek to identify potential third party payment resources for health services in noncasualty situations, and to identify accidents that occurred prior to or during the review month.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.6(234, 239, 249A) Failure to cooperate. Client cooperation with quality control is a program eligibility requirement as set forth in subrule 40.7(4), paragraph "d," and rules 441—65.3(234) and 441—76.8(249A). When quality control determines that the client has refused to cooperate with the review process, the client is no longer eligible for the program benefits and will not be eligible for the program benefits until the client has cooperated.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.7(234, 239, 249A) Report of findings. The quality control review findings are utilized by the department in the following ways:

HUMAN SERVICES DEPARTMENT[441] (cont'd)

13.7(1) The local agency will use the findings in taking the appropriate case actions where an overpayment or underpayment has been found in a client's case record.

13.7(2) The department will use the overall findings to identify error-prone program issues to be used in planning their corrective action plan.

13.7(3) The department will use the findings of the overall sample period to determine the error rate used to establish state agency liability or enhanced funding.

This rule is intended to implement Iowa Code sections 234.12, 239.6, and 249A.4.

441—13.8(234, 239, 249A) Federal rereview. A sample of the cases selected by the department for review will also be reviewed by the applicable federal agency to determine the correctness of the department's review of the case.

[Filed 3/26/87, effective 6/1/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7524**HUMAN SERVICES
DEPARTMENT[441]**

Pursuant to the authority of Iowa Code section 239.18, the Department of Human Services hereby amends Chapter 42, "Unemployed Parent," appearing in the Iowa Administrative Code.

The Council on Human Services adopted this rule on March 24, 1987. Notice of Intended Action regarding this rule was published in the Iowa Administrative Bulletin on February 11, 1987, as **ARC 7372**.

This amendment requires all principal wage earners (i.e., qualifying parents) applying for the Aid to Dependent Children - Unemployed Parent (ADC-UP) program to register for work with the Department of Employment Services (DES) and to cooperate with DES in locating work or training for work. Referral to the WIN program will no longer be an acceptable alternative to registering for work with DES. Those applicants whom DES is assisting may be required to make more than the two (2) weekly, face-to-face job contacts that are required under the current rules.

Governor Branstad is mandating that DES give priority to serving principal wage earners applying for ADC-UP. The purpose of this mandate is to ensure that these unemployed parents receive the help they need in finding work and to reduce the number of families receiving ADC-UP. These changes are needed so the Governor's mandate can be fulfilled.

Failure to cooperate with these requirements will result in denial of ADC-UP for a minimum of thirty (30) days from the date that noncooperation occurred.

This rule is identical to that published under Notice of Intended Action.

This rule is intended to implement Iowa Code section 239.2.

This rule shall become effective June 1, 1987.

Amend rule 441—42.4(239) as follows:

Amend subrule 42.4(3) as follows:

42.4(3) Employment services registration, work incentive program, job insurance benefits. ~~The In counties without a work incentive (WIN) program, the qualifying parent shall register for employment with the department of employment services or shall be referred to the work incentive program using Form PA-2138-5, Unemployed Parent Referral to Employment Services. In counties with a WIN program, all qualifying parents are automatically registered for work under the provisions of rule 441—41.4(239). In WIN counties, the qualifying parent shall also register for employment with the department of employment services using Form PA-2138-5, Unemployed Parent Referral to Employment Services, when this is required by the local office because the qualifying parent is an applicant or because the qualifying parent is a recipient who is exempt from referral to the WIN program. The qualifying parent shall apply for and receive job insurance benefits when eligible. When a parent refuses to register is not registered for employment or refuses to apply for or draw unemployment benefits, there is no eligibility on the basis of unemployment.~~

Amend the introductory paragraph to subrule 42.4(4) as follows:

42.4(4) Active search for employment or training. *Notwithstanding any other provision of this subrule, while the application is pending the qualifying parent who is not participating in an approved training plan shall cooperate with the department of employment services in actively searching for employment or training for employment. The qualifying parent who fails or refuses to cooperate with the department of employment services without good cause, as defined in subrule 42.4(5), shall not be considered unemployed. In addition, while while the application is pending and after assistance has been approved, the qualifying parent shall comply with the following active search requirements:*

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ARC 7525**HUMAN SERVICES
DEPARTMENT[441]**

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services hereby amends Chapter 75, "Conditions of Eligibility," appearing in the Iowa Administrative Code.

Under current policy if persons are eligible for Aid to Dependent Children (ADC) or Supplemental Security Income (SSI), they are automatically eligible for Medicaid.

Section 9506 of the Consolidated Omnibus Reconciliation Act of 1985 (COBRA - Public Law 99-272) contains a provision which requires that funds from a trust established by a Medicaid client or spouse in which the client is a beneficiary be counted as available to the client if the trustee or trustees have discretion of distribution.

HUMAN SERVICES DEPARTMENT[441] (cont'd)

This provision applies regardless of whether or not the trust is irrevocable or is established to allow the client to qualify for assistance. The only exception allowed by law is for trusts or initial trust decrees established prior to April 7, 1986, solely for the benefit of a mentally retarded person who resides in an intermediate care facility for the mentally retarded.

States are allowed to waive this provision with respect to persons for whom application of the provision would work an undue hardship. The Department has chosen not to waive the provision in these cases because the determination of hardships is very subjective.

Although Section 9506 was effective June 1, 1986, the Department has been waiting for federal regulations explaining how to implement this provision. Regulations have not been received but states have now been instructed to implement this provision immediately.

The Department was given the option of waiving this provision for persons for whom the provision would work an undue hardship. The Department chose not to waive the provision at this time because of the difficulty of establishing criteria for determining when an undue hardship exists. Criteria will be developed at a later date.

This rule was previously submitted filed emergency as ARC 7353 published in the Iowa Administrative Bulletin on February 11, 1987. Notice of Intended Action to solicit comment on that submission was published in the Iowa Administrative Bulletin on February 11, 1987, as ARC 7354.

A new paragraph was added to subrule 75.9(2) to clarify that if the trust principal and income is available only for medical care it shall not be used to determine eligibility, but shall be used as a third party resource for payment of medical bills.

The Council on Human Services adopted this rule on March 24, 1987.

This rule is intended to implement Iowa Code section 249A.4.

This rule will become effective June 1, 1987, and the emergency adopted rule, ARC 7353, will be rescinded effective June 1, 1987.

Amend 441—Chapter 75 by adding the following new rule:

441—75.9(249A) Treatment of Medicaid qualifying trusts.

75.9(1) A Medicaid qualifying trust is a trust or similar legal device established other than by will by a person or that person's spouse under which the person may be the beneficiary of payments from the trust and the distribution of these payments is determined by one or more trustees who are permitted to exercise any discretion with respect to the distribution to the person. Trusts or initial trust decrees established prior to April 7, 1986, solely for the benefit of a mentally retarded person who resides in an intermediate care facility for the mentally retarded, are exempt.

75.9(2) The amount of income and principal from a Medicaid qualifying trust that shall be considered available shall be the maximum amount that may be permitted under the terms of the trust assuming the full exercise of discretion by the trustee or trustees for the distribution of the funds.

a. Trust income considered available shall be counted as income.

b. Trust principal (including accumulated income) considered available shall be counted as a resource,

except where the trust explicitly limits the amount of principal that can be made available on an annual or less frequent basis. Where the trust limits the amount, the principal considered available over any particular period of time shall be counted as income for that period of time.

c. To the extent that the trust principal and income is available only for medical care, this principal or income shall not be used to determine eligibility. To the extent that the trust is restricted to medical expenses, it shall be used as a third party resource.

[Filed 3/26/87, effective 6/1/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7526**HUMAN SERVICES
DEPARTMENT[441]**

Pursuant to the authority of Iowa Code section 237A.12, the Department of Human Services hereby amends Chapter 109, "Child Care Centers," and Chapter 110, "Family and Group Day Care Homes," appearing in the Iowa Administrative Code.

