# IOWA ADMINISTRATIVE BULLETIN

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Pages 803 to 893 include **ARC 0456D** to **ARC 0476D**

# PREFACE

The Iowa Administrative Bulletin is published biweekly pursuant to Iowa Code chapters 2B and 17A and contains Notices of Intended Action and rules adopted by state agencies.

It also contains Proclamations and Executive Orders of the Governor which are general and permanent in nature; Regulatory Analyses; effective date delays and objections filed by the Administrative Rules Review Committee; Agenda for monthly Administrative Rules Review Committee meetings; and other materials deemed fitting and proper by the Administrative Rules Review Committee.

The Bulletin may also contain public funds interest rates [12C.6]; usury rates [535.2(3)"a"]; agricultural credit corporation maximum loan rates [535.12]; and other items required by statute to be published in the Bulletin.

**PLEASE NOTE:** Underscore indicates new material added to existing rules; ~~strike through~~ indicates deleted material.

| | | |
|---|---|---|
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**CITATION of Administrative Rules**

The Iowa Administrative Code shall be cited as (agency identification number) IAC (chapter, rule, subrule, paragraph, subparagraph, or numbered paragraph).

This citation format applies only to external citations to the Iowa Administrative Code or Iowa Administrative Bulletin and does not apply to citations within the Iowa Administrative Code or Iowa Administrative Bulletin.

| | |
|---|---|
| 441 IAC 79 | (Chapter) |
| 441 IAC 79.1 | (Rule) |
| 441 IAC 79.1(1) | (Subrule) |
| 441 IAC 79.1(1)"a" | (Paragraph) |
| 441 IAC 79.1(1)"a"(1) | (Subparagraph) |
| 441 IAC 79.1(1)"a"(1)"1" | (Numbered paragraph) |

The Iowa Administrative Bulletin shall be cited as IAB (volume), (number), (publication date), (page number), (ARC number).

IAB Vol. XII, No. 23 (5/16/90) p. 2050, ARC 872A

Note: In accordance with Iowa Code section 2B.5A, a rule number within the Iowa Administrative Code includes a reference to the statute which the rule is intended to implement: 441—79.1(249A).

The following list will be updated as changes occur.
"Umbrella" agencies and elected officials are set out below at the left-hand margin in CAPITAL letters.
Divisions (boards, commissions, etc.) are indented and set out in lowercase type under their statutory "umbrellas."
Other autonomous agencies are included alphabetically in SMALL CAPITALS at the left-hand margin.

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

**PLEASE NOTE:**

Rules will not be accepted by the Publications Editing Office after **12:00 p.m. noon** on a submission deadline unless prior approval has been received from the Administrative Rules Coordinator and the Administrative Code Editor. If the submission deadline falls on a legal holiday, submissions made on the following business day will be accepted.

†To allow time for review by the Administrative Rules Coordinator prior to the Notice submission deadline, Notices should generally be submitted in RMS four or more business days in advance of the deadline. The first possible Notice submission deadline noted above may not allow sufficient time for this. **Agencies should plan accordingly.**

****Bold and asterisks indicate change of regular submission deadline****

**RA 26-186**

# CHIEF INFORMATION OFFICER, OFFICE OF THE[129]

**Regulatory Analysis**

Notice of Intended Action to be published: 129—Chapters 8, 10, 20, 21, and 22 "Information Technology Governance; Procurement of Information Technology; Broadband Infrastructure—Targeted Service Areas; Broadband Infrastructure—Project Certification; Broadband Grant Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 8 and 17A
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 8 and 17A

*Public Hearing*

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

| | |
|---|---|
| August 31, 2026<br>9 a.m. | Room G14<br>1007 East Grand Avenue<br>Des Moines, Iowa |

*Public Comment*

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

Brad Horn, General Counsel
Iowa Department of Management
1007 East Grand Avenue, Room G13
Des Moines, Iowa 50319
Phone: 515.414.6187
Email: brad.horn@dom.iowa.gov

*Purpose and Summary*

The Office of the Chief Information Officer (OCIO) is now consolidated into the DOM. Chapters 8, 10, 20, 21, and 22, concerning governance of information technology, procurement of information technology, and the Broadband Grant Program, are no longer necessary and can be rescinded. Replacement rules will be drafted to the extent required by law. In addition, the DOM intends to implement agency policy to address numerous issues addressed by these rules.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

Not applicable. Chapters 8, 10, 20, 21, and 22 are being rescinded in their entirety.
- **Classes of persons that will benefit from the proposed rulemaking:**

Rescission of Chapters 8, 10, 20, 21, and 22 simplifies the rules and reduces guidance to only what is necessary. Generally speaking, the Broadband Grant Program rules in place today mostly repeat the statutory text. One rule concerning broadband mapping is to be included in the DOM chapter of rules. The DOM intends to address procurement and information technology governance through agency policy.

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

- **Quantitative description of impact:**

Not applicable. This proposed rulemaking solely rescinds Chapters 8, 10, 20, 21, and 22 now that the OCIO is consolidated under the DOM.

- **Qualitative description of impact:**

Rescission of Chapters 8, 10, 20, 21, and 22 simplifies the existing rules for the agency and removes all included restrictive words and phrases from the rules, which should provide those who access the rules a better qualitative experience.

3. **Costs to the State:**

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

There will be no implementation or enforcement costs because Chapters 8, 10, 20, 21, and 22 are being rescinded.

- **Anticipated effect on State revenues:**

To the extent consolidation of the OCIO into the DOM increases efficiency and reduces redundancies, State revenues will be positively affected by rescission of Chapters 8, 10, 20, 21, and 22.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Inaction is not permissible because Chapters 8, 10, 20, 21, and 22 are defunct and should be rescinded now that the OCIO is consolidated within the DOM. Rescinding those chapters is a necessary step in maintaining current and easily accessible rules.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly methods exist than rescinding the defunct rules and eliminating outdated, unnecessary text from the rules.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable. Chapters 8, 10, 20, 21, and 22 are largely defunct and should be rescinded.

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

No alternative methods are available.

*Small Business Impact*

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

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

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

The proposed rescission of Chapters 8, 10, 20, 21, and 22 will have no substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind and reserve **129—Chapter 8**.

ITEM 2. Rescind and reserve **129—Chapter 10**.

ITEM 3. Rescind and reserve **129—Chapter 20**.

ITEM 4. Rescind and reserve **129—Chapter 21**.

ITEM 5. Rescind and reserve **129—Chapter 22**.

**RA 26-187**

# CORRECTIONS DEPARTMENT[201]

**Regulatory Analysis**

Notice of Intended Action to be published: 201—Chapter 37
"Iowa State Industries"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 904.108 and 904.804
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 904

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10:30 to 11:30 a.m. | Via Google Meet:<br>meet.google.com/cwv-fguh-evv<br>Or dial: 1.385.246.2955<br>PIN: 719 985 663# |

*Public Comment*

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

Jen Rathje
Iowa Department of Corrections
Jessie Parker State Office Building
510 East 12th Street
Des Moines, Iowa 50319
Phone: 515.802.0898
Email: jen.rathje1@iowa.gov

*Purpose and Summary*

This proposed rulemaking rescinds and adopts a new Chapter 37 with revised administrative rules to satisfy the requirements of Executive Order 10. The purpose of Chapter 37 is to offer work training opportunities, partner with private sector employers, and produce goods for public and private entities, ultimately improving employability, reducing recidivism, and enhancing public safety.

Pursuant to Executive Order 10, the Department conducted a comprehensive review of this chapter to eliminate restrictive terms, obsolete rules, and language that duplicates State statutes. Specifically, this proposed rulemaking:

- Removes all references to the Prison Industries Advisory Board to align administrative rules with the statutory changes mandated by 2024 Iowa Acts, Senate File 2385, which dissolved the Board and transferred duties directly to the Department.
- Simplifies vendor appeal protocols by cleanly adopting by reference the Uniform Rules on Agency Procedure under 7—Chapter 2505.
- Replaces redundant statutory language regarding core functions with citations to the Iowa Code to prevent rules from becoming instantly obsolete when underlying laws shift.
- Maintains procedural compliance with the dual-agency directives between the Department and Iowa Workforce Development (IWD).

The result is a streamlined chapter that maintains essential public transparency while ensuring alignment with provisions of the Iowa Code.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no classes of persons that will bear any additional costs from this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

The general public, public entities utilizing manufactured goods, private sector business partners, and incarcerated individuals seeking workforce rehabilitation will benefit from the increased clarity, modernized procedural pathways, and updated statutory references provided by this proposed rulemaking.

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

There is no known quantitative or financial impact.
- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**
- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no additional implementation or enforcement costs borne by the Department or any other agency since these updates align administrative rules with current agency practices.
- **Anticipated effect on State revenues:**

There is no effect on State revenues. This proposed rulemaking maintains existing statutory practices and carries no net fiscal impact. Iowa State Industries is entirely self-funded and receives no State appropriation.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of this proposed rulemaking is an accurate, streamlined, and legally compliant chapter that satisfies Executive Order 10 at no additional cost. Inaction is not permissible.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive methods exist. Rulemaking is the legally required method to maintain an administrative framework that complies with the Iowa Code and the mandates of Executive Order 10.

6. **Alternative methods considered by the agency:**
- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered.
- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Alternative methods were not considered because formal rulemaking is required to bring the chapter into compliance with Executive Order 10 directives.

*Small Business Impact*

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

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

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

This proposed rulemaking has no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 201—Chapter 37 and adopt the following **new** chapter in lieu thereof:

CHAPTER 37
IOWA STATE INDUSTRIES

**201—37.1(904) Function.** Iowa state industries, established by Iowa Code chapter 904, is administered by a state director and operates manufacturing, farming, surplus and private sector work programs. Each business is entirely self-funded and receives no state appropriation.

**37.1(1)** Iowa state industries is charged with making available to offenders of the state correctional institutions opportunities for work in meaningful jobs that will enable the offenders' chances of a successful return to society as law-abiding and self-supporting members of the community upon the offenders' release.

**37.1(2)** Iowa state industries is further charged with enabling offenders to work in order to provide financial assistance to their dependents, make restitution, pay the cost of board and maintenance in a correctional institution, and accumulate savings upon their eventual return to the community.

This rule is intended to implement Iowa Code section 904.804.

**201—37.2(904) Sale of products.**

**37.2(1)** Iowa state industries may sell products as outlined in Iowa Code section 904.815.

**37.2(2)** Iowa state industries may sell products to a general contractor when the products purchased will be sold to a public entity as provided in Iowa Code section 904.815. The public entity will submit a written request to Iowa state industries specifying the products and quantities to be purchased. Such sales will be limited to contractors involved in construction, renovation, and remodeling projects. Sales to a general contractor above $50,000 will be approved by the state director.

**37.2(3)** Catalogs are available online at www.iaprisonind.com or at the Iowa state industries showroom and main office, located at 1445 East Grand Avenue, Des Moines, Iowa 50316. Inquiries or requests for a mailed catalog may be made by calling 800.332.7922.

**37.2(4)** Information may be obtained from or reported to Iowa state industries at the Business Office, 406 North High Street, Anamosa, Iowa 52205; telephone 319.462.3706. Information is also available online at www.iaprisonind.com.

This rule is intended to implement Iowa Code section 904.815.

**201—37.3(904) Procurement of goods and services.**

**37.3(1)** The provisions of 11—Chapter 117 are hereby adopted by reference with the following amendments.

*a.* Strike "department of administrative services" and insert in lieu thereof "Iowa state industries" in all rules.

*b.* In lieu of the definitions of "department" and "director", insert the following:

"Department" means the division of Iowa state industries.

"Director" means the director of the division of Iowa state industries or the director's designee.

*c.* Rules 11—117.7(8A) and 11—117.15(8A) and 11—subrule 117.4(3) are not adopted.

*d.* In lieu of the text of 11—subrule 117.14(1), insert the following: "Purchase of goods. An agency may acquire goods not otherwise available through a master agreement in accordance with the procurement threshold guidelines in 11—subrule 117.5(3)."

**37.3(2)** For vendor appeals involving a competitive solicitation, 7—Chapter 2505 applies. For all other purchasing actions, including noncompetitive procurement and contract administration, the following process shall apply:

*a.* Step 1. Appeals will be filed in writing to the Business Manager, Iowa State Industries, 406 North High Street, Anamosa, Iowa 52205, within five working days of notification of the action being appealed. The appeal is to state the specific grounds upon which the vendor is challenging the action. The business manager, Iowa state industries, will notify the vendor in writing of the decision within ten working days.

*b.* Step 2. If the appeal is not resolved, it may be further appealed by the vendor to the Director of Iowa State Industries, Jessie Parker State Office Building, 510 East 12th Street, Des Moines, Iowa 50319, within ten working days of the notification of the Step 1 appeal response. The director of Iowa state industries will notify the vendor in writing of the decision within 15 working days.

*c.* Step 3. An unresolved appeal to the Director of Iowa State Industries will be referred to the Director of the Department of Corrections, Jessie Parker State Office Building, 510 East 12th Street, Des Moines, Iowa 50319, within ten working days of the notification of the Step 2 appeal response. The director of the department of corrections will notify the vendor in writing of the decision within 15 working days.

This rule is intended to implement Iowa Code section 904.813.

**201—37.4(904) Private sector employment projects.**

**37.4(1)** *Definitions.*

*"Deputy director of prison industries"* means the department of corrections deputy director responsible for the day-to-day operations of prison industries, including private sector individuals.

*"Director"* means the same as defined in Iowa Code section 904.101(5).

*"Wage range"* means the same as described in Iowa Code section 904.809(1)*"c."*

*"Workforce development board"* means the board created in Iowa Code section 84A.1A.

*"Workforce development director"* means the same as described in Iowa Code section 84A.1(2).

**37.4(2)** *Employer application.* Private sector employers requesting offender labor will submit an application to the deputy director of prison industries or designee. Required application information will be provided in accordance with Iowa state industries policies and procedures.

*a.* Upon receiving an application to use offenders in a private sector work program, the deputy director of prison industries or designee will provide a copy of the private sector work proposal, including job descriptions and proposed wages to the workforce development division administrator.

*b.* The deputy director of prison industries or designee will send a letter to the department of workforce development requesting the average wage rate for the job(s) the offenders will perform, the current unemployment rate in the county where the work is being performed, and the current employment level of the company that will employ the offenders.

*c.* The deputy director of prison industries or designee and the warden at the proposed institution will review the proposed projects with the board of supervisors and the sheriff in the county where the project will be located.

**37.4(3)** *Verification.* Upon written request from the deputy director of prison industries or designee, the workforce development division administrator shall verify the employment levels and prevailing wages paid for similar jobs in the area and provide to the deputy director of prison industries or designee, in writing:

*a.* The average wage rate for the proposed job(s);

*b.* The wage range;

*c.* The current unemployment rate for the county where the work is being performed; and

*d.* The current employment levels of the company that will employ the offenders based upon the most recent quarter for which data is available.

**37.4(4)** *Prevailing wages.* The deputy director of prison industries or designee will obtain employment levels in the locale of the proposed job(s) and the prevailing wages for the job(s) in question from the department of workforce development prior to authorizing any private sector work program. The deputy director of prison industries or designee will consider the average wage rate and wage range from the department of workforce development for the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide. To reduce possible displacement of civilian workers, the deputy director of prison industries shall advise prospective employers and eligible offenders of the following requirements:

*a.* Offenders shall not be eligible for unemployment compensation while incarcerated.

*b.* Before the employer initiates work utilizing offender labor, the deputy director of prison industries or designee will provide the baseline number of jobs as established by the department of workforce development.

*c.* Annually, the deputy director of prison industries or designee will request from the department of workforce development the actual number of civilian workers by employer and will compile a side-by-side comparison of each employer.

**37.4(5)** *Ineligible projects.* The deputy director of prison industries or designee will evaluate the information from the department of workforce development to verify nondisplacement of civilian workers consistent with Iowa Code section 904.809(1)*"d."*

**37.4(6)** *Notification and review.*

*a.* The deputy director of prison industries or designee will provide a copy of the private sector work proposal and the department of workforce development review of the private sector work proposal to the following:

(1) Warden at the proposed work site;

(2) Local labor organization(s); and

(3) Department of Justice, Washington, D.C.

*b.* Within 14 calendar days of receiving the department of workforce development review, the deputy director of prison industries or designee will consolidate the recommendations for review and approval by the director of corrections.

**37.4(7)** *Disputes.*

*a.* Anyone who believes that the private sector work program violates this rule shall advise the department of workforce development. A written complaint may be filed in accordance with rule 877—1.5(84A). The workforce development director shall consult with the deputy director of prison industries before the workforce development board makes a final recommendation(s) to resolve any complaint.

*b.* The deputy director of prison industries will assist the department of workforce development in compiling all information necessary to resolve the dispute. The workforce development board shall notify the deputy director of prison industries and interested parties in writing of the recommended action to resolve a complaint, which will be binding on all parties.

This rule is intended to implement Iowa Code section 904.809.

**201—37.5(904) Utilization of offender labor in construction and maintenance projects.**

**37.5(1)** *Definitions.*

*"Director"* means the same as defined in Iowa Code section 904.101(5).

*"Employer"* means a contractor or subcontractor providing maintenance or construction services under contract to the department of corrections or under the department of administrative services.

*"Workforce development director"* means the same as described in Iowa Code section 84A.1(2).

**37.5(2)** *Scope.* Utilization of offender labor applies only to contractors or subcontractors providing construction or maintenance services to the department of corrections. The contract authority for providing construction or maintenance services may be the department of administrative services.

**37.5(3)** *Employer application.* Employers working under contract with the state of Iowa may submit an application to the department of corrections to employ offenders. Requests for such labor shall not include work release offenders assigned to community-based corrections under Iowa Code chapter 904.

*a.* The employer's application shall include:

(1) Scope of work, including type of work and required number of workers;

(2) Proposed wage rate;

(3) Location;

(4) Duration; and

(5) Reason for utilizing offender labor.

*b.* The department of corrections will verify through the department of workforce development the average wage rate for the job(s) the offenders will perform, the current unemployment rate in the county where the work is being performed, and the current employment level of the employer that will employ the offenders.

**37.5(4)** *Verification.* Upon written request from the department of corrections, the workforce development division administrator shall verify the employment levels and prevailing wages paid for similar jobs in the area and provide to the director, in writing:

*a.* The average wage rate for the proposed job(s);

*b.* The wage range;

*c.* The prevailing wage as determined by the U.S. Department of Labor;

*d.* The current unemployment rate for the county where the work is being performed;

*e.* The current employment levels of the employer that will employ the offenders based upon the most recent quarter for which data is available.

**37.5(5)** *Safety training.* The employer shall document that all offenders employed in construction and maintenance projects receive an Occupational Safety and Health Administration (OSHA) 10-Hour outreach course provided free of charge by an authorized OSHA outreach trainer.

**37.5(6)** *Prevailing wages.*

*a.* The director will not authorize an employer to employ offenders in hard labor programs without obtaining from the department of workforce development employment levels in the locale of the proposed jobs and the prevailing wages for the jobs in question. The average wage rate and wage range from the department of workforce development will be based on the appropriate geographic area for which occupational wage information is available. The appropriate geographic area may be statewide.

*b.* To reduce any potential displacement of civilian workers, the director will advise prospective employers and eligible offenders of the following requirements:

(1) Offenders will not be eligible for unemployment compensation while incarcerated.

(2) Before the employer initiates work utilizing offender labor, the director will provide the baseline number of jobs as established by the department of workforce development.

(3) If the contract to employ offender labor exceeds six months, the director will:

1. Request and receive from the workforce development division administrator the average wage rates and wage ranges for jobs currently held by offenders and current employment levels of employers employing offenders; and

2. Compile a side-by-side comparison of each employer.

**37.5(7)** *Disputes.* Anyone who believes that the employer's application violates this rule shall present concerns in writing to the workforce development board. A written complaint may be filed with the workforce development board for any dispute arising from the implementation of the employer's application in accordance with rule 877—1.6(84A). The workforce development board shall consult with the director prior to making recommendations. The director will assist the workforce development board in compiling all information necessary to resolve the dispute. The workforce development board shall notify the director and interested parties in writing of the corrective action plan to resolve the dispute, which will be binding on all parties.

This rule is intended to implement Iowa Code section 904.701.

**RA 26-188**

# CORRECTIONS DEPARTMENT[201]

**Regulatory Analysis**

Notice of Intended Action to be published: 201—Chapters 40 through 45 and 47
"Community-Based Corrections"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 904.108

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 321J, 811, 901, 904, 906, 907, 908, and 910

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10:30 to 11:30 a.m. | Via Google Meet:<br>meet.google.com/cwv-fguh-evv<br>Or dial: 1.385.246.2955<br>PIN: 719 985 663# |

*Public Comment*

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

Jen Rathje
Iowa Department of Corrections
Jessie Parker State Office Building
510 East 12th Street
Des Moines, Iowa 50319
Phone: 515.802.0898
Email: jen.rathje1@iowa.gov

*Purpose and Summary*

This proposed rulemaking rescinds and replaces Chapter 40 with a consolidated, unified regulatory framework to satisfy the requirements of Executive Order 10. The purpose of Chapter 40 is to govern the administration and delivery of all Community-Based Corrections (CBC) services across the State's eight district departments, including preconviction, probation, parole, residential, work release, and operating a motor vehicle while under the influence (OWI) programming.

Pursuant to Executive Order 10, the Department conducted a comprehensive review of the CBC administrative rules to eliminate restrictive terms, obsolete rules, and language that duplicates State statutes. This proposed rulemaking takes essential mandates previously scattered across standalone chapters (Chapters 40 through 45 and 47) and organizes them into a single cohesive chapter while preserving essential safety and service requirements and achieving the regulatory benefit in a more efficient and less burdensome format.

*Analysis of Impact*

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

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

There are no classes of persons that will bear any additional or new costs from this proposed rulemaking.

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

The general public, Department personnel, and individuals under community-based supervision will benefit from a modernized, single, and unified set of administrative rules that clarifies operational expectations and removes administrative redundancies.

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

- **Quantitative description of impact:**

There is no known quantitative or financial impact.

- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

There are no additional implementation or enforcement costs borne by the Department or any other State agency since this proposed rulemaking will align administrative rules with current operational practices and consolidated statutory structures.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of this proposed rulemaking is an accurate, streamlined, and legally compliant chapter that satisfies Executive Order 10 at no additional cost. Inaction is not permissible.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive methods exist. Rulemaking is the legally required method to maintain an administrative framework that complies with the Iowa Code and the mandates of Executive Order 10.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered.

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

Alternative methods were not considered because formal rulemaking is required to bring the chapter into compliance with Executive Order 10 directives.

*Small Business Impact*

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

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

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

This proposed rulemaking, including the rescission of Chapters 40 through 45 and 47, has no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 201—Chapter 40 and adopt the following **new** chapter in lieu thereof:

TITLE III
*COMMUNITY-BASED CORRECTIONS*

CHAPTER 40
COMMUNITY-BASED CORRECTIONS

DIVISION I
GENERAL PROVISIONS

**201—40.1(904) Title III definitions.**

*"Community service"* means unpaid public service as a condition of probation established pursuant to Iowa Code chapter 907 or in lieu of restitution as authorized in Iowa Code chapter 910.

*"Conditions of probation"* means the same as described in Iowa Code section 907.6.

*"Contraband"* means weapons, alcohol, drugs, money, obscene materials, or material advocating disruption of or injury to clients, employees, programs, or physical facilities. "Contraband" also includes anything that is illegal to possess under federal or state law, anything that is prohibited by the facility, or materials that are used in the production of drugs or alcohol or used in conjunction with the taking of illicit drugs.

*"Department"* means the Iowa department of corrections as defined in Iowa Code section 904.101(4).

*"District department"* means the same as defined in Iowa Code section 904.101(7).

*"District director"* means the same as defined in Iowa Code section 904.101(8).

*"Deputy director"* means the deputy director for community-based corrections of the department.

*"Parole"* means the same as defined in Iowa Code section 906.1.

*"Parole agreement"* means the same as described in Iowa Code section 906.11.

*"Parole plan"* means a document listing place of employment, residence and the supervising parole officer.

*"Presentence investigations"* means the same as described in Iowa Code sections 901.2 and 901.3.

*"Pretrial release"* means the same as described in Iowa Code section 811.2.

*"Probation"* means the same as defined in Iowa Code section 907.1.

*"Probation agreement"* means the same as described in Iowa Code section 907.6.

*"Probation service"* means the same as described in Iowa Code section 907.2.

*"Restitution plan of payment"* means the same as defined in Iowa Code section 910.1(8).

*"Supervision"* means supervision during the probationary period as described in Iowa Code section 907.8.

This rule is intended to implement Iowa Code section 904.108(1)*"l."*

**201—40.2(904) Grievance procedures.**

**40.2(1)** The department will maintain policies and procedures establishing a grievance process applicable to all persons under supervision.

**40.2(2)** Persons under supervision will be provided notice of the grievance process in accordance with department policy.

This rule is intended to implement Iowa Code section 904.108(1)*"l."*

**201—40.3(904) Electronic case records.** The department will maintain an electronic case record for all persons under supervision.

**40.3(1)** The contents of electronic case records will be maintained in accordance with department policy and may include identification data, institutional information, case plans, restitution plans, supervision or release plans, generic notes, disciplinary reports, transfer reports, progress reports, releases of information, and discharge records, as applicable.

**40.3(2)** Written procedures will govern the security, maintenance, accessibility, closure, and destruction of electronic case records in accordance with department policy.

This rule is intended to implement Iowa Code section 904.108(1)*"l."*

**201—40.4(904) Case management system and risk/needs assessment.** The department will utilize the statewide approved case management system and a statewide validated risk/needs assessment instrument for persons under supervision when required by statute or department policy.

**40.4(1)** Risk and needs information will be used to inform supervision and case planning consistent with the risk-need-responsivity model and core correctional practices.

**40.4(2)** Resources will be prioritized for clients who pose a greater risk to reoffend.

**40.4(3)** Moderate-high-risk clients will receive evidence-based case planning and case management in accordance with department policy.

This rule is intended to implement Iowa Code section 904.108(1)*"l."*

**201—40.5(904,907,910) Restitution.** Unless otherwise provided by statute or rule, this rule applies to persons under supervision of the district department.

**40.5(1)** *Restitution plan of payment.* When restitution is ordered by the court, the department will ensure that a restitution plan of payment is prepared, submitted, reviewed, and modified in accordance with Iowa Code chapter 910.

*a.* A restitution plan of payment will be developed for any client under supervision who is court ordered to pay restitution unless the court-ordered restitution plan has been completed.

*b.* Factors that must be considered in developing the restitution plan of payment are outlined in Iowa Code section 910.5(2)*"a"*(1).

*c.* A copy of the restitution plan will be given to the client in accordance with Iowa Code section 907.8(1).

*d.* The department will maintain policies and procedures governing the development and modification of restitution plans of payment.

*e.* The approved restitution plan of payment will be forwarded to the appropriate clerk of court by the district department or to the person responsible for collection if collections are performed by the district department.

**40.5(2)** *Restitution compliance.* Persons under supervision will comply with the terms of the restitution plan of payment.

*a.* Payments shall be submitted in a timely manner to the clerk of court or to the department, as applicable.

*b.* If payments are made to the clerk of court, the client must provide proof of payment to the department.

*c.* When community service is ordered in lieu of financial restitution, the department will provide statements to the appropriate clerk of court in accordance with department policy.

This rule is intended to implement Iowa Code sections 907.8 and 910.5.

**201—40.6(904,906) Transportation reimbursement.**

**40.6(1)** In accordance with Iowa Code sections 904.909 and 906.18, a client under supervision who escapes, absconds, or otherwise violates conditions requiring return to custody must reimburse the department for the actual cost incurred by the department.

**40.6(2)** Actual cost means the following:

*a.* Actual salary, to include overtime, of all personnel involved;

*b.* Actual personal expenses of personnel involved;

*c.* Ground mileage at the rate paid to state employees;

*d.* Actual cost of any common carrier fee for personnel and the client. Airfare will be booked at regular coach; and

*e.* Actual costs of contract services.

This rule is intended to implement Iowa Code sections 904.909 and 906.18.

**201—40.7(904) Authorization to carry firearms.**

**40.7(1)** The department may authorize employees to carry a firearm while performing official duties. The department will establish policies and procedures governing the authorization of probation/parole officers and reserve peace officers subject to Iowa Code chapter 80D.

**40.7(2)** Probation/parole officers and reserve peace officers subject to Iowa Code chapter 80D must complete the Iowa law enforcement academy curriculum before being authorized to carry a firearm. Officers authorized before February 9, 2005, are exempt from this requirement.

This rule is intended to implement Iowa Code section 904.108(1)*"l."*

DIVISION II
PRECONVICTION SERVICES

**201—40.8(811,901,904) Preconviction services.**

**40.8(1)** *Pretrial services.*

*a.* The district department will designate staff to conduct pretrial screenings and administer pretrial release services.

*b.* The district department will establish a system of communication with law enforcement and the judiciary regarding the availability of pretrial services.

*c.* The department will maintain policies and procedures governing pretrial services, including but not limited to:

(1) Identification and timely screening of persons eligible for pretrial services,

(2) Screening criteria that require consideration of conditions contained within Iowa Code section 811.2,

(3) Reporting violations of conditions of release to the court,

(4) Supervision of persons released under pretrial services, and

(5) Notifying the supervising agent of any pretrial screenings for existing clients.

*d.* A grievance process applicable to persons under pretrial supervision will be provided in accordance with rule 201—40.2(904).

*e.* Electronic case records will be maintained on each active case under supervised release in accordance with rule 201—40.3(904).

**40.8(2)** *Presentence investigation.*

*a.* The district department will conduct presentence investigations ordered by the court.

*b.* The department will maintain policies and procedures governing presentence investigations, including but not limited to:

(1) Preparation of presentence investigation reports in accordance with Iowa Code section 901.3,

(2) Inclusion of the results of a department-approved validated risk assessment,

(3) Timely transmittal of the presentence investigation report to the court, and

(4) Confidential handling of presentence investigation reports in accordance with Iowa Code section 901.4.

This rule is intended to implement Iowa Code chapters 811 and 901 and section 904.108(1)*"l."*

DIVISION III
PROBATION SERVICES

**201—40.9(904,907,908,910) Probation services.** The department will provide probation services throughout each district department and will maintain policies and procedures governing probation supervision, including but not limited to:

**40.9(1)** Uniform classification and supervision of probationers.

**40.9(2)** Use of the statewide approved case management system and a statewide validated risk/needs assessment instrument to inform supervision and case planning consistent with the risk-need-responsivity model and core correctional practices in accordance with rule 201—40.4(904).

**40.9(3)** Establishment of probation conditions that meet the approval of the court and procedures to ensure clients receive those conditions in writing, including documentation of receipt.

**40.9(4)** Searches of clients under probation supervision and the search and seizure of their property in accordance with court requirements.

**40.9(5)** Reporting violations of probation and recommending revocation to the court.

**40.9(6)** Determining when an arrest may be made or a client should be taken into custody.

**40.9(7)** Requesting discharge from probation, including recommendations when a client has met court obligations, no longer poses a threat to the community, or cannot benefit substantially from further supervision.

**40.9(8)** A grievance process for clients under probation supervision in accordance with rule 201—40.2(904).

**40.9(9)** Maintenance of an electronic case record for each client under supervision in accordance with rule 201—40.3(904).

**40.9(10)** Preparation, submission, review, and modification of the restitution plan of payment will be conducted in accordance with Iowa Code chapter 910 and rule 201—40.5(904,907,910).

**40.9(11)** Preparation, submission, review, and modification of the plan of community service in accordance with Iowa Code chapters 907 and 910.

**40.9(12)** Preparation, submission, review, modification, collection and retention of supervision enrollment fees, including the waiver of fees for persons determined unable to pay, in accordance with Iowa Code section 904.912.

This rule is intended to implement Iowa Code chapter 907 and sections 904.108, 908.11 and 910.5.

DIVISION IV
PAROLE SERVICES

**201—40.10(904,906,908,910) Parole services.**

**40.10(1)** *Supervision.* Persons granted parole by the board of parole are supervised by a district department. Conditions of parole are imposed as established and approved by the board of parole.

**40.10(2)** *Effective date/parole agreement.* Parole is effective only upon the incarcerated individual's acceptance of the terms of parole as evidenced by the signing of the parole agreement unless otherwise prescribed by law. The parole agreement is issued only upon the written order of the board of parole and only after approval of the parole plan. A parolee will not be released on parole prior to execution of the parole agreement. The parole agreement will contain the conditions of parole and the parolee's reporting instructions.

**40.10(3)** *Delivery of services.* The department will deliver parole services in accordance with department policy and procedures, including but not limited to:

*a.* The administration of earned and honor time;

*b.* Authorization of community placement furloughs in accordance with Iowa Code section 904.108(2);

*c.* Provision of clothing, transportation, and money in accordance with Iowa Code section 906.9;

*d.* Availability of emergency medical care and response to sudden illness or accidents;

*e.* Establishment of a grievance process with notice provided in accordance with rule 201—40.2(904); and

*f.* Development of a restitution plan of payment in accordance with Iowa Code chapter 910 and rule 201—40.5(904,907,910).

**40.10(4)** *Parole violations.*

*a.* The department may report violations of parole conditions to the board of parole in accordance with board requirements set forth in rules 205—11.5(908) and 205—11.6(908).

*b.* With supervisory approval, a parole officer may arrest a parolee when there is probable cause to believe a parole violation has occurred that may result in revocation. All actions of the arresting agent will be in accordance with Iowa Code sections 908.1 and 908.2.