The Council on Human Services adopted these rules on March 24, 1987. Notice of Intended Action regarding these rules was published in the Iowa Administrative Bulletin on January 28, 1987, as ARC 7335.

Currently Iowa Code section 232.69 requires that all staff working with children in day care centers, preschools, and family and group day care homes have a minimum of two (2) hours of training relating to the identification and reporting of child abuse. This amendment requires that certification of the training be in each individual's file.

At the recommendation of the State Day Care Advisory Committee, this amendment also upgrades safety and hygiene requirements and requirements for the care and protection of infants and toddlers in child day care centers. It is felt that more attention must be given to everyday hygiene to prevent the spread of infectious diseases.

This amendment strengthens requirements for the care of infants and toddlers under eighteen (18) months by requiring the center to report at the end of each day to the parent or person picking up the child the amount of time the child slept, the amount of food the child consumed and when, the time of and any irregularities in the child's bowel movements and achievements toward any developmental milestones.

Current rules already provide for the immediate notification of parents whose children are ill or injured.

The title and number of an application form are added to the rules and a reference to an obsolete bulletin is removed.

The word "immobile" was substituted for "nonmobile" in subrule 109.3(6).

These rules are intended to implement Iowa Code sections 237A.12 and 232.69.

These rules shall become effective June 1, 1987.

HUMAN SERVICES DEPARTMENT[441] (cont'd)

ITEM 1. Amend rule 441—109.2(237A) as follows:

Amend subrule 109.2(1) by adding the following new paragraph:

i. Certification of a minimum of two (2) hours of training relating to the identification and reporting of child abuse pursuant to Iowa Code section 232.69.

Add the following new subrule:

109.2(7) For each child under eighteen (18) months of age, the center shall make a daily written record of the child's activities during the day in each of these areas:

- a. The amount of time the child has slept.
- b. The amount of food consumed and the times at which the child has eaten.
- c. The time of and any irregularities in the child's bowel movements.
- d. Achievement toward any developmental milestones.

At the end of the child's day at the center, the daily written record shall be provided verbally or in writing to the parent or a person who picks up the child.

ITEM 2. Amend rule 441—109.3(237A) as follows:

Amend subrule 109.3(6) as follows:

109.3(6) Emergency plans for fire, tornado, and flood (if area is susceptible to floods) shall be written and posted in a conspicuous place by all exits. *Emergency plans shall include written procedures, diagrams, and specific considerations for immobile children.* Emergency plan procedures shall be practiced at least once a month for fire and at least quarterly for tornado.

Add the following new subrule:

109.3(9) Caretakers shall wash their hands with soap and running water and dry with disposable towels at the following times:

- a. Upon arrival at the center.
- b. Before preparing or serving food.
- c. After diapering a child.
- d. Before leaving the rest room either with a child or by themselves.

ITEM 3. Amend rule 441—109.5(237A) as follows:

Amend subrule 109.5(2) as follows:

109.5(2) The child care center shall have thirty-five (35) square feet per child of usable indoor floor space maintained in a clean and sanitary manner. When floor space occupied by cribs is counted as usable floor space, there shall be forty (40) square feet of floor space per child in those rooms. There shall be seventy-five (75) square feet in outdoor recreation area per child using the space at any given time. Kitchens, bathrooms, and halls may not be counted in the square footage per child or used as regular program space. Cooking stoves shall not be placed in the program area. For programs of two and one-half (2½) hours or less, outdoor space may be waived with the approval of the department providing there is suitable substitute space and equipment. *For sick child day care programs in or adjacent to the pediatrics area in a hospital, the outdoor space may be waived with the approval of the department.*

Amend subrule 109.5(8) as follows:

109.5(8) One (1) functioning toilet and one (1) lavatory for each fifteen (15) children or fraction thereof shall be provided in a room with natural or artificial ventilation. Training seats or chairs shall be allowed for children under two (2) years of age and shall be cleaned and sanitized after each use. There shall be handwashing facilities with hot and cold running water for child care

personnel in rooms where infants are housed or in an adjacent area other than in the kitchen.

ITEM 4. Amend rule 441—109.6(237A) as follows:

Amend subrule 109.6(4) by adding the following new paragraphs:

f. Prepared bottles shall be kept under refrigeration when not in use.

g. No sleeping child shall be left with a bottle.

Amend subrule 109.6(6), paragraph "b," as follows:

b. Private water supplies for drinking and culinary purposes shall be located and constructed in accordance with recommendations outlined in the Iowa state department of health bulletin, "Sanitary Standards for Water Wells" rules 567—chapter 49. Water shall be of satisfactory bacteriological quality as shown by annual laboratory analysis. When the facility provides care for children under two (2) years of age, a nitrate analysis shall also be obtained.

ITEM 5. Amend subrule 109.7(4) as follows:

Amend paragraph "b" as follows:

b. Each infant's diaper and toddler shall be changed *diapered* as frequently as needed in the infant's crib or on a surface which is cleaned and sanitized between each infant change at a central diapering area which is cleaned and sanitized after each use, or in the child's own crib on a disposable paper sheet which is discarded after each diapering. When changing diapers, the care provider shall wash and dry the infant or toddler shall be washed and dried, using the infant's child's own individual toilet accessories. There shall be a covered, waterproof container for the storage of soiled diapers and clothing.

Amend paragraph "d" as follows:

d. Washable toys, large enough so they cannot be swallowed, shall be provided. Toys shall have no sharp edges or removable parts. *All hard surface toys used by children shall be washed daily.*

ITEM 6. Amend subrule 109.9(1), paragraph "a," as follows:

a. Any adult individual or agency has the right to make application for a license. *The application for a license shall be made to the district office of the department of human services on Form 470-0722, Application for a License to Operate a Child Care Center, provided by the department.*

ITEM 7. Amend rule 441—110.5(237A) by adding the following new subrule:

110.5(12) A provider file shall contain certification of a minimum of two (2) hours of training relating to the identification and reporting of child abuse pursuant to Iowa Code section 232.69.

ITEM 8. Amend subrule 110.9(3) by adding the following new paragraph:

e. Certification of a minimum of two (2) hours of training relating to the identification and reporting of child abuse pursuant to Iowa Code section 232.69.

[Filed 3/26/87, effective 6/1/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7527**HUMAN SERVICES
DEPARTMENT[441]**

Pursuant to the authority of Iowa Code sections 234.6 and 237A.15, the Department of Human Services hereby amends Chapter 154, "Child Care Center Financial Assistance," appearing in the Iowa Administrative Code.

The Council on Human Services adopted this rule on March 24, 1987. Notice of Intended Action regarding this rule was published in the Iowa Administrative Bulletin on January 28, 1987, as **ARC 7317**.

The Noticed rule would have limited the timely appeal period for child care center financial assistance to ten (10) days.

Under current policy applicants are allowed the usual appeal period allowed Department clients. That is, they are allowed thirty (30) days to appeal, and the Commissioner may grant an extension for up to ninety (90) days. However, due to tight time frames, funds are only held for ten (10) days before disbursement. Therefore, it is more appropriate to match the timely appeal period for these cases to the necessary time frames for disbursement of the funds, rather than to the timely appeal period allowed under 441—Chapter 7.

Based on comments received from the Administrative Rules Review Committee regarding the short time frames it was decided to give applicants fifteen (15) days to appeal and to hold the funds for fifteen (15) rather than ten (10) days. A sentence was also added to clarify that disbursements are held after fifteen (15) days only in the county in which the appeal was filed.

This rule is intended to implement Iowa Code section 237A.15.

This rule shall become effective June 1, 1987.