*c.* When a parolee is believed to have absconded, a preliminary parole violation filing will be submitted and a warrant for arrest requested.

**40.10(5)** *Voluntary return to institution.* A parolee may voluntarily return to a department institution for treatment or training for a period not to exceed 90 days upon approval of a voluntary return agreement by the district department, institution warden, and parolee, and following a hearing before a parole board administrative law judge.

**40.10(6)** *Discharge from parole.* Discharge from parole supervision will be determined and administered in accordance with department policy and Iowa Code section 906.15 and requirements set forth in 205—Chapter 12.

**40.10(7)** *Supervision enrollment fee.* The department will have policies and procedures governing the preparation, submission, review, modification, collection and retention of supervision enrollment fees, including the waiver of fees for persons determined unable to pay, in accordance with Iowa Code section 904.912.

This rule is intended to implement Iowa Code sections 904.108, 904.912, 906.9, 906.11, 906.15, 906.16, 908.1, 908.2 and 910.5.

DIVISION V
RESIDENTIAL FACILITIES

**201—40.11(904,907,908,910) Residential facilities.**

**40.11(1)** The department will ensure the admission of residents in accordance with the correctional continuum, court order, release order from the board of parole, or purchase of service agreement or contract with federal correctional agencies.

**40.11(2)** At intake, facility staff will discuss with each resident program goals, services available, facility rules governing conduct, disciplinary procedures, client fiscal management, residents' rights, communication privileges, and all federal Prison Rape Elimination Act (PREA) orientation and education standards and will obtain written documentation from the resident that these matters were discussed.

**40.11(3)** Facility staff will know the whereabouts of all residents and ensure that staff are available to residents 24 hours a day.

**40.11(4)** Provision and maintenance of a safe environment for residents will occur, including compliance with applicable fire, building, health, and safety requirements.

**40.11(5)** The department will maintain policies and procedures governing residential facilities, including but not limited to:

*a.* Inventorying and documentation of resident property.

*b.* Facility rules, sanctions, appeal procedures, and compliance with applicable federal PREA standards.

*c.* A grievance process applicable to activities other than disciplinary action in accordance with rule 201—40.2(904).

*d.* Use of physical force by facility staff, including reporting requirements, in accordance with statutes or regulations.

*e.* Searching of residents and their property, and seizure of property or contraband.

*f.* Emergency medical care and response to sudden illness or accidents.

*g.* Handling and administration of prescription and nonprescription medications.

*h.* Provision of meals meeting recognized minimum daily nutritional requirements and, if food service is provided, compliance with applicable health and safety requirements for food service operations.

*i.* Procedures for recommending removal or revocation of residential placement consistent with risk reduction.

*j.* Procedures for requesting discharge from a residential facility when a resident has met court requirements, no longer poses a threat to the community, or cannot benefit substantially from further supervision.

*k.* Use of the statewide approved case management system and a statewide validated risk/needs assessment instrument to inform supervision and case planning consistent with the risk-need-responsivity model and core correctional practices in accordance with rule 201—40.4(904).

*l.* Maintenance of an electronic case record for each resident in accordance with rule 201—40.3(904).

This rule is intended to implement Iowa Code section 907.3 and chapters 904, 908, and 910.

DIVISION VI
OWI PROGRAMS

**201—40.12(904,910) OWI programs.**

**40.12(1)** *Applicability.* Clients convicted of an offense under Iowa Code chapter 321J, sentenced to the custody of the director of corrections, and assigned to a continuum of programming, including treatment providers, residential facilities, and institutions, will be subject to these rules and department policy governing supervision and treatment.

**40.12(2)** *Facility selection and oversight.* The department will select appropriate facilities and treatment providers for the risk management and programming of clients. Any facility operated by or under contract with the department will comply with department policies, including all applicable federal PREA standards.

**40.12(3)** *Administrative responsibility.* The district director is responsible for all programs and clients subject to this rule. Any change in the custody status of clients must be approved by a department official.

**40.12(4)** *Movement of clients.*

*a.* The department will utilize standardized placement criteria founded on the presumption that assignment will be made to the least restrictive and most cost-effective component of the continuum for the purposes of risk management, substance use treatment, education, and employment. Criteria established to determine continuum assignment consists of the client's previous criminal record, present charges and attitude toward treatment. The continuum is defined as consisting of three basic components, namely:

(1) Incarceration until released by the board of parole or expiration of sentence,

(2) Short-term incarceration of approximately 60 days with subsequent transfer to a community corrections OWI residential program, and

(3) Direct placement to a community corrections residential program.

*b.* When there is insufficient bed space in the community-based correctional program to accommodate the client, the court may order the client to be released on personal recognizance or bond, released to the supervision of the district department, or held in jail.

*c.* Priority for placement will be based on the date of institutional admission or as soon as practical unless an exception is made by the department for special circumstances.

*d.* When a client is sentenced and ordered to department supervision and space is unavailable in a community program, or when supervision concerns arise, the district director or designee may request temporary placement at the Iowa medical and classification center (IMCC) or the Iowa correctional institution for women (ICIW), with approval by the deputy director or designee until space is available in the community program.

*e.* If medical conditions prohibit program participation and community resources, including University Hospitals, are not available to sufficiently meet client needs, the client may be assigned to IMCC/ICIW for treatment until the client's health status permits placement into a community-based correctional program.

*f.* Transfer of clients may be delayed by the department for security or medical reasons. Clients with active detainers or clients refusing to participate in the program may be transferred to an institution.

*g.* Clients placed with the department will transfer out of custody to their assigned facility unless an exception is made by the department.

*h.* The department will maintain policies governing the temporary confinement of clients who present a threat to the safety or security of the public, facility staff, or residents.

*i.* The department will maintain contingency plans to ensure continuity of custody or programming during emergencies, including fire, tornado, chemical spill, or work stoppage.

*j.* Clients housed in community facilities may be transferred to IMCC/ICIW on the recommendation of the district director or designee and with the approval of the deputy director or designee for reclassification and assignment to an institution. Transfer recommendations may be made for security, disciplinary, treatment, medical, or legal reasons.

*k.* Clients whose parole or work release is revoked may be returned to the OWI continuum, if eligible, or returned to the designated classification center for reclassification and placement in an institution.

**40.12(5)** *Fiscal.*

*a.* The department will not enter into a subcontract for custody, housing, or treatment of clients without the written approval of the deputy director. Contracts must include provisions protecting the department from liability arising from subcontractor actions.

(1) Subcontractors will be paid only for services on a reimbursement basis.

(2) The department will not pay for substance use treatment otherwise available and funded from other sources.

(3) The department and any subcontractors will, whenever possible, offset the cost of providing substance use treatment with third-party reimbursements.

*b.* The department will maintain a schedule of daily fees.

*c.* Clients may not be denied services due to an inability to pay the daily fee.

*d.* The department will maintain policies and procedures that ensure that all clients surrender their earnings to facility staff for the purpose of financial management and savings. Those policies and procedures will provide for the proper accounting and disbursement of all client funds, including but not limited to deduction of a daily fee where appropriate.

*e.* Upon request by the district director or designee, the county shall provide temporary confinement of clients allegedly violating the conditions of the assignment to a treatment program. The department will negotiate a reimbursement rate with each county.

*f.* A county holding clients ordered to jail due to insufficient space in a community-based corrections program will be reimbursed by the department.

*g.* If a client escapes or participates in an act of absconding from the facility to which the client is assigned, the client will reimburse the department for the cost of transportation in accordance with rule 201—40.6(904,906).

**40.12(6)** *Program structure.*

*a.* The district department will provide or arrange 24-hour housing and supervision of clients, either directly or through a contract with other agencies or individuals.

*b.* Each client will sign a department-approved supervision agreement. Failure to sign or comply with the agreement may result in reason to recommend returning the client to an institution.

*c.* Clients will participate in an appropriate continuum of programming. To the extent possible, capable clients will be employed a minimum of 30 hours per week.

*d.* Clients will be allowed to leave the facility for treatment, employment, and food service when those activities are not provided at the facility. In all other circumstances, clients may only leave the facility without supervision in accordance with furlough procedures.

*e.* Subcontractors will utilize department policies and procedures concerning client discipline.

*f.* Restitution plans will be established in accordance with Iowa Code chapter 910 and rule 201—40.5(904,907,910).

*g.* A client identified as needing continuing care will receive follow-up treatment according to the client's identified needs. The client will receive correctional supervision following release from the facility unless the client's sentence has legally expired.

*h.* Visitation will be provided in accordance with department policy. Visiting privileges may be limited to the extent necessary for treatment, security, or management reasons.

*i.* Medical care for emergencies, illness, injury, or death will be provided in accordance with department policy.

*j.* The department will follow established policies governing violations, transfer recommendations, parole recommendations, earned time awards, and earned loss time.

*k.* The department will follow established policies for responding to an escape or unauthorized absence of a client from a facility, including circumstances indicating flight or criminal activity.

This rule is intended to implement Iowa Code sections 904.513, 904.909 and 910.5.

DIVISION VII
WORK RELEASE

**201—40.13(904) Work release.**

**40.13(1)** *Supervision.*

*a.* Persons committed to the director of the department and approved for work release by the board of parole will be supervised by a district department.

*b.* Residential facility intake procedures apply in accordance with 201—subrule 40.11(2) and are not restated.

*c.* Work release clients may be eligible to participate in day reporting in accordance with department policy WR/OWI-19. Day reporting allows selected clients an opportunity to move from a residential facility to a home setting.

**40.13(2)** *Facility requirements.* The provisions set forth in rule 201—40.11(904,907,908,910) apply to this rule and are not restated.

**40.13(3)** *Earned time.* Earned time will be awarded in accordance with department policy.

**40.13(4)** *Continuity of operations.* The department will maintain contingency plans to ensure proper continuation of the program in the event of emergencies, including fire, tornado, chemical spill, or work stoppage.

**40.13(5)** *Visitation.* Visitation will be provided in accordance with department policy. Visiting privileges may be limited to the extent necessary for security or management reasons.

**40.13(6)** *Transportation.* Department staff may provide transportation in order to facilitate program objectives or for security purposes.

**40.13(7)** *Restitution plan of payment.* Restitution plans of payment will be established in accordance with Iowa Code chapter 910 and rule 201—40.5(904,907,910).

**40.13(8)** *Resident finances.* The department will maintain policies and procedures that ensure that all residents surrender their earnings to the facility in accordance with Iowa Code section 904.905.

The department will provide for the proper accounting for the receipt and disbursement of resident earnings.

**40.13(9)** *Furloughs.* Furloughs for work release clients will be administered in accordance with department policy.

**40.13(10)** *Violations.* When disciplinary problems occur with residents who have been approved for work release but not yet placed, designated staff will determine whether the situation is serious enough to warrant further review by the board of parole.

*a.* For purposes of this subrule, designated staff means authorized persons from the district department, the deputy director, or the sending institution.

*b.* Work release violations may be classified as technical, minor, or major in accordance with department policy, depending on the seriousness and frequency. The classification will determine the sanction or range of sanctions to correspond with the violation(s).

*c.* Requests for temporary custody in a county jail or municipal holding facility may be issued by authorized staff of the department in those cases where the resident is considered dangerous, likely to flee or in serious violation of the work release program. The requests will be in accordance with Iowa Code section 904.908 and department policy.

*d.* Residents who are out of place of assignment are considered in serious violation of work release rules and possibly guilty of a felony under Iowa Code section 719.4. Escapes will be reported to designated authorities in accordance with department policy and critical incident policy.

**40.13(11)** *Reimbursement for transportation.* Transportation costs incurred due to a work release client escaping or absconding will be assessed against the work release client in accordance with rule 201—40.6(904,906).

**40.13(12)** *Transfers.*

*a.* Clients guilty of serious work release violations may be recommended for reclassification or transfer by a district department. Designated staff will determine whether the resident is to be transferred to a secure institution.

*b.* Transfers from one facility to another facility to a designated Iowa classification center may be allowed in special circumstances with the approval of the department.

**40.13(13)** *Discharge.* Under no circumstance will work release supervision extend beyond the expiration of a work releasee's sentence.

**40.13(14)** *Federal contracts for work release.* In order to qualify nonfederal work release clients for employment in the performance of federal contracts, under presidential Executive Order 11755, each district department will ascertain:

*a.* That the rate of pay and other conditions of employment will be at a similar rate and mode to others employed in like duties;

*b.* That employment of the work release client will not result in the displacement of other persons already employed, not be utilized where a surplus of labor exists, and not harm existing contracts; and

*c.* Representatives of affected unions will have been consulted.

**40.13(15)** *Home work release.*

*a.* Pursuant to Iowa Code section 904.901, home work release provides the opportunity in exceptional circumstances for qualified clients of correctional institutions to return to their homes.

*b.* Persons committed to the director of the department and approved for home work release by the board of parole will be supervised by a district department.

*c.* Home work release is additionally governed by the provisions of department policy CBC-RS-02.

This rule is intended to implement Iowa Code sections 904.901 through 904.909.

ITEM 2. Rescind and reserve **201—Chapter 41**.

ITEM 3. Rescind and reserve **201—Chapter 42**.

ITEM 4. Rescind and reserve **201—Chapter 43**.

ITEM 5. Rescind and reserve **201—Chapter 44**.

ITEM 6. Rescind and reserve **201—Chapter 45**.

ITEM 7. Rescind and reserve **201—Chapter 47**.

**RA 26-189**

# CORRECTIONS DEPARTMENT[201]

## Regulatory Analysis

Notice of Intended Action to be published: 201—Chapter 50
"Jail Facilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 356.36
State or federal law(s) implemented by the rulemaking: Iowa Code sections 17A.10, 17A.12, 80B.11A, 356.36 and 356.43 and chapter 356A

*Public Hearing*

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

August 25, 2026
10:30 to 11:30 a.m.

Via Google Meet:
meet.google.com/cwv-fguh-evv
Or dial: 1.385.246.2955
PIN: 719 985 663#

*Public Comment*

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

Jen Rathje
Iowa Department of Corrections
Jessie Parker State Office Building
510 East 12th Street
Des Moines, Iowa 50319
Phone: 515.802.0898
Email: jen.rathje1@iowa.gov

*Purpose and Summary*

The purpose of this proposed rulemaking is to conduct a comprehensive review of Chapter 50 in accordance with the mandates of Executive Order 10. While this chapter was reviewed through the lens of reducing redundancy, the Department has determined that the current language is neither obsolete nor unnecessary. Given the high-risk nature of jail operations and the specific compliance needs of local facilities, the existing language is essential for maintaining clear, unambiguous minimum standards. Rule language has been intentionally retained to provide a single, comprehensive operating manual for jail administrators. Reducing information in these sections or relying solely on statutory cross-references would create a fragmented regulatory landscape, increasing the risk of operational errors and safety failures at the local level. Because these rules serve as the primary benchmark for mandatory annual inspections across Iowa's 96 jail facilities, maintaining the current level of detail is necessary.

Rather than broad rescission, the Department implemented targeted updates to clarify standards and improve operational safety, specifically:

- **Rule 201—50.3(356,356A) Inspection and compliance:** Updated to clarify the notification process for noncompliance and the formal listing of deficiencies to chief administrators.

- **Rule 201—50.10(356,356A) Minimum standards for jail personnel:** Updated to clarify personnel qualifications and align rules and terminology with the Law Enforcement Academy under 501—Chapter 9.
- **Rule 201—50.11(356,356A) Training for jail personnel:** Revised to require recorded acknowledgment, by written or electronic means, from jailers and supervisors attesting to their knowledge of jail standards and policies.
- **Rule 201—50.13(356,356A) Admission/classification and security:** Updated to identify specific methods for providing advance notice to prisoners before a staff member or visitor of the opposite sex enters a housing unit.
- **Rule 201—50.15(356,356A) Medical services:** Updated to reflect that the responsibility for the costs of medical services and products remains that of the prisoner as allowed by Iowa Code section 356.7.
- **Rule 201—50.17(356,356A) In-house food services:** Refined language to ensure food preparation areas, storage, and sanitation practices remain clean and sanitary in accordance with State health standards regulating institutions and food establishments.
- **Rule 201—50.22(356,356A) Records:** Updated paragraph 50.22(14)"d" to explicitly define the 24-hour notification window for the State Jail Inspection Unit regarding major incidents, such as deaths, attempted suicides, fires, or escapes.
- **Administrative rule and Iowa Code references:** Updated citations throughout the chapter to ensure all internal cross-references to the Iowa Administrative Code and references to relevant statutes are accurate and current.

These specific standards are developed in consultation with stakeholders pursuant to Iowa Code section 356.36, including the Iowa State Sheriffs' and Deputies' Association (ISSDA), the Iowa Chiefs of Police Association, Iowa State Association of Counties (ISAC), and the League of Cities, that have reached a consensus that these standards are the essential baseline for safe facility management.

*Analysis of Impact*

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

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

There are no classes of persons that will bear any additional or new costs from this proposed rulemaking.

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

The general public, Department personnel, jail facility administrators and staff, and prisoners will benefit from a set of administrative rules that clarify operational expectations.

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

- **Quantitative description of impact:**

There is no known quantitative or financial impact.

- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

There are no additional implementation or enforcement costs borne by the Department or any other State agency since these updates align administrative rules with current operational practices.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of this proposed rulemaking is an accurate, streamlined, and legally compliant chapter that satisfies Executive Order 10 at no additional cost. Inaction is not permissible.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive methods exist. Rulemaking is the legally required method to maintain an administrative framework that complies with the Iowa Code and the mandates of Executive Order 10.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered.

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

Alternative methods were not considered because formal rulemaking is required to bring the chapter into compliance with Executive Order 10 directives.

*Small Business Impact*

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

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

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

This proposed rulemaking has no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 201—Chapter 50 and adopt the following **new** chapter in lieu thereof:

TITLE IV
*JAIL INSPECTION STANDARDS*

CHAPTER 50
JAIL FACILITIES

**201—50.1(356,356A) Definitions.** The following are defined terms:

*"Activity area"* means such area, distinct from the living unit, where prisoners may congregate for programming. This area is to be under constant staff observation.

*"Alternative jail facility"* means a facility designated pursuant to Iowa Code chapter 356A and that is used as a halfway-house-type facility rather than a jail-type operation. These facilities shall be subject to inspection and accreditation by the state jail inspector utilizing applicable administrative rules for residential facilities pursuant to 201—Chapter 40 and other acceptable operational standards.

*"Average daily population"* means the average number of prisoners housed daily during any given time period.

*"Barrier free"* means no walls or other obstructions impeding contact by staff within their assigned area of operation.

*"Capacity"* means the number of prisoner occupants that any cell, room, unit, building, facility or combination thereof may accommodate according to the square footage and fixture requirements of the standards.

*"Cell"* means prisoner occupancy bedroom space with toilet and lavatory facilities.

*"Cellblock"* means a group of cells with an associated dayroom.

*"Classification"* means a system of obtaining pertinent information concerning prisoners with which to make a decision on assignment of appropriate housing, security level, and activities.

*"Continuous visual observation"* means uninterrupted visual contact unaided by closed circuit television (CCTV).

*"Dayroom"* means a common space shared by prisoners residing in a cell or group of cells; to which prisoners are admitted for activities, such as dining, bathing, or passive recreation; and that is situated immediately adjacent to prisoner sleeping areas.

*"Detention area"* means that portion of the facility used to confine prisoners.

*"Direct supervision jail"* means a style of jail construction designed to facilitate direct contact between officers and prisoners. The officer is stationed inside the housing unit. Evaluation and classification of prisoners are ongoing and continuous functions of a direct supervision jail and are based on close contact with prisoners.

*"Disability"* means a physical or mental impairment that substantially limits one or more of the major life activities of an individual; a record of such an impairment; or being regarded as having such an impairment.

*"DOC"* means the Iowa department of corrections.

*"Dormitory"* means an open area for two or more prisoners with all fixtures self-contained. There is no barrier between the sleeping area and other fixtures, such as a shower, a table, recreation equipment, or similar items.

*"Emergency situation"* means any significant disruption of normal operations caused by riot, strike, escape, fire, natural disaster or other serious incident.

*"Evaluation"* means an ongoing process whereby judgments are made concerning a prisoner based upon the behavior of that prisoner.

*"Existing facility"* means any place in use as a jail or for which bids have been let for construction prior to September 12, 2001.

*"Holding cell"* means a secure room or cell where prisoners may be held up to 24 hours while awaiting the procedure of commitment or release or court appearances.

*"Holdover"* means a nonsecure area within a law enforcement facility, hospital, mental health facility or other existing public building that is intended to serve as a short-term holding facility for juveniles. A nonsecure area may be a multipurpose area that is unable to be locked.

*"Housing unit"* means a detention area. This area may be a single-occupancy cell, multiple-occupancy cell, cellblock, or dormitory.

*"Inspection unit"* means the state jail inspection unit.

*"Jail"* means any place administered by the county sheriff and designed to hold prisoners for as long as lawfully required but not to exceed one year pursuant to Iowa Code chapters 356 and 356A.

*"Jail administrator"* means the sheriff, sheriff's designee, or the executive head of any agency operating a jail. The jail administrator shall be responsible for the operation of the facility according to these rules.

*"Jailer"* means any person who is involved in the booking or supervision of prisoners, who has direct contact with prisoners or who has control over the movement or release of prisoners within the jail. Jailers shall meet the requirements of rules 201—50.10(356,356A) and 201—50.11(356,356A).

*"Jail inspector"* means the department of corrections employee responsible for inspections of jails and enforcement of these rules by authority of Iowa Code section 356.43.

*"Jail supervisor"* means any person who is responsible for the routine operation of a jail during assigned duty hours. While this person does not have to be on the premises at all times, the person must be readily available for consultation.

*"Juvenile"* means any person under the age of 18 years.

*"Living unit"* means an area within a housing unit and that contains individual sleeping compartments, dayrooms, all necessary personal hygiene fixtures, and sufficient tables and seats to accommodate capacity.

*"Lock down"* means whenever prisoners are required to be in their individual cells or locked in same.

*"Mail"* means anything that is sent to or by prisoners through the United States Postal Service.

*"Major remodeling"* means construction that changes the architectural design of an existing jail and that increases or decreases capacity.

*"Medical practitioner"* means a licensed physician, licensed osteopathic physician or physician associate or a medical resource, such as a hospital or clinic.

*"Mental illness"* means a psychiatric illness or disease expressed primarily through abnormalities of thought, feeling, and behavior producing either distress or impaired function.

*"Minister"* means a trained person ordained or licensed by a bona fide religion to conduct the services of that faith.

*"Monitoring"* means having a reasonable degree of knowledge or awareness of what activities a prisoner is engaged in during incarceration.

*"Multiple-occupancy cell"* means a cell designed for more than one prisoner and accessible to a dayroom.

*"Nonsecure hold"* means a nonsecure area within a law enforcement facility that is intended to serve as a short-term holding facility for juveniles. A nonsecure area may be a multipurpose area that is unable to be locked.

*"Person performing jail duties"* means all persons directly involved in the provision of services to prisoners or the operation of a jail, except:

1. Outside contractors performing specific housekeeping functions under the direct supervision of a jailer.
2. Individuals such as maintenance personnel, cooks, and janitors, if they do not have direct contact with prisoners or routine access to areas occupied by prisoners.

*"Physical jeopardy"* means, due to the prisoner's physical or mental condition, the prisoner is in peril of serious physical harm.

*"Pod"* means a grouping of two or more housing units, usually found in large facilities, which will aid in the control of prisoners.

*"Prisoner"* means any individual confined in a jail.

*"Residential facilities"* means the facilities governed by 201—Chapter 40.

*"Roving supervising officer"* means an officer who provides direct supervision of prisoners by continuously moving through the housing unit, cells, and activity area of the unit.

*"Segregation cell"* means a single-occupancy cell equipped with tamper-resistant bunks, a toilet, and a wash basin that are of the type recommended for maximum security housing.

*"Unencumbered space"* is floor space that is not encumbered by furnishings or fixtures. "Unencumbered space" is determined by subtracting the floor area encumbered by furnishings and fixtures from the total floor area. (All fixtures must be in operational position for these calculations.)

*"Waiver"* means a waiver of a specific standard granted by the DOC in accordance with 201—Chapter 2504.

*"Weapons"* means any instrument, excluding restraining devices, chemical control agents and electronic control devices, with an intended use of self-defense, protection of another, or to gain or maintain compliance from an individual.

**201—50.2(356,356A) General provisions.**

**50.2(1)** *Applicability.* These rules apply to all facilities regulated by Iowa Code chapters 356 and 356A except temporary holding facilities that are covered by 201—Chapter 51.

**50.2(2)** *Capacity.* Established capacities as determined by these rules shall not be exceeded except in the event of an emergency and then only for such a period of time as is necessary to arrange for alternate housing or release of sufficient prisoners to bring the number of persons confined into compliance with the rated capacity.

**50.2(3)** *Right to inspect and visit.* The chief jail inspector or authorized representatives shall visit and inspect jails and may do so on an unannounced basis. Jail personnel and supervisors shall cooperate in inspections and shall exhibit to the inspectors, upon request, all books, records, medical records, data, documents and accounts pertaining to a jail or to the prisoners confined and shall assist inspectors to perform the functions, powers and duties of their office. Provisions of the first paragraph of Iowa Code section 356.43 shall control to the extent of any inconsistency of the provisions of this subrule.

**50.2(4)** *Other standards.* Nothing contained in these standards shall be construed to prohibit local officials from adopting standards and requirements governing their employees and facilities, provided such standards and requirements exceed and do not conflict with standards mandated in this chapter. These standards shall not be construed as authority to violate any state fire safety standard, building standard, health and safety code, or any constitutional requirement. No jail shall be operated without substantially meeting these rules, absent the granting of a waiver.

**50.2(5)** *Equal opportunity.* Facilities, programs, and services shall be available on an equitable basis to both males and females even though each standard does not specify that it applies to both males and females.

**50.2(6)** *Nondiscriminatory treatment.* Each jail administrator shall ensure that staff and prisoners are not subject to discriminatory treatment based upon race, religion, nationality, disability, sex or age absent compelling reason for said discriminatory treatment. Discrimination on the basis of a disability is prohibited in the provision of services, programs, and activities.

**201—50.3(356,356A) Inspection and compliance.** The chief jail inspector or authorized representatives shall visit and inspect each jail within this state at least annually to determine the degree of compliance with these standards and within 45 days of each inspection shall report the results to the sheriff and the governing body responsible for the facility.

**50.3(1)** *Notice of noncompliance with minimum standards.* Whenever the jail inspector or designee makes the determination that a jail or other holding facility is not in compliance with established minimum state jail standards, the chief administrator of the affected governmental facility shall be notified by letter posted or personal delivery of the noncompliance status. The notice shall specify:

*a.* The statute(s) and any rules alleged to have been violated.

*b.* The deficiencies cited.

*c.* The time period allowed for the submission of an acceptable plan of compliance within the appropriate time limitation.

*d.* The right to request a hearing pursuant to rule 201—2506.34(17A,356).

**50.3(2)** *Enforcement of minimum standards; remedial orders.* Upon receipt of a notice of noncompliance pursuant to subrule 50.3(1), the responsible authorities shall initiate appropriate corrective measures within the time prescribed by the jail inspection unit in its notice (which shall not exceed 90 days) and shall complete the corrections within a reasonable time as prescribed by the notice of noncompliance. The jail inspector may agree with the responsible authorities to a plan of action detailing corrective steps with corresponding time frames that will bring the facility into compliance within a reasonable time. If the responsible officials receiving a notice of noncompliance fail to initiate corrective measures or to complete the corrective measures within the time prescribed, the jail inspection unit may order the jail in question or any portion thereof closed, that further confinement of prisoners or classifications of prisoners in the noncomplying jail or any portion thereof be prohibited, or that all or any number of prisoners then confined be transferred to and maintained in another jail or detention facility, or any combination of remedies as set forth in subrule

50.3(1). This order shall be the notice of noncompliance pursuant to Iowa Code section 356.43 and 201—Chapter 2506 concerning contested cases. The matter shall then proceed in accordance with 7—Chapter 2506. The jail inspector may agree with the responsible authorities to a plan of action detailing corrective steps with corresponding time frames that would bring the facility into compliance within a reasonable time. The remedial order shall be in writing and shall specifically identify each minimum standard with which the jail has failed to comply. Such remedial order shall become final and effective 30 days after receipt thereof.

**50.3(3)** *Precedent.* Because rules cannot adequately anticipate all potential specific factual situations and circumstances presented for action, determination or adjudication by the jail inspection unit, the nature of the action taken with regard to any matter or the disposition of any matter pending before the jail inspection unit is not necessarily of meaningful precedential value, and the department shall not be bound by the precedent of any previous action, determination, or adjudication in the subsequent disposition of any matter pending before it. The director or the respondent may request that an informal conference be held to determine whether the noncompliance matter can be resolved in a just manner in furtherance of the public interest. Neither the director nor respondent is required to use this informal procedure. If the director and respondent agree to negotiate a settlement, the various points of the settlement, including a stipulated statement of facts, shall be set forth in writing and shall be binding on both parties.

This rule is intended to implement Iowa Code sections 17A.10, 17A.12 and 356.43.

**201—50.4(356,356A) Physical plant—general.**

**50.4(1)** *Building to meet existing codes.* All facilities are required to be structurally sound and to meet existing building code and health code requirements.

**50.4(2)** *Professional inspections.*

*a.* The state jail inspector may require for good reason that an agency operating a jail cause it to be examined by an architect, engineer, licensed electrician, health inspector, plumber, heating and air-conditioning specialist, food establishment inspector, state fire marshal or fire inspector or any other person with expertise who may be of assistance to the state jail inspector in making an informed decision relative to the jail operation or structure. Inspection by a municipal inspector qualified in these areas may be permitted.

*b.* Any facility determined to be deficient following inspection may be ordered closed by the jail inspector, or specific conditions limiting its operation may be imposed in lieu of closing. An order of closure shall contain the following:

(1) Statute(s) and rule(s) violated.

(2) A brief description of the deficiencies.

(3) The effective date of the order.

(4) An explanation of remedies required before reopening.

An order of closure shall adhere to subrules 50.3(1) and 50.3(2). This order shall be the notice of noncompliance pursuant to Iowa Code section 356.43 and 201—Chapter 2506 concerning contested cases. The matter shall then proceed in accordance with 7—Chapter 2506.

*c.* In the event that any agency fails to cooperate in an inspection, the jail inspector may arrange for an inspection and the agency operating the facility shall be financially responsible for any expense involved.

**50.4(3)** *Heating and ventilation.* All detention and living areas shall be reasonably heated and ventilated, with air flow sufficient to admit fresh air and remove disagreeable odors, to ensure healthful and comfortable living and working conditions for prisoners and staff. Fans and an adequate supply of cold liquids will be made available and utilized when indoor temperatures exceed 85 degrees Fahrenheit.

**50.4(4)** *Cells.* Maximum security cells shall be equipped with tamper-resistant bunks, secured table(s) and seat(s), plus a toilet and washbasin recommended for jail or prison use. Cells shall have an adequate supply of both hot and cold water; mixing valves may be used. Housing areas of less secure design need not contain tamper-resistant fixtures.

**50.4(5)** *Lighting.* Lighting shall be a minimum of 20 candlepower at the table top for the purposes of reading and writing. Living areas shall be devoid of dark areas. Hallways, entrances and exits shall be sufficiently lit to observe a person entering or exiting. Light controls shall be out of the control of prisoners. Housing areas may be variably illuminated to allow sleep, but continuous observation of prisoners must be possible. All exits shall be equipped with independent emergency lighting sources.

**50.4(6)** *Screens.* If windows are opened for ventilation, screens shall be installed and maintained in good repair.

**50.4(7)** *Electrical.* Drop cords shall not be used as permanent wiring. Electrical service shall meet the requirements of the governmental body permitted by statute to adopt standards for electrical service. Appliances shall plug directly into a fixed receptacle. Emergency generator power shall be available. Emergency generator power shall be tested at regular intervals not less than monthly. A record of test dates shall be maintained.

**50.4(8)** *Storage.*

*a.* Storage of any type in primary detention areas is not permitted except for supplies necessary for the operation of the jail.

*b.* Adequate storage space for prisoners' personal clothing and property shall be provided. Space provided shall be secure, and the prisoner's name or identification number shall be affixed to the storage space. Property shall be inventoried and accounted for as provided in Iowa Code section 804.19.

*c.* Janitorial supplies shall be stored in a manner to prevent unauthorized prisoner access. Janitorial supplies and equipment shall not be stored in prisoner living areas.

*d.* Areas used for storage of chemicals, paints, and cleaning supplies shall not be accessible to prisoners and such products shall be stored away from the primary detention area. Such storage shall not be in boiler or furnace rooms.

**50.4(9)** *Mirrors.* Mirrors within detention areas shall be of tamper-resistant construction and securely fixed in place.

**50.4(10)** *Firearms lockers.* A place inaccessible to prisoners shall be provided where officers entering the security area can store firearms.

**50.4(11)** *Noise level.* Prisoner noise inside the jail shall be controlled to ensure an orderly and secure jail operation. Jail policy shall include a rule pertaining to noise level. Prisoners must be advised of the rule.

**201—50.5(356,356A) Physical requirements for existing facilities.** This rule shall apply to all jails in existence prior to June 30, 1984. In cases where an existing jail undergoes major remodeling after September 12, 2001, rules 201—50.6(356,356A) and 201—50.7(356,356A) shall apply to the area being upgraded.