Amend rule 441—154.5(237A) as follows:

Amend the introductory paragraph as follows:

441—154.5(237A) The right to appeal. Any organization or agency which serves day care facilities, and any licensed or registered facility that has been aggrieved by a decision of a county board under Iowa Code section 237A.17 and this chapter may request a fair hearing under the provisions of IAC 441—chapter 7. *The request shall be in writing and submitted to the department's local or district office. When the request is filed within fifteen (15) days after the notice is mailed, a hearing shall be granted pursuant to rules in 441—chapter 7. Appeals filed after the fifteen (15)-day limit shall be considered untimely and not granted a hearing.*

Amend subrule 154.5(2) as follows:

154.5(2) No disbursements will be made to any facility or organization following issue of notice for a period of ~~ten (10)~~ fifteen (15) calendar days. If an appeal is filed within the ~~ten (10)~~ fifteen (15) days, all disbursements in the county in which the appeal was filed will be held pending a final decision on the appeal. All facilities involved will be notified if an appeal is filed and given the opportunity to be included as a party in the appeal.

This rule is intended to implement Iowa Code section 237A.15.

[Filed 3/26/87, effective 6/1/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7522**INSPECTIONS AND APPEALS
DEPARTMENT[481]**

Pursuant to the authority of Iowa Code section 10A.104, the Iowa Department of Inspections and Appeals hereby amends Chapter 1, Chapter 4, and Chapter 5, Iowa Administrative Code.

These rules add the Department's mission statement to Chapter 1 and delete portions not in compliance with current statutes.

Because these are technical changes that do not affect the public, the Department finds that notice and public participation are not necessary. These amendments are filed pursuant to Iowa Code section 17A.4(2).

The Director of the Department of Inspections and Appeals adopted these rules March 24, 1987.

These rules implement Iowa Code sections 10A.202 and 17A.3(1)"a."

These rules will become effective May 27, 1987.

ITEM 1. Amend 481—Chapter 1 by inserting the following mission statement at the beginning:

Mission Statement

The department of inspections and appeals maintains integrity in state or federal programs and operations through audits, investigations, inspections of designated programs, and through impartial hearings of contested administrative actions to assure compliance with laws, rules and regulations.

ITEM 2. Amend subrule 4.6(3), paragraph "b," as follows:

b. Name, address, and telephone number of the person who ~~prepared~~ filed the exhibits.

ITEM 3. Amend subrules 5.6(2) and 5.6(3) as follows:

5.6(2) Every hearing in a contested case shall be presided over by a hearing officer on the staff of the department of inspections and appeals. ~~The board itself shall determine whether the hearing officer is to hear the case alone or whether the board itself is to hear the case with the hearing officer.~~

5.6(3) ~~When the board itself hears the contested case, the hearing officer shall preside at the hearing, rule on the admission and exclusion of evidence, and advise the board on matters of law; the board itself shall exercise all the other powers relating to the conduct of the hearing but may delegate any or all of them to the hearing officer. When the hearing officer alone hears a contested case, the hearing officer shall exercise all powers relating to the conduct of the hearing except that the decision of the hearing officer will be a proposed decision subject to review by the board.~~

ITEM 4. Amend subrules 5.7(1), 5.7(2), and 5.7(3) as follows:

5.7(1) ~~If a contested case is heard before the board itself, the hearing officer who presided at the hearing shall be present during the consideration of the contested case, and if requested, shall assist and advise the board and draft the decision for the board.~~

5.7(2) ~~If requested by the board, a contested case is heard by a hearing officer alone, the hearing officer shall prepare a proposed decision in a form that may be adopted as the decision in the case. The board itself may adopt the proposed decision in its entirety, or may~~

INSPECTIONS AND APPEALS DEPARTMENT[481] (cont'd)

increase or reduce the proposed penalty, or make other changes, and adopt the balance of the proposed decision.

5.7(3) The hearing officer will transmit ~~a~~ *the* proposed decision to the board within a reasonable period of time following final submission of the case to the hearing officer. The proposed decision of the hearing officer is a public record.

[Filed without Notice 3/26/87, effective 5/27/87]

[Published 4/22/87]

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ARC 7541

PUBLIC HEALTH DEPARTMENT[470]

BOARD OF CHIROPRACTIC EXAMINERS

Pursuant to the authority of Iowa Code chapter 17A and Iowa Code sections 147.76, 514F.1, and 514F.2, the Board of Chiropractic Examiners hereby adopts amendments to 470—Chapter 141, "Chiropractic Examiners," Iowa Administrative Code.

Item 1 relates to the issuance of a temporary certificate for chiropractors. Subrules establish the application procedures and requirements for the certificate.

Item 2 relates to the establishment of utilization and cost control review committee(s), qualifications for committee members, procedures for utilization and cost control review, types of cases to be reviewed and criteria for review.

Notice of Intended Action was published in the Iowa Administrative Bulletin on February 25, 1987, as ARC 7393. The rules were adopted April 1, 1987.

These rules are identical to those proposed, except for changing the word "clinic" to "clinical" in subrule 141.19(5), paragraph "c."

These rules shall become effective May 27, 1987.

These rules are intended to implement Iowa Code sections 151.12, 514F.1, and 514F.2.

ITEM 1. Add a new rule 141.18(151) as follows:

470—141.18(151) Temporary certificate.

141.18(1) The board may, in its discretion, issue a temporary certificate authorizing the applicant to practice chiropractic whenever, in the opinion of the board, a need exists and the applicant possesses the qualifications prescribed by the board for the certificate, which shall be substantially the same as those required under Iowa Code chapter 151. A temporary certificate shall be issued for one (1) year and, at the discretion of the board, may be annually renewed, not to exceed two (2) additional years, at a fee of one hundred dollars (\$100) per year.

141.18(2) Each applicant shall:

a. Submit a completed application form accompanied by a fee of one hundred dollars (\$100). This fee shall not apply toward license application.

b. Present a photostatic copy of a diploma (no larger than 8½ by 11 inches) issued by a chiropractic college approved by the board.

c. Present an official transcript of grades of the National Board or basic science certificate issued prior to July 1, 1973. The board may accept, in lieu of a transcript of grades, proof of licensure in another state.

141.18(3) Applicants may be required to satisfactorily complete a written, oral, or practical examination. In any case, the board shall require the applicant to appear for a personal interview before the board or a member of the board.

141.18(4) The temporary certificate may be canceled at any time without a hearing for reasons deemed sufficient to the board. The certificate may be canceled:

a. For any of the grounds for which licensee discipline may be imposed.

b. If the temporary certificate holder applies for a permanent license, is examined, and fails the examination.

Cancellation will be effective three (3) days after mailing the notice of cancellation by registered mail.

This rule is intended to implement Iowa Code section 151.12.

ITEM 2. Add a new rule 141.19(514F) as follows:

UTILIZATION AND COST CONTROL REVIEW

470—141.19(514F) Utilization and cost control review.

141.19(1) The board shall establish U.C.C.R. (Utilization and Cost Control Review) committee(s). The name(s) of the committee(s) shall be on file with the board and available to the public. The designation of the committee(s) shall be reviewed annually.

141.19(2) Members of the U.C.C.R. committee shall:

a. Hold a current license.

b. Practice chiropractic in the state of Iowa for a minimum of five (5) years.

c. Be actively involved in a chiropractic practice during the term of appointment as a U.C.C.R. committee member.

d. Not assist in the review or adjudication of claims in which the committee member may reasonably be presumed to have a conflict of interest.