**50.5(1)** Each single-occupancy cell for prisoners in normal status shall have a minimum floor area of 40 square feet provided that the prisoner is not required to spend more than 16 hours during any 24-hour period in the cell.

**50.5(2)** Each single-occupancy cell must provide 50 square feet of floor space for prisoners held more than 16 hours during any 24-hour period.

**50.5(3)** Multiple-occupancy cells shall provide 40 square feet of floor space for the first prisoner and an additional 20 square feet for each additional prisoner provided that no prisoner is required to spend more than 16 hours in the cell during any 24-hour period.

**50.5(4)** Prisoners held in multiple-occupancy cells for more than 16 hours during any 24-hour period shall have a minimum of 50 square feet of floor space for the first prisoner and 30 additional square feet of floor space for each additional prisoner.

**50.5(5)** Except in emergency situations, no multiple-occupancy cell shall house more prisoners than the rated capacity.

**50.5(6)** Dormitory units shall have a minimum of 60 square feet of floor space per prisoner.

**50.5(7)** Each single-occupancy cell, multiple-occupancy cell and dormitory unit shall provide the following:

*a.* A minimum of 7 feet from floor to ceiling height.

*b.* A bunk of adequate size for normal-sized adults.

*c.* Access to a functional toilet.

*d.* Access to a lavatory that furnishes both hot and cold water; mixing valves may be used.

*e.* Sufficient tables and seats to accommodate the rated capacity of the unit. The tables and seats may be located in the cells or in an adjacent dayroom.

*f.* A functionally operating shower that furnishes both hot and cold water; mixing valves may be used. This shower may be either in the housing unit itself or in an adjacent area.

**50.5(8)** Each dayroom shall have a minimum floor area of 30 square feet. There shall be an additional 15 square feet for each prisoner beyond one.

**201—50.6(356,356A) Physical requirements for new and remodeled facilities—after June 30, 1984.** This rule shall apply to jails that are of new construction and to all major remodeling after June 30, 1984. For jails that are of new construction and for all major remodeling after September 12, 2001, rule 201—50.7(356,356A) shall apply. Plans for any remodeling or new construction shall be submitted to the jail inspection unit prior to letting any bids or commencing any construction subject to this rule. The jail inspection unit shall, within 60 days of receiving plans, review them for compliance with this rule and forward any comments to the submitting authority.

**50.6(1)** New housing units may be single-occupancy cells, multiple-occupancy cells or dormitory units. Each single-occupancy cell shall have a minimum of 70 square feet of floor space. Each multiple-occupancy cell shall have a minimum of 70 square feet of floor space for the first prisoner and an additional 50 square feet of floor space for each additional prisoner. Dormitory units shall provide a minimum of 60 square feet per prisoner.

**50.6(2)** All housing units shall provide:

*a.* No less than 7 feet of space between the floor and ceiling.

*b.* A bunk of adequate size for normal-sized adults for each prisoner.

*c.* Sufficient desks/tables and chairs/seats to accommodate the capacity of the housing unit.

*d.* A dayroom that provides a minimum floor area of 30 square feet for the first prisoner and an additional 15 square feet for each prisoner beyond one (dormitories excluded).

*e.* A functionally operating shower that produces both hot and cold water.

*f.* A lavatory that furnishes both hot and cold water for each group of nine prisoners or portion thereof.

*g.* A functional toilet for each group of nine prisoners or portion thereof.

**50.6(3)** Each maximum security cell shall have a security-type toilet/lavatory combination fixture that provides adequate hot and cold running water. These cells may rely on common toilet facilities located outside the detention room provided that the prisoner is never involuntarily locked in the room and denied access to the toilet facilities.

**50.6(4)** Holding cells shall provide a minimum of 20 square feet per prisoner with a total capacity per cell of eight prisoners. Holding cells need not contain any fixture other than a means whereby prisoners may sit. Drinking water and toilet facilities shall be made available under staff supervision. Dayrooms need not be available to prisoners held in holding cells. Holding cells are for detaining persons for a limited period of time, not to exceed 24 hours, except in cases of emergency, while awaiting booking, processing, transfer, court appearance or discharge. Detainees will be supplied blankets if detained overnight in the holding cell. Emergencies are defined as unexpected occurrences, requiring immediate attention, of singular incident and resolution.

**50.6(5)** The facility shall be designed to admit natural lighting and to give access to outside viewing by prisoners where practical.

**50.6(6)** The facility shall be designed and constructed so that prisoners may be segregated according to existing laws and regulations.

**50.6(7)** Except in emergency situations, no housing unit shall house more prisoners than its rated capacity.

**50.6(8)** All hinged doors serving as required exits shall swing with exit traffic.

**201—50.7(356,356A) Physical requirements for new and remodeled facilities—after September 12, 2001.** This rule shall apply to jails that are of new construction and all major remodeling or reconstruction after September 12, 2001. Plans for any remodeling or new construction shall be submitted to the jail inspection unit prior to letting any bids or commencing any construction subject to this rule. The jail inspection unit shall, within 60 days of receiving plans, review them for compliance with this rule and forward any comments to the submitting authority.

**50.7(1)** New housing units may be single-occupancy cells, multiple-occupancy cells or dormitory units. Each single-occupancy cell shall have a minimum of 70 square feet of floor space. Each multiple-occupancy cell shall have a minimum of 35 square feet of unencumbered floor space for each prisoner. Dormitory units shall provide a minimum of 60 square feet per prisoner.

**50.7(2)** All housing units shall provide:

*a.* No less than 7 feet of space between the floor and ceiling.

*b.* A bunk of adequate size for normal-sized adults for each prisoner.

*c.* Sufficient desks/tables and chairs/seats to accommodate the capacity of the housing unit.

*d.* A dayroom that provides a minimum floor area of 30 square feet for the first prisoner and an additional 15 square feet for each prisoner beyond one (dormitories excluded).

*e.* A functionally operating shower that produces both hot and cold water for each group of 12 prisoners.

*f.* A lavatory that furnishes both hot and cold water for each group of nine prisoners or portion thereof.

*g.* A functional toilet for each group of nine prisoners or portion thereof.

**50.7(3)** Each maximum security cell shall have a security-type toilet/lavatory-combination fixture that provides adequate hot and cold running water. These cells may rely on common toilet facilities located outside the detention room provided that the prisoner is never involuntarily locked in the room and denied access to the toilet facilities.

**50.7(4)** Holding cells shall provide a minimum of 20 square feet per prisoner with a total capacity per cell of eight prisoners. Holding cells need not contain any fixture other than a means whereby prisoners may sit. Drinking water and toilet facilities shall be made available under staff supervision. Dayrooms need not be available to prisoners held in holding cells. Holding cells are for detaining persons for a limited period of time, not to exceed 24 hours, except in cases of emergency, while awaiting booking, processing, transfer, court appearance or discharge. Detainees will be supplied blankets if detained overnight in the holding cell. Emergencies are defined as unexpected occurrences, requiring immediate attention, of singular incident and resolution.

**50.7(5)** Exercise areas shall be 15 square feet per prisoner for the maximum number of prisoners expected to use the space at one time in accordance with paragraph 50.18(1)*"c."*

**50.7(6)** The facility shall be designed to admit natural light and to give access to outside viewing by prisoners where practical.

**50.7(7)** The facility shall be designed and constructed so that prisoners may be segregated according to existing laws and regulations.

**50.7(8)** Except in emergency situations, no housing unit shall house more prisoners than its rated capacity.

**50.7(9)** All hinged doors serving as required exits shall swing with exit traffic.

**201—50.8(356,356A) Physical requirements for new and remodeled facilities—after December 28, 2005.** This rule shall apply to all jails that are of new construction and to all major remodeling or reconstruction after December 28, 2005.

**50.8(1)** Cells and dormitory units.

*a.* Single-occupancy cells shall provide a minimum of 35 square feet of unencumbered floor space. When confinement exceeds ten hours per day, except during administrative segregation or emergencies, there shall be at least 70 square feet of total floor space.

*b.* Multiple-occupancy cells shall provide a minimum of 25 square feet of unencumbered floor space for each prisoner. When confinement exceeds ten hours per day, except during administrative segregation or emergencies, there shall be at least 35 square feet of unencumbered floor space for each occupant.

*c.* Dormitory units shall provide a minimum of 60 square feet of floor space for each prisoner, exclusive of lavatories, showers, and toilets.

**50.8(2)** All housing units shall provide:

*a.* No less than 7 feet of space between the floor and ceiling.

*b.* A bunk of adequate size for normal-sized adults for each prisoner and at least 12 inches off the floor.

*c.* Sufficient desks/tables and chairs/seats to accommodate the capacity of the housing unit.

*d.* A dayroom that provides a minimum floor area of 35 square feet of space per prisoner (exclusive of lavatories, showers and toilets) for the maximum number of prisoners who use the dayroom at one time. No dayroom shall encompass less than 100 square feet of space (exclusive of lavatories, showers and toilets). Dayrooms shall provide sufficient seating and writing surfaces (dormitories excluded).

*e.* A functionally operating shower that produces both hot and cold water for each group of 12 prisoners.

*f.* A lavatory that furnishes both hot and cold water for each group of nine prisoners or portion thereof.

*g.* A functional toilet/stool for each group of nine prisoners or portion thereof. Urinals may be substituted for up to one-third of the toilets in housing units for male prisoners.

**50.8(3)** Each maximum-security cell shall have a security-type toilet/lavatory-combination fixture that provides adequate hot and cold running water.

**50.8(4)** Holding cells/special-needs cells.

*a.* Holding cells shall provide a minimum of 20 square feet per prisoner with a maximum capacity per cell of eight prisoners. Holding cells need not contain any fixture other than a means whereby prisoners may sit. Drinking water and toilet facilities shall be made available under staff supervision. Dayrooms need not be available to prisoners held in holding cells. Holding cells are for detaining persons for a limited period of time not to exceed 24 hours, except in cases of emergency, while the persons are awaiting booking, processing, transfer, court appearance or discharge. Prisoners will be supplied blankets if detained overnight in the holding cell. Emergencies are defined as unexpected occurrences, requiring immediate attention, of singular incident and resolution.

*b.* Special-needs cells. A jail may contain one or more single-occupancy cells, designated as special-needs cells, in which to temporarily contain violent persons. The cell shall have not less than 40 square feet of floor space and a ceiling height of not less than 7 feet. The cell shall be constructed to minimize self-injury. Toilet facilities may be controlled from outside the cell and may be in the floor. Water need not be available in the cells, but water shall be accessible from staff upon request.

**50.8(5)** Exercise areas.

*a.* This paragraph shall apply to all jails constructed on or before July 1, 2008. Exercise areas may be indoor or outdoor exercise areas and shall contain 15 square feet per prisoner for the maximum number of prisoners expected to use the space at one time but not less than 500 square feet of unencumbered space. Segregation units may have individual exercise areas containing a minimum of 180 square feet of unencumbered space. Exercise areas shall provide opportunity for adequate exercise in accordance with paragraph 50.18(1)*"c."* Exercise areas shall not be the same as dayrooms.

*b.* This paragraph shall apply to all jails that are of new construction and to all major remodeling or reconstruction after July 1, 2008. Exercise areas may be indoor or outdoor exercise areas and shall contain 15 square feet per prisoner for the maximum number of prisoners expected to use the space at one time but not less than 500 square feet of unencumbered space. Segregation units may have individual exercise areas containing a minimum of 180 square feet of unencumbered space. Exercise areas shall have a minimum ceiling height of 18 feet. Exercise areas shall provide opportunity for adequate exercise in accordance with paragraph 50.18(1)*"c."* Exercise areas shall not be the same as dayrooms.

**50.8(6)** The facility shall be designed to admit natural light and to give access to outside viewing by prisoners where practical.

**50.8(7)** The facility shall be designed and constructed so that prisoners may be segregated according to existing laws and regulations.

**50.8(8)** Except in emergency situations, no housing unit shall house more prisoners than its rated capacity.

**50.8(9)** All hinged doors serving as required exits shall swing with exit traffic.

**201—50.9(356,356A) Fire safety and emergency evacuation.**

**50.9(1)** *Approval of building plans.* All new construction or major remodeling plans shall be approved by the state fire marshal prior to commencement of construction.

**50.9(2)** *Compliance with state fire marshal rules.* No jail shall be occupied by a prisoner unless the state fire marshal or qualified local fire prevention authority has issued a certificate of inspection within the last 18 calendar months documenting that the jail complies with the fire safety standards for jails included in administrative rules promulgated by the state fire marshal. Jails may be inspected by the state fire marshal, or by personnel of local fire departments deemed by the state fire marshal qualified to conduct inspections, on a schedule determined by the state fire marshal. The state jail inspection unit of the department of corrections, a jail administrator, or the chief executive of an agency that administers a jail may request that the state fire marshal inspect a jail for compliance with fire safety standards. If the state fire marshal finds that a jail is not in substantial compliance with fire safety standards based on such an inspection, the state fire marshal may require the jail administrator to submit to the state fire marshal a plan of correction of violations of these standards. The director of the DOC may initiate proceedings to close the jail if the jail does not comply with the plan of correction.

**50.9(3)** *Evacuation plan.* The administrator of each jail shall prepare a written plan for emergency evacuation of the facility in the event of fire or other disaster. This plan shall include security arrangements and one or more alternate housing arrangements for displaced prisoners. All personnel employed in the facility shall be thoroughly familiar with this plan, and relevant portions thereof shall be conspicuously posted. Evacuation drills shall be practiced or simulated by all staff on at least an annual basis, and a record thereof shall be maintained according to subrule 50.22(10).

**50.9(4)** *Release of prisoners.*

*a.* There shall be a reasonable expectation of the prompt removal of prisoners in the event of a life-threatening situation. Keys for all locks necessary for emergency exit shall be readily accessible and clearly identifiable with cell and door locks.

*b.* There shall be at least one full set of jail keys, other than those regularly used, stored in a safe place accessible only to appropriate persons, for use in the event of an emergency.

**50.9(5)** *Fire extinguishers.* All jails shall be equipped with fire extinguishing equipment approved and located in accordance with standards established by the state fire marshal by administrative rule. Fire extinguishers shall be tested at least annually to ensure they remain in operative condition. A record of such checks shall be maintained.

**50.9(6)** *Emergency lighting.* All exits shall be equipped with independent emergency lighting sources. All corridors and passage aisles shall be illuminated by independent emergency lighting sources. Lighting shall be arranged to ensure no area will be left in darkness.

**50.9(7)** *Required exits.* Where exits are not immediately accessible from an open floor area, safe and continuous passage aisles or corridors leading directly to every exit shall be maintained and shall be so arranged as to provide access for each prisoner to at least two separate and distinct exits from each floor. Passage aisles or corridors shall be kept clear. A locked exit may be classified as an emergency exit only if necessary keys to locked doors are readily available. Elevators shall not be counted as required exits.

**50.9(8)** *Fire alarms.* A means of fire detection utilizing equipment of a type meeting requirements established by the state fire marshal shall be installed and maintained. These alarms shall be ceiling-mounted if possible and shall be located and protected from prisoner access. The detection equipment shall be battery-operated or constructed as to continue operating during a power failure. Battery-operated systems shall be tested monthly. Electronic systems shall be tested at least annually. A record of test dates and results shall be maintained according to subrule 50.22(10).

**50.9(9)** *Heating appliances.* Heating appliances and water heaters shall not be located along the path of required exits.

**50.9(10)** *Hinged doors.* All hinged doors serving as required exits from an area designed for an occupancy in excess of 50 persons, or as part of a major remodeling project or as part of new construction, shall swing with exit traffic.

**50.9(11)** *Mattresses.* Only fire-resistant mattresses of a type that will not sustain a flame and certified by an independent testing laboratory and that meet the standards established by the state fire marshal shall be used in jails. Mattresses that are ripped, are excessively cracked or contain large holes shall be replaced. Pillows shall be replaced when torn or excessively cracked.

**50.9(12)** *Sprinkler heads.* If installed, sprinkler heads accessible to prisoners not under direct supervision must be of the weight-sensitive type, be protected with a sleeve that would hamper the tying of material on the sprinkler head, or be recessed into the wall or ceiling.

**201—50.10(356,356A) Minimum standards for jail personnel.**

**50.10(1)** *Minimum hiring standards.* Applicants must meet the following minimum standards before serving as a jail administrator, jailer, or temporary holding facility personnel:

*a.* Be 18 years of age or older.

*b.* Be able to read and write in English.

*c.* Be of good moral character as determined by a thorough background investigation, including a fingerprint search conducted of local, state and national fingerprint files.

*d.* Be not by reason of conscience or belief opposed to the use of force, when appropriate or necessary to fulfill the person's duties.

*e.* Have the ability to perform the essential elements of the position as defined in department job specifications.

*f.* Be an appropriate candidate for employment as demonstrated by qualified psychological screening.

**50.10(2)** *Minimum retention standards.* An employee who has demonstrated inappropriate action beyond a reasonable degree, who is not psychologically fit for jail employment, or who has repeatedly failed to observe these rules will not be retained.

**50.10(3)** *Conflict of interest.* A person working in a jail will not transact any business with a prisoner nor arrange any business transaction with a prisoner through another party. The jail will have a written code of ethics that the jail provides to all employees. At a minimum, the code will:

*a.* Prohibit staff from using their official positions to secure privileges for themselves or others.

*b.* Prohibit staff from engaging in activities that constitute a conflict of interest.

**201—50.11(356,356A) Training for jail personnel.**

**50.11(1)** *Initial orientation.* Except in an emergency situation, all persons performing jail duties and dispatchers subject to performing jail duties within the confines of the jail shall meet the following requirements, and the provision of this information and training shall be documented:

*a.* The individual shall be fully knowledgeable of the administrative rules referring to jail standards.

*b.* The individual shall be fully knowledgeable of jail rules, written policies and procedures as adopted by the jail administrator.

*c.* The individual shall have been given specific orientation with respect to a prisoner's rights during confinement and procedures adopted to ensure those rights.

*d.* If the individual is to have access to a firearm at any time, the individual shall hold a valid permit to carry weapons issued under the authority of Iowa Code chapter 724. The individual shall be professionally trained and qualified in the use of any firearm, electric restraint control device, and chemical control agents prior to use in connection with the individual's duties at the jail.

*e.* The jail administrator shall, by either written or electronic means, record the acknowledgement of all jailers and jail supervisors attesting that they have full knowledge of the administrative rules referring to jail standards and the written policies and procedures governing the jail's operation.

*f.* The individual shall have been instructed in the use of required firefighting equipment and the fire and emergency evacuation plan.

*g.* All staff who administer medication shall be trained in accordance with the Iowa State Sheriffs and Deputies Association medication training program or other recognized medication administration course.

**50.11(2)** *Training documented.* All jailers and jail administrators shall meet and document the completion of all training requirements as specified by the Iowa law enforcement academy training standards as found in 501—Chapter 9. The jail administrator shall, by either written or electronic means, record the acknowledgment of all persons attending the training.

**50.11(3)** *First aid.* At least one staff member on duty at the facility shall be currently trained in first aid (or the equivalent) and CPR.

This rule is intended to implement Iowa Code section 80B.11A.

**201—50.12(356,356A) Standard operating procedures manual.** Pursuant to the authority of Iowa Code sections 356.5 and 356.36, each jail shall establish and the jail administrator shall ensure compliance with a standard operating procedures manual to include the following administrative rules: subrules 50.2(5), 50.2(6), 50.4(11), 50.9(3), 50.9(4), 50.10(1) through 50.10(3), and 50.11(1) and rules 201—50.13(356,356A) through 201—50.22(356,356A) as noted. The following standards do not require written policy: subparagraph 50.13(2)*"c"*(3) and subrules 50.15(4), 50.16(4), and 50.16(8).

**201—50.13(356,356A) Admission/classification and security.**

**50.13(1)** *Admission and classification.*

*a.* No person shall be confined or released from confinement without appropriate process or order of court.

*b.* With the exception of incidental contact under staff supervision, the following classes of prisoners shall be kept separate by architectural design barring conversational and visual contact from each other:

(1) Juveniles and adults (pursuant to Iowa Code section 356.3).

(2) Females from males (exception—alternative jail facilities) (pursuant to Iowa Code section 356.4).

*c.* The following shall be kept separate whenever possible:

(1) Felons from misdemeanants.

(2) Pretrial prisoners from sentenced prisoners.

(3) Witnesses from prisoners charged with crimes.

*d.* The following shall be kept physically separated:

(1) Prisoners of whom violence is reasonably anticipated.

(2) Prisoners who are a health risk to others.

(3) Prisoners of whom sexually deviant behavior is reasonably anticipated.

(4) Prisoners likely to be exploited or victimized by others.

*e.* Detention of juveniles shall be pursuant to Iowa Code section 232.22.

*f.* All staff involved in the booking process or the supervision of prisoners shall be trained in suicide prevention. At the time of booking, an attempt shall be made (either by observation for marks or scars or direct questioning of the prisoner) to determine if the prisoner is suicidal.

(1) The following questions, or others of equal meaning, shall be incorporated into the booking process with appropriate documentation to aid in suicide prevention:

1. Does the prisoner show signs of depression?
2. Does the prisoner appear overly anxious, afraid, or angry?
3. Does the prisoner appear unusually embarrassed or ashamed?
4. Is the prisoner acting or talking in a strange manner?
5. Does the prisoner appear to be under the influence of alcohol or drugs?
6. Does the prisoner have any scars or marks that indicate a previous suicide attempt?

(2) In all cases, the following questions will be asked of the prisoner:

1. Have you ever tried to hurt yourself?
2. Have you ever attempted to kill yourself?
3. Are you thinking about hurting yourself?

*g.* Housing for prisoners with disabilities shall be designed for their use, or reasonable accommodations shall be provided for the prisoners' safety and security.

*h.* Jail personnel shall ask each prisoner within 24 hours of the prisoner's incarceration if the prisoner is a military veteran. If so, jail personnel shall advise the prisoner that the prisoner may be entitled to a visit from a veteran service officer to determine if veteran services are required or available and, within 72 hours, shall provide the prisoner with contact information for the county commission of veteran affairs and provide the prisoner the opportunity to contact the county commission of veteran affairs to schedule a visit from a veteran service officer.

**50.13(2)** *Security and control.* The jail administrator shall develop and implement written policies and procedures for the jail that provide for the control of prisoners and for the safety of the public and the jail staff. The policy and procedures shall include all of the following.

*a.* *Supervision of prisoners.*

(1) Twenty-four-hour supervision of all prisoners shall be provided pursuant to Iowa Code section 356.5(6).

(2) When staff is not within the confinement area of the jail, a staff person shall be in a position to hear prisoners in a life-threatening or emergency situation; or a calling device to summon help will be provided. By policy and practice there shall be a means of ensuring that appropriate personnel will be available on a 24-hour basis to respond to an emergency, including but not limited to fire, assaults, suicide attempts, serious illness, and to preserve order, within a reasonable time period.

(3) At least hourly, personal observation of individual prisoners shall be made and documented. Prisoners considered to be in physical jeopardy because of physical or mental condition, including apparently intoxicated persons, as indicated by the medical history intake process and by personal observation, shall be checked personally at least every 30 minutes until the condition is alleviated. A CCTV-audio monitoring system may supplement but shall not replace personal observations. In order to use a CCTV-audio monitoring system, the following requirements must be met: CCTV and audio must be operational at all times. Visual and audio must be clear and distinct. Observation of shower and restroom activities shall be at the discretion of the jail administrator.

(4) No employee or visitor of one sex shall enter a housing unit occupied by the other sex unless advance notice has been provided except in case of an emergency (does not apply to alternative jail

facilities). Advance notice may be provided with respect to but not limited to inmate orientation, inmate handbook, broadcast via inmate notification system, booking notification system, posted notification, or verbal announcement prior to entering the housing unit.

(5) When females are housed in the jail, at least one female staff member shall be on duty in the jail at all times, in accordance with Iowa Code section 356.5(6) (does not apply to alternative jail facilities).

(6) All juveniles arrested for intoxication due to substance abuse shall be personally observed on a continuous basis throughout the period of detention. The activities of juveniles arrested for crimes other than the above shall be monitored at all times, and the juvenile shall be observed by means of personal supervisory checks at no more than 30-minute intervals.

*b.* *Weapons.* Except in an emergency situation, no weapons shall be allowed in an area occupied by prisoners.

*c.* *Searches.*

(1) All prisoners and property entering or leaving the jail shall be thoroughly searched; searches of persons charged with a simple misdemeanor shall follow provisions of Iowa Code section 804.30. The prisoner's name or identification number shall be affixed to the property or storage space. Receipts shall be made for property taken from prisoners at the time of admission and returned to prisoners at the time of release.

(2) All persons entering a jail may be searched for contraband. Persons may be denied admission if they refuse to consent to a required search.

(3) A search notice shall be posted in a conspicuous place (no policy required).

(4) Prisoner rules shall contain a clear definition of each item permitted in the jail. All other items shall be considered contraband.

(5) Random, unannounced, and irregular searches of areas accessible to prisoners shall be conducted for contraband and weapons.

*d.* *Key control.* Jail keys shall be stored in a secure area when not in use. There shall be at least one full set of jail keys, separate from those in use, stored in a safe place accessible only to designated jail personnel for use in the event of an emergency. The jail administrator will identify those persons who may have access to keys.

*e.* *Facility security.*

(1) All areas of the jail shall be inspected regularly and frequently and kept clear of large posters, pictures and articles of clothing that obstruct the view of prisoners by jail staff.

(2) All jail locks, doors, bars, windows, screens, grilles and fencing shall be inspected on at least a monthly basis. Any damaged or nonfunctioning equipment or fixtures shall be reported to the jail administrator in writing. The jail administrator shall ensure prompt repair of any damaged or nonfunctioning equipment or fixture.

(3) The jail administrator shall develop written policy and procedures for the movement and transportation of prisoners outside the secure area of the jail. The policy shall require procedures that will ensure the safety of the jail staff and the public and prevent prisoner escape. The policy shall provide procedures for movement of prisoners for medical treatment and to and from the courts and other facilities. The classification and security risk of the prisoner to be moved will determine the number of staff required and the type of restraints to be used, if any.

(4) The jail administrator shall have written plans for situations that threaten facility security. Such situations include but are not limited to bomb threats, riots, hunger strikes, disturbances, hostage situations, escape attempts, medical emergencies, natural disasters and staff work stoppage. The plans shall be made available to all applicable personnel and reviewed by jail staff at least annually and updated as needed.

*f.* *Restraint devices.* The jail administrator shall have a written policy on restraint devices. Restraint devices shall not be applied as punishment. Restraint devices shall be used only when a prisoner is a threat to self or others or jeopardizes jail security. There shall be defined circumstances under which supervisory approval is needed prior to application of restraints. Restraint devices shall not be applied for more time than is necessary to alleviate the condition requiring the use of the restraint device. While restrained, prisoners shall be either clothed or covered in a manner that maximizes prisoner privacy. Four/five-point restraints shall be used only when other types of restraints have proven ineffective. If prisoners are restrained in a four/five-point position, the following minimum procedures shall be followed:

(1) Observation by staff shall be continuous. (A CCTV system may be used.)

(2) Personal visual (non-CCTV) observation of the prisoner and the restraint device application shall be made at least every 15 minutes.

(3) Restraint guidelines shall include consideration of an individual's physical and health condition, such as body weight.

(4) All decisions and actions shall be documented.

**201—50.14(356,356A) Cleanliness and hygiene.**

**50.14(1)** *Housekeeping.*

*a.* The jail shall be kept clean and sanitary. Toilets, wash basins, showers and other equipment throughout the facility shall be maintained in good working order. Walls, floors and ceilings shall be well maintained.

(1) Unless cleaning is done by staff, necessary cleaning equipment shall be provided to prisoners. Cleaning equipment shall be removed from the cell and dayroom areas when cleaning is completed.

(2) The jail shall be maintained in a pest-free condition. Persons spraying chemicals shall be certified by the Iowa department of agriculture and land stewardship. Prisoners and staff shall not be directly exposed to the chemicals being used.

*b.* The jail shall have a sharps disposal container for razors and needles. The facility shall be equipped to handle disposal of contaminated or hazardous waste according to universal health precautions.

**50.14(2)** *Clothing, bedding, and hygiene items.* Prisoners held in excess of 24 hours shall be provided sanitary bedding and linens sufficient to ensure comfort under existing temperature conditions. These items may be withheld by the jail administrator if deemed necessary pursuant to subrule 50.21(5). A standard issue shall include:

*a.* Toilet articles necessary for daily personal hygiene.

*b.* Institutional clothing may be issued.

*c.* If, upon admission to a jail with an average daily population exceeding ten persons, it is determined that the prisoner will be held longer than 24 hours, facility-provided clothing shall be issued.

*d.* The laundry means and schedule shall be adequate to meet the daily needs of the prisoners. Prisoners shall receive clean linens and clothing no less than weekly.

**50.14(3)** *Personal hygiene.*

*a.* For sanitation and health reasons, prisoners shall be required to keep themselves clean at all times.

*b.* Unless medically exempted, all prisoners to be held over 24 hours shall be required to shower or bathe.

*c.* Prisoners may be required to shave or cut their hair only for sanitation.

*d.* Jail personnel shall establish procedures for prisoner hair care.

*e.* The sharing of instruments that are subject to blood contamination, such as nonelectric razors and toothbrushes, is prohibited. Electric razors properly sterilized under medically approved conditions may be shared.

**201—50.15(356,356A) Medical services.** The jail administrator shall establish a written policy and procedure to ensure that prisoners have the opportunity to receive necessary medical attention for the prisoners' objectively serious medical and dental needs that are known to the jail staff. A serious medical need is one that has been diagnosed by a physician or physician associate as requiring treatment or is one that is so obvious that even a lay person would easily recognize the necessity for a physician's or physician associate's attention. The plan shall include a procedure for emergency care. Responsibility for the costs of medical services and products remains that of the prisoner as allowed by Iowa Code section 356.7. However, no prisoner will be denied necessary medical services, dental service, medicine or prostheses because of a lack of ability to pay. Medical and dental prostheses shall be provided only for the serious medical needs of the prisoner as determined by a licensed health care professional. Cosmetic or elective procedures need not be provided.

**50.15(1)** *Medical resources.* Each jail shall have a designated medical practitioner, which may include a hospital or clinic staffed by licensed physicians, licensed osteopathic physicians or physician associates, designated for the medical supervision, care and treatment of prisoners as deemed necessary and appropriate. Medical practitioners shall be available on a 24-hour basis.

**50.15(2)** *Trained staff.*

*a.* All staff who administer medication shall be trained in accordance with the Iowa State Sheriffs and Deputies Association medication training program or other recognized medication administration course.

*b.* At least one staff member on duty at the jail shall be currently trained in first aid (or the equivalent) and CPR.

**50.15(3)** *Prisoner involvement.* No prisoner shall be involved in any phase of delivery of medical services.

**50.15(4)** *First-aid kits.* A first-aid kit approved by qualified medical personnel shall be available to staff (no policy required).

**50.15(5)** *Chemical control agents.* A prisoner affected by a chemical control agent shall be offered a medical examination and appropriate treatment as soon as reasonable.

**50.15(6)** *Screening upon admission.*

*a.* Any person who is obviously injured, ill or unconscious shall be examined by qualified medical personnel before being admitted to a jail.

*b.* Prisoners suspected of having a contagious or communicable disease shall be separated from other prisoners until examined by qualified medical personnel.

*c.* As a part of the admission procedure, a medical history intake form shall be completed for each person admitted to the jail. The intake procedure shall include screening for potential self-injury or potential suicide. Jail staff with actual knowledge that there is a substantial risk that a prisoner intends to commit suicide shall take reasonable measures to abate that risk. The jail shall have a written suicide prevention plan. Essential elements of the plan shall include annual training to recognize the potential for suicide, communication between staff, appropriate housing and intervention procedures.

*d.* During times when there is no means of immediate access to the district court, a person arrested on a charge constituting a simple misdemeanor and believed by the arresting officer/agency to be mentally ill, and because of that illness is likely to physically injure the person's self or others, shall be admitted to the jail only after the arresting officer/agency has demonstrated a reasonable effort to comply with the emergency hospitalization procedure, as provided in Iowa Code section 229.22. The jail shall have a written plan to provide prisoners access to services for the detection, diagnosis and treatment of mental illness. The plan shall include a mental health screening process at admission.

*e.* Prisoners shall be provided with information on how they can obtain necessary medical attention, and the agency's policy and procedure shall also reflect this.

**50.15(7)** *Medication procedures.*

*a.* Written policies and procedures pertaining to providing medication shall be established.

*b.* All prescription medicine shall be securely stored and inventory control practiced. Inventory control shall include documentation of all medication coming into the jail and the amount of medication returned or destroyed when a prisoner is released.

*c.* A written procedure for recording the taking or administering of all medications shall be established.

Prescription medication, as ordered by a medical practitioner or licensed dentist, shall be provided in accordance with the directions of the prescribing medical practitioner or dentist. Prisoners with medication from a personal medical practitioner or dentist may be evaluated by a medical practitioner or dentist selected by the jail administrator to determine if the present medication is appropriate.

**50.15(8)** *Medical records.* A separate medical record shall be maintained for each prisoner receiving medical care. The record shall include the illness being treated, medication administered, special diets required, medical isolations and the name of the attending health professional or institution. The record may be kept in the prisoner's file jacket but must be labeled confidential.

**50.15(9)** *Medication storage.*

*a.* Prisoners' medications shall be stored at the proper temperature, as defined by the following terms:

(1) Room temperature: temperature maintained between 15 degrees centigrade (59 degrees Fahrenheit) and 30 degrees centigrade (85 degrees Fahrenheit).