141.19(3) Procedures for utilization and cost control review. A request for review may be made to the board by any person governed by the various chapters of Title XX of the Code, self-insurers for health care benefits to employees, other third party payors, chiropractic patients, or licensees.

a. The fee for service shall be one hundred dollars (\$100), which will be made payable directly to the U.C.C.R. committee. The committee shall make a yearly accounting to the board.

b. A request for service shall be submitted to the executive director of the U.C.C.R. committee on an approved submission form and shall be accompanied by four (4) copies of all information. All references to identification and location of patient and doctor shall be deleted and prepared for blind review by the executive director of the U.C.C.R. committee. The information shall be forwarded to the U.C.C.R. committee.

c. The U.C.C.R. committee shall respond in writing to the parties involved with its findings and recommendations within ninety (90) days. The committee shall review the appropriateness of levels of treatment and give an opinion as to the reasonableness of charges for diagnostic or treatment services rendered as requested. The U.C.C.R. committee shall submit a quarterly report of their activities to the board.

PUBLIC HEALTH DEPARTMENT[470] (cont'd)

141.19(4) Types of cases reviewed shall include:

- a. Utilization.
 - (1) Frequency of treatment,
 - (2) Amount of treatment,
 - (3) Necessity of service,
 - (4) Appropriateness of treatment.
- b. Usual and customary service.

141.19(5) Criteria for review may include but are not limited to:

- a. Was diagnosis compatible and consistent with information?
- b. Were X-ray and other examination procedures adequate, or were they insufficient or nonrelated to history or diagnosis?
- c. Were clinical records adequate, complete, and of sufficient frequency?
- d. Was treatment consistent with diagnosis?
- e. Was treatment program consistent with scientific knowledge and academic and clinical training in accredited chiropractic colleges?
- f. Were charges reasonable and customary for the service?

141.19(6) Members of the U.C.C.R. committee shall observe the requirements of confidentiality imposed by Iowa Code chapter 258A.

141.19(7) Action of the U.C.C.R. committee does not constitute an action of the board.

This rule is intended to implement Iowa Code sections 514F.1 and 514F.2.

[Filed 4/3/87, effective 5/27/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7542**REVENUE AND FINANCE
DEPARTMENT[701]**

Pursuant to the authority of Iowa Code sections 17A.22 and 421.14, the Iowa Department of Revenue and Finance hereby adopts amendments to Chapter 7, "Practice and Procedure Before the Iowa Department of Revenue and Finance," Iowa Administrative Code.

Notice of Intended Action was published in Iowa Administrative Bulletin, Volume IX, Number 18, on February 25, 1987, as ARC 7394.

The amendments to Chapter 7 are made in order to implement Iowa Code chapters 17A and 421 as amended by 1986 Iowa Acts, chapters 1245 and 1007.

1986 Iowa Acts, chapter 1007, is implemented by creating rules to require the payment of the tax, penalty, interest or fees, or posting a bond in lieu of payment, before a taxpayer can proceed to contested case proceedings when protesting a Department assessment for tax, penalty, interest and fees made on or after January 1, 1987.

With the exception of deleting the word "thereto" in the first paragraph of Item 11 and deleting the word "such" in the second paragraph of Item 11, at the request of the Administrative Rules Review Committee, these

rules are identical to those published under Notice of Intended Action. The amendments will become effective May 27, 1987, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin and Iowa Administrative Code.

These rules and amendments to rules are intended to implement Iowa Code chapters 17A and 421 as amended by 1986 Iowa Acts, chapters 1245 and 1007.

The following amendments to chapter 7 are adopted.

ITEM 1. Amend rule 701—7.1(17A) by deleting numbers and arranging the definitions alphabetically.

Further amend 7.1(17A) by adding a new definition and amending the definition of "pleadings" to read as follows:

"Motion" has the same meaning as the term is defined in rule 109 of the Rules of Civil Procedure.

"Pleadings" means protest, ~~motion~~, answer, reply or other similar document filed in a contested case proceeding.

ITEM 2. Amend rule 7.2(17A), numbered paragraphs "12," "13," and "14" to read as follows:

12. Games of skill, chance and raffles—chapter 99B
Local option taxes—chapter 422B.

13. Possession of gambling devices—license revoked—chapter 99B.

14. Hotel and motel tax—chapter 422A.

ITEM 3. Rule 7.6(17A), numbered paragraph "4," is rescinded and the following inserted in lieu thereof:

4. Accountants who are authorized, permitted, or licensed under chapter 116.

ITEM 4. Amend rule 7.8(17A) by rescinding the first unnumbered paragraph given below:

Any person who is not contesting any department action and who feels entitled to declaratory relief in which an evidentiary proceeding (contested case) would be required can file a protest under this rule.

ITEM 5. Amend rule 7.8(17A) by renumbering "1." as subrule 7.8(1) and "2." as 7.8(2).

ITEM 6. Amend renumbered subrule 7.8(2) by relettering paragraphs "f" as "i" and "g" as "j" and amend paragraph "j" to read as follows:

g. The signature of the protester or that of his or her the protester's representative;

ITEM 7. Further amend renumbered subrule 7.8(2), paragraphs "h" as "f," "i" as "g," and "j" as "h," and amend relettered "h" to read as follows:

h. The desire of protester to waive informal or contested case proceedings if he or she so it is desired; unless the protester so indicates a waiver, informal procedures will be initiated.

ITEM 8. Amend rule 7.8(17A) the last unlettered paragraph to read as follows:

The protester may amend his or her the protest and the department may amend its answer at any time prior to the commencement of the evidentiary hearing.

ITEM 9. Amend rule 7.14(17A) by renumbering it as subrule 7.14(2) and by adding the following new subrule to be designated subrule 7.14(1).

7.14(1) Payment of tax or bond required prior to contested case proceedings.

a. Effective date — payment or bond required. Effective for contested case proceedings for unpaid tax, penalty, interest, or fees commenced in response to

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assessments made on or after January 1, 1987, the taxpayer must pay prior to the commencement of contested case proceedings, all of the assessed tax, penalty, interest, or fees or, upon a showing of good cause, a bond may be posted in lieu of payment of the amount of the assessment that is in dispute.

b. Cases applicable. The provisions of this subrule only apply to those contested case proceedings where a tax, penalty, interest, or fees, or any combination of them, which has not been previously paid prior to the commencement of contested case proceedings, is at issue.

c. Cases not applicable. This subrule does not apply to protest proceedings involving only the denial of refund claims. Nor does this subrule apply to a taxpayer's appeal or protest pending in informal procedures involving an unpaid tax, penalty, interest, or fees.

d. Time disputed tax, penalty, interest, or fees must be paid. Unless a bond has been posted as provided in subrule 7.14(1), paragraph "f," all of the disputed tax, penalty, interest, or fees assessed computed to the date of payment must be paid in full, within thirty (30) days after the date the answer is filed by the department. Undisputed amounts are not eligible for a bond and must be paid with the payment of the disputed amount, or with the posting of the bond.

e. Payment deemed made under protest. Unless the taxpayer declares otherwise in writing, the payment of that portion of the assessed tax, penalty, interest, or fees in dispute after the filing of the department's answer, shall be deemed to have been paid under protest and, if upon resolution of the protest, the amount paid is in excess of the correct tax, penalty, interest, or fees due, the excess shall be refunded to the taxpayer or other persons entitled with interest as provided by law, subject to any right of offset.

f. Bond in lieu of payment. Within thirty (30) days after the date the answer is filed by the department, and upon filing an application showing good cause, the taxpayer may, in lieu of payment, post a bond securing the payment of that portion of the assessed tax, penalty, interest, or fees which is in dispute accrued to the date the bond is posted. A taxpayer is not permitted to refuse to pay the portion of the assessed amount not in dispute until all disputed issues have been resolved. The uncontested portion of the assessment must be paid and a bond is only permitted to be posted in lieu of payment of the amount in dispute. The bond shall be payable to the department for the use of the state of Iowa and shall be conditioned upon the full payment of the tax, penalty, interest, or fees that are found to be due which remain unpaid upon the resolution of the contested case proceedings. The bond shall be for the full amount of the assessed tax, penalty, interest, or fees that is in dispute, computed to the day the bond is posted. Provided upon application of the taxpayer or the department, the department's hearing officer may, upon hearing, fix a greater or lesser amount to reflect changed circumstances, but only after ten (10) days' prior notice is given to the department or the taxpayer as the case may be.