(2) Cool: temperature between 8 degrees centigrade (46 degrees Fahrenheit) and 15 degrees centigrade (59 degrees Fahrenheit).

(3) Refrigerate: temperature that is thermostatically maintained between 2 degrees centigrade (36 degrees Fahrenheit) and 8 degrees centigrade (46 degrees Fahrenheit).

(4) All medication required to be "cool" or "refrigerated" shall be stored in a separate refrigerator or in a separate locked container within a refrigerator that is used for other purposes.

*b.* Any medications bearing an expiration date must not be administered beyond the expiration date.

*c.* Expired drugs or drugs not in unit dose packaging, whose administration had been discontinued by the attending medical practitioner, shall be destroyed by the jail administrator or designee in the presence of a witness. A record of drug destruction shall be made in each prisoner's medical record. The record shall include the name, the strength and the quantity of the drug destroyed, and the record shall be signed by the jail administrator or designee and by the witness.

*d.* Medications dispensed by a pharmacy in unit dose packaging may be returned to the dispensing pharmacy pursuant to 481—Chapter 552.

*e.* Jails utilizing unit dose packaging shall have written policies and procedures providing for the return of drugs so packed to the issuing pharmacy. Policy shall include proper recordkeeping of disposal.

**201—50.16(356,356A) General food service requirements.**

**50.16(1)** *Prisoner being held.* If a prisoner is held over a meal period, a meal of adequate nutrition shall be provided.

**50.16(2)** *Daily meals.* The three meals provided for each 24-hour duration shall be served at reasonable and proper intervals; at least one meal shall be a hot meal. Food must be served at the proper temperature; hot foods shall be reasonably hot and cold foods reasonably cold.

**50.16(3)** *Time of serving.* Meals shall be served at approximately the same time every day.

**50.16(4)** *Documentation.* The facility shall document that its food service meets or exceeds nationally recommended minimum dietary allowances for basic nutrition for appropriate age groups. Dietary guidelines meeting the above requirements shall be certified by a qualified nutritionist or dietitian (no policy required).

**50.16(5)** *Medical diets.* Special diets as prescribed by a medical practitioner shall be followed and documented. The medical practitioner who prescribes the special diet shall specify a date on which the diet will be reviewed for renewal or discontinuation. Unless specified by the prescribing medical practitioner, a certified dietitian shall develop the menu.

**50.16(6)** *Religious requests.* When a special diet is requested by a prisoner as part of the prisoner's religious beliefs, the facility shall meet that need, unless the facility can demonstrate that its refusal does not impose a substantial burden on the exercise of the prisoner's religion or that its refusal furthers some compelling interest and is the least restrictive means of furthering that interest.

**50.16(7)** *Punishment.* Deviation from normal feeding procedures shall not be used as punishment.

**50.16(8)** *Inspection of facilities of outside food service providers.* If food service is provided by outside sources, only a facility with a food establishment license or those required to undergo inspection by other statutes shall be utilized to provide these services. The transfer of food shall be done under sanitary conditions (no policy required).

**201—50.17(356,356A) In-house food services.**

**50.17(1)** Food preparation areas shall be clean and sanitary in accordance with state health standards regulating the operation of institutions, food establishments, or equivalent organizations.

**50.17(2)** All food products shall be stored or refrigerated in compliance with state health standards governing institutional or food establishment operations.

**50.17(3)** Dishes, utensils, pans and trays shall be sanitized after use in accordance with state health standards for food establishments or institutions.

**50.17(4)** Staff shall serve or supervise the serving of all meals. Food handlers must be clean and free of illness or disease.

**201—50.18(356,356A) Prisoner activities.**

**50.18(1)** *Exercise.* Prisoners held beyond seven days and not leaving the jail pursuant to Iowa Code section 356.26 shall be offered exercise time.

*a.* A minimum of two one-hour exercise sessions shall be offered during each full calendar week. Playing board games or cards or reading is recreation and is not considered exercise. A record of exercise sessions shall be maintained according to subrule 50.22(15).

*b.* Restrictions. Exercise requirements may be restricted by disciplinary action.

*c.* Exercise areas. An exercise area outside the cell shall be available. Such area must provide opportunity for adequate exercise. Corridors and hallways must remain clear of equipment or material and must provide unimpeded access to exits.

*d.* Suspension of outdoor exercise. Outdoor exercise may be suspended during inclement weather. Appropriate clothing shall be provided for exercise during winter months.

**50.18(2)** *Religion.* All prisoners shall be afforded a reasonable opportunity to pursue their religious faith. Any infringement upon the opportunity to pursue one's faith must further some compelling interest and must be the least restrictive means of furthering that interest. The jail administrator or designee may plan, direct and supervise all aspects of a religious program, including approval and training of both laypersons and clergy persons ministering faiths represented in the prisoner population.

**50.18(3)** *Reading material.* A reasonable quantity and variety of reading material shall be made available to prisoners.

*a.* Access to reading material from an outside source may be restricted to unused material sent directly from the publishing source.

*b.* Material deemed to be a threat to security or safety within the jail may be denied distribution.

*c.* Obscene material, as described in Iowa Code section 728.1, may be prohibited.

*d.* When a prisoner is denied access to a publication, the jail administrator shall inform the prisoner of that denial in writing and shall explain, in writing, the reason(s) for denial.

**50.18(4)** *Discrimination.* Prisoner activities, programs and services shall be available to prisoners with disabilities.

**201—50.19(356,356A) Communication.**

**50.19(1)** *Prisoner mail.*

*a.* Prisoners held beyond 24 hours shall be furnished a reasonable amount of writing materials upon request. Jail officials may prohibit a prisoner from corresponding with a person who states in writing that the person does not want to correspond with the prisoner. This does not include a "prior approval" list.

*b.* A reasonable amount of postage shall be provided to indigent prisoners held beyond 24 hours for communication with the courts and for at least two letters per week of a personal nature when other means of communication are not available.

*c.* General correspondence may be opened and inspected; it may be read for security reasons if the prisoner is notified of this procedure.

*d.* Privileged correspondence if so marked may be opened only in the presence of the prisoner and then only to detect the presence of contraband; it will not be read except by the prisoner. Privileged correspondence is defined as incoming and outgoing mail to or from:

(1) An attorney;

(2) A judge;

(3) The governor of Iowa;

(4) The ombudsman office;

(5) A member of the state or federal legislature.

*e.* Written policy, procedure, and practice require that, excluding weekends and holidays, incoming and outgoing letters be held for no more than 24 hours and packages be held for no more than 48 hours for inspection before delivery to the prisoner or post office.

**50.19(2)** *Telephone calls upon arrest.*

*a.* Prisoners shall be permitted telephone access to their family or an attorney, or both, without unnecessary delay after arrest at no charge if made within the local calling area as required by Iowa Code section 804.20.

*b.* Policy and procedures shall be developed to govern prisoner telephone calls. The procedure shall provide for the handling of emergency calls.

*c.* Prisoners not in segregation status for discipline shall have reasonable access to telephones beyond the requirements of Iowa Code section 804.20.

**50.19(3)** *Attorneys and ministers.* Attorneys and ministers shall be permitted to visit prisoners upon the request of the prisoner at reasonable hours if security and daily routine are not unduly interrupted.

**50.19(4)** *General visitation.*

*a.* All prisoners in normal status shall be allowed reasonable visitation.

*b.* Rules shall specify who is allowed to visit and when and how often visitors are allowed.

*c.* Jail staff shall document the date and time of visit, name and address of each person visiting, and name of prisoner visited. Computerized logs are acceptable.

*d.* A visit may be denied if reasonable suspicion exists that the visit might endanger the security of the facility. A record shall be made of such denial and the reason(s) therefor.

**50.19(5)** *Detaining non-U.S. citizens.* When non-U.S. citizens are detained, they shall be advised of the right to have their consular officials notified or the nearest consular officials shall be notified of the detention, whichever is required by the Vienna Convention. Consular officials shall be given access to non-U.S. citizens in jail and shall be allowed to provide consular assistance. When a jail administrator becomes aware of the death of a non-U.S. citizen, consular officials shall be notified.

**201—50.20(356,356A) Access to the courts.** Prisoners who do not have an attorney shall have access to the legal materials the jail decides to provide, in order to facilitate the preparation of legal documents that directly or collaterally attack the prisoner's sentence or that challenge the conditions of the prisoner's confinement.

**201—50.21(356,356A) Discipline and grievance procedures.**

**50.21(1)** No prisoner shall be allowed to have authority or disciplinary control over another prisoner.

**50.21(2)** The use of physical force by staff shall be restricted to instances of justifiable self-protection, the protection of others or property, the prevention of escapes or the suppression of disorder, and then only to the degree necessary to overcome resistance. Corporal punishment is forbidden.

**50.21(3)** The following information shall be made available to all prisoners and explained to any prisoner unable to read English:

*a.* A set of rules (including sanctions) and regulations pertaining to the conduct of persons in custody.

*b.* What services are available to them.

*c.* A prisoner grievance procedure that includes at least one level of appeal. A jail may limit the use of the grievance process in order to make sure that it is not abused.

**50.21(4)** Prisoners who have allegedly violated jail rules shall be provided information pertaining to the handling of disciplinary hearings consistent with the due process rights of the accused. This information shall include the following:

*a.* Notice of charges and hearing.

*b.* A description of the hearing process. The jail policy and procedures manual shall contain the following:

(1) Written guidelines for resolving minor prisoner infractions that include a written statement of the rule violated and a hearing and decision within seven days, excluding weekends and holidays, by a person not involved in the rule violation. The prisoner may waive the hearing.

(2) A procedure to refer violations of criminal law to the appropriate criminal justice agency.

(3) A policy that requires staff members to prepare a disciplinary report and forward it to a designated staff person. Disciplinary reports shall include the following information:

1. Specific rule(s) violated;
2. A statement of the charge;
3. Any unusual prisoner behavior;
4. Any staff witnesses;
5. An explanation of the event that includes who was involved, what transpired, and the time and location of the occurrence;
6. Any physical evidence and its disposition;
7. Any immediate action taken, including the use of force.

(4) A policy that requires an impartial investigation to begin within 24 hours of the time the violation is reported and be completed without unreasonable delay, unless there are exceptional circumstances for delaying the investigation.

(5) A policy and procedure that provides for prehearing detention of prisoners who are charged with a rule violation. The facility administrator or designee shall review the prisoner's prehearing status within 72 hours.

(6) A policy that prisoners charged with a rule violation receive a written statement of the charge(s), including a description of the incident and specific rule(s) violated. The prisoner shall be given the information at least 24 hours prior to the disciplinary hearing. The hearing may be held in less than 24 hours with the written consent of the prisoner.

(7) A policy and procedure that allows the prisoner to be present at the hearing, unless the prisoner waives that right in writing or is a threat to the security and safety of the facility. Prisoners may be excluded during testimony. Any prisoner's absence shall be documented.

(8) A policy that provides for the disciplinary hearing to be conducted no later than seven days, excluding weekends and holidays, following the report of the alleged rule violation.

(9) A policy that provides for postponement or continuance of the disciplinary hearing for a reasonable period and for good cause. Reasons for postponement or continuance shall be documented.

(10) A policy and procedure that provides for an impartial person or panel of persons to conduct the disciplinary hearing. A record of the proceedings shall be made and maintained for at least two years.

(11) A policy and procedure that allows prisoners an opportunity to make a statement and present documentary evidence at the hearing and to call witnesses on their behalf unless calling witnesses creates a threat to the security or safety of the facility. The reasons for denying such a request shall be documented.

(12) A policy and procedure that allows a staff member or agency representative to assist prisoners at disciplinary hearings. A representative shall be appointed when it is apparent that a prisoner is not capable of collecting and presenting evidence on the prisoner's own behalf.

(13) A policy that disciplinary committee decisions are based solely on information obtained in the hearing process.

(14) A policy and procedure to ensure that a written report is made of the decision and the supporting reasons and that a copy is given to the prisoner. The hearing record and documents shall be kept in the prisoner's file.

(15) A policy that requires the jail administrator or designee to review all disciplinary hearings and dispositions to ensure conformity with the jail policy and procedures.

*c.* An explanation of the appeal process. The jail policy and procedure manual shall contain a policy and procedure to advise the prisoner that the prisoner may appeal the decision to the jail administrator or designee within 24 hours. The administrator or designee shall affirm or reverse the decision of the disciplinary committee as soon as possible but within 15 days, excluding weekends and holidays.

**50.21(5)** Deprivation of clothing, bedding, or hygienic supplies shall not be used as discipline or punishment. These items may be withheld from any prisoner who the staff reasonably believes would destroy such items or use them as weapons, for self-injury or to aid in escape.

**201—50.22(356,356A) Records.** The following records shall be maintained by the jail administrator for two years unless a different period is specified:

**50.22(1)** Jail calendar. This record shall contain information as required by Iowa Code section 356.6.

**50.22(2)** Visitor registration. This record shall contain the name and address of the person visiting; name of prisoner visited; and the date, time and duration of the visit.

**50.22(3)** Jail inspection records. Jail inspection records shall contain the following and be maintained for a minimum period of two years:

*a.* State fire marshal's certificates.

*b.* Written reports received from all persons doing official inspections of the jail.

**50.22(4)** Medical history intake form. Notation of injury upon admission shall be included.

**50.22(5)** Records of medical care.

**50.22(6)** Injury reports. Copies of all reports of investigations relating to injuries within the facility shall be maintained by the jail administrator in a separate injury file or referenced in the prisoner file by log for a period of five years.

**50.22(7)** Disciplinary records.

**50.22(8)** Property receipts. Property receipts as required by Iowa Code section 804.19 shall be completed and distributed as required.

**50.22(9)** Menu records. This record shall include letters of documentation issued by a qualified dietitian.

**50.22(10)** Fire and disaster evacuation plan and record(s) of required fire drills.

**50.22(11)** Records of staff training.

**50.22(12)** Disposition of medication. A record shall be kept of the disposition of prescribed medication not taken by a prisoner.

**50.22(13)** Supervisory checks. A record shall be made to document all required supervisory checks of prisoners.

**50.22(14)** Incident reports. Records shall be made to document the following:

*a.* Use of force;

*b.* Suicide/suicide attempts;

*c.* Threats to staff, staff assaults, escapes, fires, prisoner abnormal behavior, any verbal or nonverbal references to suicide and self-mutilation.

The state jail inspection unit of the DOC shall be notified within 24 hours of any death, fire, or escape. Attempted suicide, injury to staff or prisoners from assaults, use of force, and prisoner self-inflicted injuries shall be reported to the DOC within 24 hours of the occurrence of the incident, excluding holidays and weekends. A copy of the investigative reports and other records shall be given to the state jail inspector upon request.

**50.22(15)** Exercise documentation. A record shall be kept relative to date, time and length of exercise periods offered to specific prisoners, cell blocks, tiers, or any other type of cell grouping or housing unit.

**201—50.23** Reserved.

**201—50.24(356,356A) Nonsecure holds for juveniles.**

**50.24(1)** *Standards for nonsecure hold areas.* The area to be used to detain the juvenile must be an unlocked area such as a lobby, office or other open room. Additionally, the following minimum procedures must be followed:

*a.* The juvenile is not physically secured to any stationary object.

*b.* The juvenile is under continuous visual supervision.

*c.* The juvenile has access to bathroom facilities.

*d.* A meal or meals shall be provided at usual meal times.

**50.24(2)** *Supervision of juveniles in nonsecure hold.* Juveniles in nonsecure hold status (see Iowa Code sections 232.19(2) and 232.22(2)) shall have continuous visual supervision by a qualified adult. The jail administrator may contract with an outside agency to perform supervisory functions. Persons performing juvenile supervisory functions must:

*a.* Be at least 18 years of age.

*b.* Have received a physical prior to employment.

*c.* Perform at a staff-to-prisoner ratio that will ensure a safe environment for both the juvenile(s) and the staff.

*d.* Report any knowledge of child abuse to mandatory child abuse reporters.

*e.* Have successfully completed a child abuse and criminal background check.

**50.24(3)** *Prohibited acts.* Each nonsecure site must develop a policy of posted orders that protects juveniles against neglect; exploitation; degrading punishment, such as corporal punishment, verbal abuse, threats, or derogatory remarks about the juvenile or the juvenile's family; binding or tying to restrict movement; enclosing the juvenile in a confined space, such as a closet, locked room, or similar cubicle; and deprivation of meals.

**50.24(4)** *Attendant nonsecure area operating procedures.*

*a.* Attendant shall make certain the juvenile is aware of the policies of the nonsecure holding area.

*b.* The personal effects of the juvenile shall be placed in a safe, secure place. A property receipt shall be issued to the juvenile.

*c.* All items given to the juvenile are subject to being searched.

*d.* Attendant shall pat search juvenile.