g. Type of bond. A personal bond, without a surety, is only permitted if the taxpayer posts with the department's hearing officer, cash, a cashier's check, a certificate of deposit, or other marketable securities with a readily ascertainable value which is equal in value to the total amount of the bond required. If a surety bond is posted, the surety on the bond may be either personal or corporate. The provisions of Iowa Code chapter 682

relating to personal and corporate sureties shall govern to the extent not inconsistent with the provisions of Iowa Code section 421.8A and this subrule.

h. Procedure for posting bond. In the event the taxpayer desires to post bond in lieu of payment of the amount of the tax, penalty, interest, or fees claimed to be due which is in dispute, an application in writing, together with the bond must be filed with the hearing officer within thirty (30) days after the department's answer is filed. The application must state the reasons why good cause exists for posting a bond in lieu of payment. A copy of the application with a copy of the bond attached must be given the department's representative by ordinary mail and thereafter if the taxpayer and the department agree on the bond, it shall be approved by the hearing officer. If an agreement on the bond is not reached and the department has not filed with the hearing officer written objections to granting the bond within ten (10) days after the postmark date of the notice of application, the hearing officer shall approve the bond, if the bond is otherwise in proper form and in compliance with the law. In the event objections are filed by the department, the hearing officer shall set the objections down for hearing with written notice to be given the taxpayer and the department at least ten (10) days prior to the hearing. If upon hearing the department's objections are overruled, the bond shall be approved. If the objections are sustained, and the taxpayer fails to pay the amount of the tax, penalty, interest, or fees claimed to be due or cure the bond defects, if permitted by the hearing officer's order, within thirty (30) days after the hearing officer's decision, the protest shall be dismissed and the dismissal shall be with prejudice, if the time for protesting the department action has elapsed.

i. Reasons constituting good cause. The financial hardship of the taxpayer as evidenced by the books and records of the taxpayer is an example of a good cause for posting a bond in lieu of paying the tax, penalty, interest, or fees in dispute. In addition, posting of a bond will be allowed upon agreement of the protester and the department.

j. Form of surety bond. The surety bond posted shall be in substantially the following form:

BEFORE THE IOWA STATE DEPARTMENT OF REVENUE AND FINANCE

HOOVER STATE OFFICE BUILDING

DES MOINES, IOWA

IN THE MATTER OF	*	
(Taxpayer's Name,	*	<u>SURETY BOND</u>
Address and designate	*	
proceeding e.g. income,	*	
sales, etc.)	*	DOCKET NO.

KNOW ALL PERSONS BY THESE PRESENTS:

That we (taxpayer) as principal, and (surety),
as surety, of the county of _____, and State
of Iowa, are held and firmly bound unto the Iowa
Department of Revenue and Finance for the use of the
State of Iowa, in the sum of \$ _____ dollars,
lawful money of the United States, for the payment of
which sum we jointly and severally bind ourselves, our
heirs, devisees, successors and assigns firmly by these

REVENUE AND FINANCE DEPARTMENT[701] (cont'd)

presents. The condition of the foregoing obligations are, that, whereas the above named principal has protested an assessment of tax, penalty, interest, or fees or any combination of them, made by the Iowa Department of Revenue and Finance, now if the principal shall promptly pay the amount of the assessed tax, penalty, interest, or fees found to be due upon the resolution of the contested case proceedings, then this bond shall be void, otherwise to remain in full force and effect.

Dated the ___ day of _____, 19__.

Principal
Surety
Surety

(corporate acknowledgement if surety is a corporation)

AFFIDAVIT OF PERSONAL SURETY

STATE OF IOWA)
COUNTY OF) ss.

I hereby swear or affirm that I am a resident of Iowa and am worth beyond my debts the amount set opposite my signature below in the column entitled, "Worth Beyond Debts", and that I have property in the State of Iowa, liable to execution equal to the amount set opposite my signature in the column entitled "Property in Iowa Liable to Execution".

Table with 3 columns: Signature, Worth Beyond Debts, Property in Iowa Liable to Execution. Rows for Surety (type name).

Subscribed and sworn to before me the undersigned Notary Public this ___ day of _____, 19__.

(Seal) Notary Public in and for the State of Iowa

k. Duration of bond. The bond shall remain in full force and effect until the conditions of the bond have been fulfilled or until the bond is otherwise exonerated by the hearing officer.

l. Exoneration of the bond. Upon conclusion of the contested case administrative proceedings, the bond shall be exonerated by the hearing officer when any of the following events occur: upon full payment of the tax, penalty, interest, or fees found to be due; upon filing a bond for the purposes of judicial review; or if no additional tax, penalty, interest, or fees are found to be due that have not been previously paid, upon entry of the order resolving the contested case proceedings.

m. Failure to pay amount found to be due. If upon resolution of the contested case proceedings, the taxpayer fails to pay the tax, penalty, interest, or fees assessed or found to be due, the bond shall be forfeited by the hearing officer and the department may sell or liquidate

any property posted by the taxpayer, or bring suit against the surety on the bond and apply the amount recovered to the tax, penalty, interest, or fees due. Any excess over the amount due shall be refunded to the taxpayer or other persons entitled as provided by law, subject to any right of offset.

n. Dismissal of protest—failure to pay or post bond. The hearing officer must dismiss the protest in the following circumstances:

(1) If the taxpayer fails to pay the amount of the assessed tax, penalty, interest, or fees or fails to post a bond with the hearing officer for the amount of the assessment in dispute within thirty (30) days after the filing of the department's answer;

(2) The taxpayer fails to pay the disputed tax, penalty, interest, or fees or fails to file an acceptable bond, if permitted by order of the hearing officer, within thirty (30) days after the order sustaining the department's objection to the bond. The dismissal shall be with prejudice if the time for protesting the department's action has elapsed at the time of dismissal. The dismissal of the protest cannot be avoided or circumvented when payment has not been made or a bond posted by a withdrawal of or amendment to the protest after the answer has been filed.

This subrule is intended to implement Iowa Code section 421.8A.

ITEM 10. Subrule 7.23(2) is amended to read as follows:

7.23(2) Parties or their representatives. Iowa Code Section 17A.17 provides further that parties or their representatives in a contested case shall not communicate, directly or indirectly, in connection with any issue of fact or law in that contested case, with individuals assigned to render a proposed or final decision or to make findings of fact and conclusions of law in that contested case, except upon notice and opportunity for all parties to participate. Therefore, if any party or their representative desires to discuss certain matters with the hearing officer the party should notify the hearing officer and the opposing party of the desire to meet with the hearing officer and the hearing officer upon notification of the desire shall advise the parties or their representatives in writing of the time and place at which the affected persons or parties may meet to discuss any matters.

ITEM 11. Amend rule 7.25(17A), unnumbered paragraphs following paragraph "g" to read as follows:

Upon filing, the petition for declaratory ruling shall be given a docket number and the petition and any attachments thereto shall become a matter of public record. Briefs and exhibits which the petitioner desires the Tax Review Committee department to consider shall be attached to and filed with the petition.

Although no hearing will be granted to the petitioner or to any interested person in the usual course of disposition of a petition for a declaratory ruling, the Tax Review Committee department may, in its discretion, request an oral conference on the disposition of the petition. Since petitions for declaratory rulings will be disposed of on the basis of written information at the conclusion of the oral conference, the petitioner may be requested to resubmit its petition or be requested to submit a brief, exhibits or other written information as the committee department may deem necessary. Failure to submit such requested information can form a basis for declining to issue the requested declaratory ruling.

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All declaratory rulings shall be signed by the director and issued within ~~sixty (60)~~ *thirty (30)* days of filing unless good cause exists for a further period of time not to exceed a reasonable period. A declaratory ruling which is issued shall have the same status as an order rendered in a contested case and shall be final for purposes of appeal or judicial review.

These rules are intended to implement Iowa Code sections 17A.1(2) and 17A.2(2) and 1986 Iowa Acts, chapter 1245.

[Filed 4/3/87, effective 5/27/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.

ARC 7536

UTILITIES DIVISION[199]

Pursuant to the authority of Iowa Code sections 17A.4(1), 476.2 and 476.6(15), the Utilities Board hereby gives notice that on April 3, 1987, the Utilities Board issued an order in Docket No. RMU-86-13, In Re: Purchased Gas Adjustments and Annual Review of Gas Procurement Practices, "Order Adopting Rules."

On October 17, 1986, the Utilities Board issued an order in this docket commencing a rule making to consider the adoption of revisions to subrule 19.2(4) and rules 19.10(476) and 19.11(476). The Notice of Intended Action was published in the Iowa Administrative Bulletin on November 5, 1986, as ARC 7115. In order to allow for public comment on the proposed rules, a deadline of December 2, 1986, was set for written comments and an oral presentation was held on December 16, 1986. Amended Notices were published on December 3 as ARC 7195 and on February 25 as ARC 7404. Additional comments were received on or before March 17, 1987.

The adopted rules restructure the procedures for reviewing gas procurement practices of Iowa natural gas utilities. A number of changes have been made to respond to the issues raised in the comments to the rules.

After review of the comments filed the Board has decided to retain the utilization of the weather normalization adjustment rather than adopt the five-year average proposed in the noticed rules. It was demonstrated in the comments that the average would not achieve the result desired.

The utilities filing comments also sought clarification on how any disallowance that may be made as a result of the ARG proceeding would be implemented. Any disallowance is prospective and will be implemented through compliance tariffs filed after the final ARG order. A disallowance cannot be cured but remains in effect until gas purchasing is reviewed in the next ARG case.

There was much concern over the split between gas and nongas costs. Most companies are already complying with this accounting requirement and any additional necessary changes can be implemented over a reasonable period of time, if approved by the Board.

Some commenters did not see the value of a ten-year forecast or procurement plan. The requirement will remain. It is very important for utilities to see the importance of securing adequate long-term supply. The goal of every company should be to secure the best cost gas, which is not necessarily the least cost in a singular time frame.

The Board has made a number of definitional changes and additions to clarify the rules, as requested by the parties. The time for reporting has been extended from ten to thirty days, but the time for refunding will remain at an additional thirty days.

Finally, the comments filed by several companies appear to have been written without reference to Iowa Code section 476.6(15). Many of the rule requirements are mandated by the law, such as the forecast shall include a description of all relevant major contracts and gas supply arrangements entered into or contemplated between the gas utility and its suppliers. It should be noted that the law outlines the factors the Board should consider in evaluating the gas procurement plan but also gives the Board the authority to consider "other relevant factors."

The Utilities Board does not believe that additional public comment on the rules is necessary because the changes made to the proposed rules are not substantial. These amendments shall be effective on May 27, 1987, pursuant to Iowa Code section 17A.5(2).

The following amendments are adopted.

ITEM 1. Rescind rule 199—19.10(476) and insert in lieu thereof the following:

199—19.10(476) Purchased gas adjustments (PGA) [476.6(11)].

19.10(1) A rate-regulated utility's automatic adjustments for the cost of purchased gas shall be based on the purchased gas adjustment customer classification or grouping on file and approved by the board.

The utility shall implement all purchased gas adjustment changes equal to or greater than .5 cents per ccf or therm immediately with concurrent board notification with adequate information to calculate and support the change. Purchased gas adjustment changes of less than .5 cents per ccf or therm shall be required with concurrent board notification if the last purchased gas adjustment change occurred thirty (30) days or more prior to the change. The purchased gas adjustment shall be calculated separately for each customer classification or grouping.

19.10(2) Applicability. Unless otherwise ordered by the board, a rate-regulated utility's purchased gas adjustment rate factors shall be adjusted as purchased gas costs change and shall recover from the customers only the actual costs of purchased gas and other currently incurred charges associated with the delivery of natural gas.

19.10(3) Purchased gas adjustment clause for rate-regulated utilities.

Purchased gas adjustments shall be computed separately for groupings or customer classification determined appropriate by the board based upon the data filed on or before August 1. The calculation of the purchased gas adjustment (on the same per unit basis as the utility's tariffed rates) shall be according to the following formula:

$$PGA = \frac{(C \times Rc) + (D \times Rd) + (Z \times Rz) + E - K}{S}$$

PGA is the purchased gas adjustment per unit.

S is the anticipated yearly gas commodity sales volume for each customer classification or grouping.

C is the quantity of applicable commodity purchased for each customer classification or grouping required to meet sales, S, plus the expected lost and unaccounted for volumes.

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Rc is the weighted average of applicable commodity prices to be in effect September 1 corresponding to purchases C.

D is the total quantity of applicable demand purchases required to meet sales, S, for each customer classification or grouping.

Rd is the weighted average of applicable demand rates to be in effect September 1 corresponding to purchases D.

Z is the total quantity of applicable storage service purchases required to meet sales, S, for each customer classification or grouping.

Rz is the weighted average of applicable storage service rates to be in effect September 1 corresponding to purchased Z.

E is the per unit over- or under-collection adjustment as calculated under subrule 19.10(5).

K is the base cost of gas as set forth in the utility's tariff.

All worksheets and detailed supporting data used to determine the purchased gas adjustment volumes and factors including sales and purchase data from bills, invoices, internal reports and contracts shall be filed as a part of the August 1 filing. The components of the formula shall be determined as follows for each grouping:

a. The actual sales volumes S for the prior twelve (12)-month period ending June 30, with the necessary degree day adjustments, and further adjustments approved by the board.

Unless a utility receives prior board approval to use another methodology, a utility shall use the same weather normalization methodology used in prior approved PGA and rate case.

b. The annual expected lost and unaccounted for factors shall be calculated by determining the actual difference between sales and purchases and deriving a five (5)-year average.

c. The purchases C, D, and Z which will be necessary to meet requirements as determined in 19.10(3).

d. The calculation of the rate factors Rc, Rd, and Rz, to be in effect September 1.

e. The cost of gas "K" included in the gas portion of the utility's base tariff rates.

The purchased gas adjustment shall be adjusted prospectively to reflect the final decision issued by the board in the annual review proceeding.

19.10(4) Roll-in of purchased gas costs to base rates. The purchased gas adjustments must be reduced to zero with the August 1 filing to become effective September 1. The purchased gas adjustment as determined in subrule 19.10(3) shall be incorporated in the utility's gas portion of the base tariff rates and the total shall become the "K" factor for the prospective twelve (12)-month period.

19.10(5) Reconciliation of under- and over-billings. The utility shall file with the board on or before October 1 of each year a purchased gas adjustment reconciliation for the twelve(12)-month period which began on September 1 of the previous year. This reconciliation shall be the actual net invoiced costs of purchased gas less the actual revenue billed through its purchased gas adjustment clause net of the prior year's reconciliation dollars for each customer classification or grouping. Actual net costs for purchased gas shall be the applicable invoice costs from all appropriate sources associated with the time period of usage.

Negative differences in the reconciliation shall be considered overbilling by the utility and positive differences shall be considered underbilling. This reconciliation shall be filed with all worksheets and detailed supporting data for each particular purchased gas adjustment clause. Penalty purchases shall only be includable where the utility clearly demonstrates a net savings.

a. Any underbilling determined from the reconciliation shall be collected through ten (10)-month adjustments to the appropriate purchased gas adjustment. The underbilling generated from each purchased gas adjustment clause shall be divided by the anticipated sales volumes for the prospective ten (10)-month period beginning November 1 (based upon the sales determination in subrule 19.10(3)).

The quotient, determined on the same basis as the utility's tariff rates, shall be added to the purchased gas adjustment clause for the prospective ten (10)-month period beginning November 1.

b. Any overbilling determined from the reconciliation shall be refunded to the customer classification or PGA grouping from which it was generated. The overbilling shall be divided by the annual cost of purchased gas subject to recovery for the twelve (12)-month period which began the prior September 1 for each purchased gas adjustment clause and applied as follows:

(1) If the net overbilling from the purchased gas adjustment reconciliation exceeds five percent (5%) of the annual cost of purchased gas subject to recovery for a specific PGA grouping, the utility shall refund the overbilling by bill credit or check for the time period beginning November 1 of the current year to the date of refunding.

(2) If the net overbilling from the purchased gas adjustment reconciliation does not exceed five percent (5%) of the annual cost of purchased gas subject to recovery for a specific PGA grouping, the utility may refund the overbilling by bill credit or check for the time period beginning November 1 of the current year to the date of refunding, or the utility may refund the overbilling through ten (10)-month adjustments to the particular purchased gas adjustment clause from which they were generated. This adjustment shall be determined by dividing the overcollection by the anticipated sales volume for the prospective ten (10)-month period beginning November 1 as determined in subrule 19.10(3) for the applicable purchased gas adjustment clause.

The quotient, determined on the same basis as the utility's tariff rates, shall be a reduction to that particular purchased gas adjustment clause for the prospective ten (10)-month period beginning November 1.

c. When a customer has reduced or terminated system supply service and is receiving transportation service, any liability for over and under collections shall be determined in accordance with the utility's gas transportation tariff.

19.10(6) Refunds from gas suppliers.

a. The utility shall refund to customers by bill credit or check an amount equal to any refund received from a supplier, plus accrued interest, if the refund exceeds five dollars (\$5) per average residential customer under the applicable PGA clause. The utility may retain undistributed refund amounts in special refund retention accounts for each customer classification under the

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applicable PGA clause until such time as additional refund obligations or interest cause the average residential customer refund to exceed five dollars (\$5). Any obligations remaining in the retention accounts on September 1 shall become a part of the annual PGA reconciliation.

Within thirty (30) days of receipt of a refund from a supplier, the utility shall file with the board the following information:

- (1) A statement of reason for the refund.
- (2) The amount of the refund with support for the amount.
- (3) The balance of the appropriate refund retention accounts.
- (4) The amount due under each purchased gas adjustment clause.

b. If the supplier refund will result in a refund distribution, the utility shall also file within thirty (30) days:

- (1) The intended period of the refund distribution (not to be more than thirty (30) days from the date of filing).
- (2) The estimated interest accrued for each supplier refund through the proposed refund period, with complete interest calculations and supporting data as determined in 19.10(6)"e."
- (3) The total amount to be refunded, the amount to be refunded per customer classification or PGA grouping, and the refund per ccf or therm.

c. Within thirty (30) days of receipt of a refund from a supplier which will result in a refund retention, the utility shall also file with the board for its approval a refund retention report which shall include the following information:

- (1) The estimated interest accrued for each refund received and for each amount in the refund retention accounts through the date of the filing with complete interest calculation and support as determined in 19.10(6)"e."
- (2) The total amount to be retained, the amount to be retained per customer class or PGA grouping, and the level per ccf or therm.
- (3) The calculations demonstrating the retained balance is less than five dollars (\$5) per average residential customer with supporting schedules for all factors used.

d. The refund to each customer shall be determined by dividing the amount in the appropriate refund retention account, including interest, by the total ccf or therm of system gas consumed by affected customers during the period for which the refundable amounts are applicable and multiplying the quotient by the ccf or therms of system supply gas actually consumed by the customer during the appropriate period. The utility may use the last available twelve (12)-month period if the use of the actual period generating the refund is impractical. The utility shall file complete support documentation for all figures used.

e. The interest rate on refunds distributed under this subrule, compounded annually, shall be the commercial paper rate (90-day, high-grade unsecured notes) quoted in the "Money Rates" section of the Wall Street Journal on the day the refund obligation vests. Interest shall accrue from the date the rate-regulated utility receives the refund or billing from the supplier or the midpoint of the first month of overcollection to the date the refund is distributed to customers.

f. The rate-regulated utility shall make a reasonable effort to forward refunds, by check, to eligible recipients who are no longer customers.

g. The minimum amount to be refunded by check shall be one dollar (\$1).

This rule is intended to implement Iowa Code section 476.6(11).

ITEM 2. Rescind rule 199—19.11(476) and insert in lieu thereof the following:

199—19.11(476) Annual review of gas procurement practices [476.6(15)].

19.11(1) Procurement plan. A rate-regulated utility shall file by August 1 of each year a complete, detailed twelve (12)-month plan and five (5)-year and ten (10)-year natural gas procurement plans, specific where commitments have been made, for the period commencing September 1. A utility's procurement plan shall be organized as follows and shall include:

a. An index of all documents and information filed in the plan and identification of the board files in which documents incorporated by reference are located.

b. All contracts and gas supply arrangements executed or in effect for obtaining gas and all supply arrangements planned for the future twelve (12)-month, five (5)-year, and ten (10)-year periods.

c. A list and description of all other contracts or arrangements for obtaining gas reasonably available to the utility for the future plan periods which the utility did not execute.

d. An organizational description of the officer or division responsible for gas procurement and a summary of operating procedures and policies for procuring and evaluating gas contracts.

e. A summary of the legal and regulatory actions taken to minimize purchased gas costs.

f. All studies or investigation reports considered in gas purchase contract or arrangement decisions during the plan periods.

g. A complete list of all contracts executed during the previous twelve (12) months.

h. A list of other unbundled services available (for example, storage services if offered).

i. A description of the supply options selected and an evaluation of the reasonableness and prudence of its decisions. This evaluation should show the relationship between forecast and procurement.

19.11(2) Gas requirement forecast. A rate-regulated utility shall file by August 1 of each year a complete twelve (12)-month, five (5)-year, and ten (10)-year gas requirement forecast for the period commencing September 1. A utility's gas requirement forecast report shall be organized as follows and shall include:

a. An index of all documents and information in the forecast and identification of the board files in which all documents incorporated by reference are located.

b. The existing system contract deliverability for each plan year where contract deliverability is the maximum purchase a utility may make under the terms of the contract, for any contract day and the contract year. The information shall be filed as follows:

(1) System contract deliverability in volume, by supplier.

(2) Certified storage capacities and deliverability in volume for underground storage and storage in liquefied form.

UTILITIES DIVISION[199] (cont'd)

c. The demand forecast for each PGA grouping according to the provisions of subrule 19.10(1). All forecasts shall include the gas requirements of the utility by service district or territory and by customer classes for residential, commercial, and industrial, and subclasses of interruptible, off-peak, and firm:

(1) The forecast of total annual demand and peak demand beginning September 1 for each of the forecast periods. Peak demand is the amount of gas required to meet firm customer's maximum daily consumption.

(2) A statement of the utility's actual total annual and peak demand, and a statement of the utility's forecast preceding each peak by one (1) year.

(3) An explanation of any significant differences between the utility's current forecast and the forecast made in the preceding year. A table of the previous five (5)-year forecasts should be provided with comparison to actual annual sales.

d. The following supply forecast information:

(1) A list of all alternative suppliers expected to be available.

(2) A list of supplier-mix options (combinations of one or more sources of supply) available with supply forecast and projections of purchase costs for each mix.

(3) A list of supply contracts and arrangements contemplated.

e. The forecast of the transportation volume for each of the plan years. Transportation volume is the volume of gas flowing through the company system not dedicated to system use.

f. The following sensitivity analysis information:

(1) A list of all assumptions or forecasts which could significantly alter either the demand for gas, the estimate supply of gas, or projections of purchase costs.

(2) A statement of the reasonable margins of error for each assumption or forecast listed above.

(3) A statement in quantified terms of the effect of potential errors and assumptions in forecasts exceeding the reasonable margin levels listed above.

(4) A description of any contingency plans for addressing possible changes identified above.

19.11(3) Annual review proceeding. The board will conduct a proceeding to evaluate the reasonableness and prudence of a rate-regulated utility's annual natural gas procurement plan.

a. On or before August 1 of each year, each utility shall file prepared direct testimony and exhibits in support of its gas procurement decisions and its gas requirement forecast. This filing shall be in conjunction with the filing of the plans.

b. The board will docket the matter as a contested case on or before September 1 of each year.

c. On or before October 15 each year, the Consumer Advocate Division, Department of Justice, and any intervenors shall file prepared direct testimony and exhibits.

d. On or before November 15 of each year the rate-regulated utility shall file prepared rebuttal testimony and exhibits.

e. The board will schedule a public hearing within five (5) months after the initial filing for the purpose of cross-examining all filed testimony. The hearing shall be conducted in accordance with the provisions of rule 7.7(476).

f. The board will establish briefing schedules with final briefs due no later than March 1.

19.11(4) Evaluation of the plan. The burden shall be on the utility to prove it is taking all reasonable actions to minimize its purchased gas costs. The board will evaluate the procurement plan considering:

a. Volume, cost, and reliability of the major gas suppliers available to the utility.

b. The cost of alternative fuels available to the utility customers.

c. The availability of gas in storage.

d. The extent to which mix in contract terms assures reliability.

e. The legal and regulatory actions taken by the utility to minimize the cost.

f. The gas procurement policies and practices.

g. The price paid by other utilities for comparable contracts.

h. The spot market for gas.

i. The futures market for gas.

19.11(5) Disallowance of costs. The board shall disallow any purchased gas costs in excess of costs incurred under responsible and prudent policies and practices. The gas portion of the base rates and the PGA factor shall be adjusted prospectively to reflect the disallowance.

This rule is intended to implement Iowa Code section 476.6(15).

ITEM 3. Amend subrule 19.2(4), paragraph "b," to read as follows:

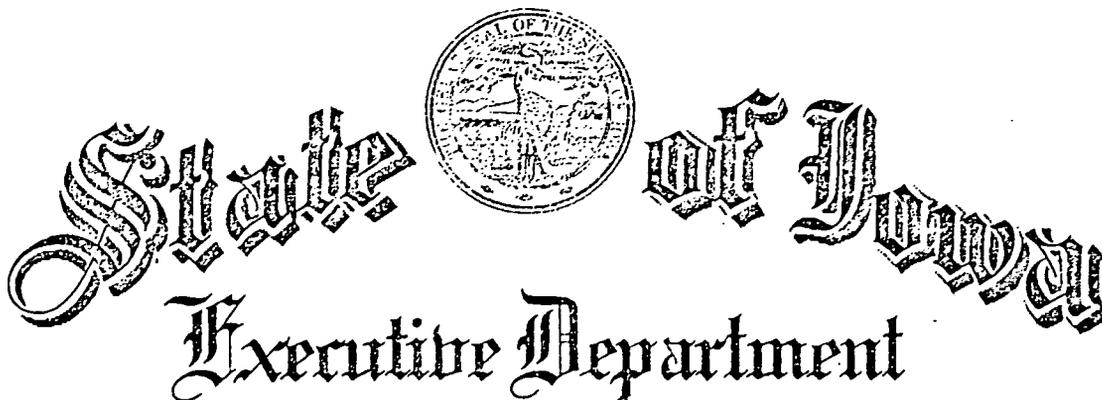
b. All rates of utilities subject to rate regulation for service with indication of ~~for~~ each rate ~~of~~ for the type of gas and the class of customers to which each rate applies. There shall also be shown the prices per unit of service, ~~and~~ the number of units per billing period to which the prices apply, the period of billing, the minimum bill, ~~the~~ method of measuring demands and consumptions, including ~~the~~ method of calculating or estimating loads or minimums, delivery pressure, and any special terms or conditions applicable. *All rates should be separated into "gas" and "nongas" components and books and records shall be maintained on this basis. Books and records shall be available to the board for audits upon request. The gas components will be the result of the utility's ARG (rule 19.11(476)) and PGA (rule 19.10(476)) proceeding. The nongas components will be established through rate case proceedings under Iowa Code section 476.6 or 476.3.* The period during which the net amount may be paid before the account becomes delinquent shall be specified. In any case where net and gross amounts are billed, the difference between net and gross is a late payment charge and shall be so specified.

Customer charges for all special services relating to providing the basic utility service including, but not limited to, reconnect charge and different categories of service calls shall be specified.

[Filed 4/3/87, effective 5/27/87]

[Published 4/22/87]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement, 4/22/87.



IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

EXECUTIVE ORDER NUMBER 29

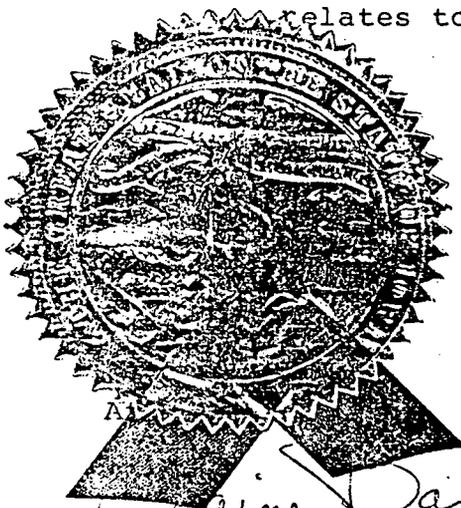
- WHEREAS, figures from Iowa State University indicate that up to fifteen percent of all farm operators have excessive debt loads and may be forced to liquidate their operations; and
- WHEREAS, a serious problem continues to exist in this state regarding the ability of agricultural producers to obtain, retain, restructure or service loans or other financing for farmland; and
- WHEREAS, additional time would serve to allow these farm operators to develop arrangements with their lenders so they can maintain viable farm businesses; and
- WHEREAS, agriculture affects 65 percent of all jobs in the State of Iowa, and Iowans in small towns to large cities are threatened by the farm crisis; and
- WHEREAS, on October 1, 1985 by Executive Order Number 20 I invoked a limited farm foreclosure moratorium pursuant to Iowa Code Section 654.15 (1985, as amended); and
- WHEREAS, there appears to be some uncertainty in the law about when the declaration of economic emergency made on October 1, 1985, expires; and
- WHEREAS, Senate File 138 extends the effective date of the declaration of an economic emergency until March 30, 1988; and
- WHEREAS, the Senate passed Senate File 138 by a vote of 47 to 0 on March 17, 1987, and the bill is now being considered by the House; and the Legislative leaders have indicated that they intend to pass Senate File 138 into law as soon as possible; and
- WHEREAS, an Executive Order is needed to ensure that borrowers' rights embodied in Executive Order Number 20 apply until legislative action is completed.

NOW, THEREFORE, pursuant to Section 654.15 of the Code of Iowa, I, Terry E. Branstad, Governor of the State of Iowa, on this 1st day of April, 1987, do hereby declare that for a number of farm operators the conditions of the economy of the State of Iowa referenced in Executive Order Number 20 do still exist.

The declaration embodied in this order shall be in effect until Senate File 138 is signed into law and becomes effective or until the first session of the 72nd Session of the General Assembly permanently disposes of Senate File 138.

Consistent with Executive Order Number 20, this declaration relates to farm real estate loans.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 1st day of April in the year of our Lord one thousand nine hundred and eighty-seven.



Terry E. Branstad

 GOVERNOR

Gene Dayton

 SECRETARY OF STATE

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