**50.24(5)** *Care and treatment.*

*a.* *Medical.*

(1) No juvenile shall be held who is obviously injured, is obviously physically or mentally ill, or in the judgment of the arresting officer is under the influence of drugs or intoxicated from the use of alcohol to the point of needing medical attention without first being examined by a medical practitioner.

(2) In an emergency situation or when the juvenile is suffering severe pain or is in danger of loss of life or permanent injury, medical treatment may be administered without parental consent. When none of the above situations exist, parental consent or judicial concurrence must be made before providing medical treatment.

(3) Juveniles suspected of having a contagious or communicable disease shall be isolated from other juveniles.

(4) There shall be at least one person on duty in the jail supervising the nonsecure hold area who is trained in multimedia first aid and CPR.

(5) First-aid kits shall be immediately available.

(6) Any person providing medication shall be trained in the procedure of providing medication.

(7) As part of the admission procedure, a medical history intake form shall be completed. As part of this procedure, an attempt will be made to determine if the juvenile is suicidal by observing behavior and looking for marks or scars that would indicate previous suicide attempts.

(8) There shall be written policies or procedures pertaining to providing medication.

(9) All medication shall be stored according to state pharmaceutical standards and written inventory control maintained. The inventory shall include the starting number of pills, when pills were provided and by whom, the remaining number of pills at the time the juvenile left the jail, the disposition of the remaining pills, and a staff witness to the disposition of the pills.

(10) Special diets as prescribed by a medical practitioner shall be followed and documented.

(11) When a special diet is required for an individual due to a bona fide religious belief, the jail shall meet that need.

*b. Communications.*

(1) Juveniles shall be permitted, at no charge, telephone access to their family or an attorney, or both, without unnecessary delay after being taken into custody. Once family or attorney has been contacted, the number of additional calls, if any, will be determined by attendant.

(2) Attorneys and ministers shall be permitted to visit upon request when such visiting will not disrupt security or daily routines of the jail. Determination of additional visits shall be made by attendant.

*c. Safety and sanitation.*

(1) Walls, floors, and ceiling shall be well maintained.

(2) Facility shall be maintained in a pest-free condition.

(3) Clean bedding, including sheets, blankets, and pillowcases, shall be issued to each juvenile who wishes to sleep between the hours of 9 p.m. and 7 a.m.

(4) Soiled clothing that may affect the health of the juvenile shall be exchanged for clean, jail-provided clothing.

(5) An emergency evacuation plan must be conspicuously posted.

(6) There shall not be less than one AA-ABC fire extinguisher in operable condition for each 3,000 square feet of facility on any given floor of the building.

(7) All exits shall be equipped with independent emergency lighting.

(8) Where exits are not immediately accessible from an open floor area, safe and continuous passage aisles or corridors leading directly to every exit shall be maintained and shall be so arranged as to provide access for each juvenile to at least two separate and distinct exits from each floor. A locked exit may be classified as an emergency exit only if necessary keys to locked doors are on the person of the attendant. Elevators shall not be counted as required exits.

(9) A means of fire detection utilizing equipment of a type tested and approved by Underwriters Laboratories shall be installed and maintained in operational condition according to the factory manual. These alarms shall be ceiling-mounted and of such construction to continue in operation during power failure. Alarms shall be tested on at least a monthly basis. Such test shall be documented.

(10) Only fire-resistant mattresses and pillows approved by the state fire marshal's office shall be used.

*d. Staff training requirements.*

(1) Attendants shall be knowledgeable of jail policies and procedures pertaining to juvenile nonsecure holds, and acknowledgment of this shall be made by attendant's dated signature.

(2) Nonsecure hold attendants shall have received instruction in the following areas prior to supervising juveniles in a nonsecure holding area:

1. Role of nonsecure hold attendant.
2. Confidentiality issues.
3. Intake procedures—medical and suicide screening.
4. Communication and listening skills.
5. Dealing with a depressed or suicidal juvenile.
6. Overview of state and federal law.
7. Provision of medication.
8. Gentle self-defense.
9. Child abuse identification.

*e. Juvenile supervision.*

(1) An attendant shall be in the presence of all juveniles held at all times. Same-sex attendant or staff shall be present when juveniles perform bodily functions/shower.

(2) A log shall be maintained at half-hour intervals reflecting the juvenile's activities and behavior.

*f. Records.* The following records shall be maintained by the jail for a period of at least two years:

(1) Medical history intake form.
(2) Records of medical care.
(3) Injury reports.
(4) Food served.
(5) Records of staff training.
(6) Disposition of medication.
(7) Individual log.
(8) Any use of force reports.
(9) Any suicide or suicide attempts reports.

*g. Incident reports.* Reports of the following incidents shall be sent to the state jail inspection unit, department of corrections, within 24 hours of incident:

(1) Any injury to juvenile or staff that requires medical attention.
(2) Any use of force by staff.
(3) Any attempted suicide.

The state jail inspection unit, department of corrections, shall be notified within five hours of any successful juvenile suicide that occurred in a nonsecure hold area.

**50.24(6)** *Exemption from nonsecure hold standards.* Any requests for exemption from nonsecure hold standards shall be submitted according to the waiver provisions under 201—Chapter 2504.

**201—50.25(356,356A) Direct supervision jails.** Direct supervision jails, in addition to the preceding rules, are subject to the following rules:

**50.25(1)** There may be contact of different classifications of prisoners in a common activity area only while the prisoners are under continuous direct supervision with the exception of:

*a.* Prisoners of whom violence is reasonably anticipated (subparagraph 50.13(1)*"d"*(1)).

*b.* Prisoners who are a health risk to others (subparagraph 50.13(1)*"d"*(2)).

*c.* Prisoners of whom sexually deviant behavior is reasonably anticipated (subparagraph 50.13(1)*"d"*(3)).

*d.* Prisoners under the age of 18 (Iowa Code section 356.3). Persons charged in adult court with a forcible felony are to be separated whenever possible.

**50.25(2)** There shall be separate and distinct staff persons in the jail at all times to perform the following duties:

*a.* Provide central control or lock doors into or out of the housing unit.

*b.* Provide direct supervision of prisoners in the housing unit. During hours of lockdown, prisoner checks may be done hourly and documented. Prisoners must be physically observed during these checks.

*c.* Provide emergency backup to the supervision officer as a priority of assigned duties.

**50.25(3)** Prisoners classified as maximum security will not be allowed into areas occupied by other prisoners at any time. Maximum security prisoners may be required to exercise or perform other activities in a group with other maximum security prisoners only. Facility staff must weigh the potential for violence prior to admitting any maximum security prisoner into a group.

**50.25(4)** The housing unit shall not exceed its rated capacity.

**50.25(5)** Whenever prisoners are not locked down, there shall be sufficient lighting in all areas of living units and activity areas to allow full observation by staff.

**50.25(6)** Prisoners assigned to one living unit shall not be allowed to enter a different living unit except when permitted to share activities.

**50.25(7)** Any agency utilizing a direct supervision mode of prisoner management shall ensure that, before accepting prisoners, jail staff shall receive appropriate training in the following areas:

*a.* Philosophy of direct supervision.

*b.* Techniques of effective supervision and leadership.

*c.* Decision-making techniques.

*d.* Crisis intervention techniques.

*e.* Effective communication techniques.

*f.* Classification and evaluation techniques for direct supervision jails.

The training mandated by this chapter is required in addition to the above-listed training requisites.

**50.25(8)** There shall be a classification system developed that shall include an initial classification determination and an ongoing evaluation of the classification status. This system shall include but not be limited to the following considerations:

*a.* Individual's criminal history.

*b.* Individual's present behavior.

*c.* Individual's present charge.

*d.* Health.

*e.* Potential for violence.

*f.* Sexual deviation.

*g.* Self-harm or suicide potential.

*h.* Mental and physical maturity relative to personnel safety.

*i.* Previous behavior in other institutional settings.

*j.* Noticeable changes in attitude.

**50.25(9)** Programming (books, television, work, treatment) shall be available to reduce prisoner idleness. Subjects referred to within the parentheses are illustrative and not inclusive.

**50.25(10)** Each officer assigned to a housing unit shall have a mechanical or electronic means on the officer's person to summon assistance in times of emergency.

**50.25(11)** Supervision checks as required by paragraph 50.13(2)*"a"* will continue to be required and documented. CCTV shall not be used for supervision checks. During those periods when prisoners are out of their cells and in full view of staff, supervisory checks need not be conducted. Supervisory checks will be made when prisoners are allowed in their individual cells.

**50.25(12)** All incoming prisoners must be thoroughly oriented to expectations, rules, and routines of the jail. All such orientation must be documented.

**50.25(13)** Policies and procedures shall be developed by the sheriff or designee for the operation of the jail. These policies and procedures shall reflect the rules for direct supervision jails as delineated in this chapter. All staff shall be knowledgeable of and have access to the policy manual and shall receive training in the implementation of said policies and procedures prior to being assigned as a housing unit officer. The sole remedy for breach of these rules is by a proceeding for compliance initiated by request from the department of corrections. The violation of any rule shall not be construed to permit any civil action to recover damages against the state of Iowa, its departments, agents or employees or any county, its agencies or employees.

These rules are intended to implement Iowa Code sections 80B.11A, 356.36, and 356.43 and chapter 356A.

**RA 26-190**

# CORRECTIONS DEPARTMENT[201]

## Regulatory Analysis

Notice of Intended Action to be published: 201—Chapter 51
"Temporary Holding Facilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 356.36

State or federal law(s) implemented by the rulemaking: Iowa Code sections 17A.10, 17A.12, 80B.11A, 356.36 and 356.43 and chapter 356A

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10:30 to 11:30 a.m. | Via Google Meet:<br>meet.google.com/cwv-fguh-evv<br>Or dial: 1.385.246.2955<br>PIN: 719 985 663# |

*Public Comment*

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

Jen Rathje
Iowa Department of Corrections
Jessie Parker State Office Building
510 East 12th Street
Des Moines, Iowa 50319
Phone: 515.802.0898
Email: jen.rathje1@iowa.gov

*Purpose and Summary*

The purpose of this proposed rulemaking is to conduct a comprehensive review of Chapter 51 in accordance with the mandates of Executive Order 10. While this chapter was reviewed through the lens of reducing redundancy, the Department has determined that the current language is neither obsolete nor unnecessary. Given the high-risk nature of temporary holding facility operations and the specific compliance needs of local facilities, the existing language is essential for maintaining clear, unambiguous minimum standards. Rule language has been intentionally retained to provide a single comprehensive operating manual for jail administrators. Reducing information in these sections or relying solely on statutory cross-references would create a fragmented regulatory landscape, increasing the risk of operational errors and safety failures at the local level. Because these rules serve as the primary benchmark for mandatory annual inspections across Iowa's six temporary holding facilities, maintaining the current level of detail is necessary.

Rather than broad rescission, the Department implemented targeted updates to clarify standards and improve operational safety, specifically:

- **Rule 201—51.3(356,356A) Inspection and compliance:** Updated to clarify the notification process for noncompliance and the formal listing of deficiencies to chief administrators.

- **Rule 201—51.9(356,356A) Minimum standards for facility personnel:** Updated to clarify personnel qualifications and align rules and terminology with the Law Enforcement Academy under 501—Chapter 9.
- **Rule 201—51.10(356,356A) Training for facility personnel:** Revised to require recorded acknowledgment, by written or electronic means, from jailers and supervisors attesting to their knowledge of jail standards and policies.
- **Rule 201—51.11(356,356A) Standard operating procedures manual:** Updated to identify specific methods for providing advance notice to detainees before a staff member or visitor of the opposite sex enters a housing unit.
- **Rule 201—51.13(356,356A) Medical services:** Updated to reflect that the responsibility for the costs of medical services and products remains that of the detainee as allowed by Iowa Code section 356.7.
- **Rule 201—51.15(356,356A) In-house food services:** Refined language to ensure food preparation areas, storage, and sanitation practices remain clean and sanitary in accordance with State health standards regulating institutions and food establishments.
- **Rule 201—51.19(356,356A) Records:** Updated paragraph 51.19(13)"d" to explicitly define the 24-hour notification window for the State Jail Inspection Unit regarding major incidents, such as deaths, attempted suicides, fires, or escapes.
- **Administrative rule and Iowa Code references:** Updated citations throughout the chapter to ensure all internal cross-references to the Iowa Administrative Code and references to relevant statutes are accurate and current.

These specific standards are developed in consultation with stakeholders pursuant to Iowa Code section 356.36, including the Iowa State Sheriffs' and Deputies' Association (ISSDA), the Iowa Chiefs of Police Association, Iowa State Association of Counties (ISAC), and the League of Cities, that have reached a consensus that these standards are the essential baseline for safe facility management.

*Analysis of Impact*

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

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

There are no classes of persons that will bear any additional or new costs from this proposed rulemaking.

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

The general public, Department personnel, facility administrators and staff, and detainees will benefit from a set of administrative rules that clarify operational expectations.

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

- **Quantitative description of impact:**

There is no known quantitative or financial impact.

- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

There are no additional implementation or enforcement costs borne by the Department or any other State agency since these updates align administrative rules with current operational practices.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The benefit of this proposed rulemaking is an accurate, streamlined, and legally compliant chapter that satisfies Executive Order 10 at no additional cost. Inaction is not permissible.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

No less costly or less intrusive methods exist. Rulemaking is the legally required method to maintain an administrative framework that complies with the Iowa Code and the mandates of Executive Order 10.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered.

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

Alternative methods were not considered because formal rulemaking is required to bring the chapter into compliance with Executive Order 10 directives.

*Small Business Impact*

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

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

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

This proposed rulemaking has no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 201—Chapter 51 and adopt the following **new** chapter in lieu thereof:

CHAPTER 51
TEMPORARY HOLDING FACILITIES

**201—51.1(356,356A) Definitions.**

*"Capacity"* means the number of prisoner or detainee occupants that any cell, room, unit, building, facility or combination thereof may accommodate according to the square footage requirements of the standards.

*"Cell"* means single-occupancy bedroom space with toilet and lavatory facilities.

*"Classification"* means a system of obtaining pertinent information concerning detainees with which to make a decision on assignment of appropriate housing, security level, and activities.

*"Detainee"* means any individual confined in a temporary holding facility.

*"Detention area"* means that portion of the facility used to confine detainees.

*"DOC"* means the Iowa department of corrections.

*"Dormitory"* means an open area for two or more detainees with all fixtures self-contained. There is no barrier between the sleeping area and other fixtures, such as a shower, a table, recreation equipment, or similar items.

*"Emergency situation"* means any significant disruption of normal operations caused by riot, strike, escape, fire, natural disaster or other serious incident.

*"Existing facility"* means any place in use as a jail or temporary holding facility or for which bids have been let for construction prior to September 12, 2001.

*"Facility"* means a temporary holding facility as defined by these rules.

*"Holding cell"* means a secure room or cell where detainees may be held up to 24 hours while awaiting the procedure of commitment or release or court appearances.

*"Holdover"* means a nonsecure area within a law enforcement facility, hospital, mental health facility or other existing public building that is intended to serve as a short-term holding facility for juveniles. A nonsecure area may be a multipurpose area that is unable to be locked.

*"Housing unit"* means an individual detention area. This area may be a single-occupancy cell, multiple-occupancy cell, cellblock, or dormitory.

*"Inspection unit"* means the state jail inspection unit.

*"Jail inspector"* means the DOC employee responsible for inspections of temporary holding facilities and enforcement of these rules by the authority of Iowa Code section 356.43.

*"Juvenile"* means any person under the age of 18 years.

*"Mail"* means anything that is sent to or by a detainee through the United States Postal Service.

*"Major remodeling"* means construction that changes the architectural design of an existing facility and that increases or decreases capacity.

*"Medical practitioner"* means a licensed physician, licensed osteopathic physician or physician associate or a medical resource, such as a hospital or clinic.

*"Mental illness"* means a psychiatric illness or disease expressed primarily through abnormalities of thought, feeling, and behavior producing either distress or impaired function.

*"Minister"* means a trained person ordained or licensed by a bona fide religion to conduct the services of that faith.

*"Monitoring"* means having a reasonable degree of knowledge or awareness of what activities a detainee is engaged in during incarceration.

*"Multiple-occupancy cell"* means a cell designed for no more than six detainees.

*"Nonsecure hold"* means a nonsecure area within a law enforcement facility that is intended to serve as a short-term holding facility for juveniles. A nonsecure area may be a multipurpose area that is unable to be locked.

*"Person performing temporary holding facilities duties"* means all persons directly involved in the provision of services to detainees or the operation of a facility except:

1. Outside contractors performing specific housekeeping functions under the direct supervision of a facility supervisor.
2. Individuals such as maintenance personnel, cooks, and janitors, if they do not have direct contact with detainees or routine access to areas occupied by detainees.

*"Physical jeopardy"* means, due to the detainee's physical or mental condition, the detainee is in peril of serious physical harm.

*"Residential facilities"* means the facilities governed by 201—Chapter 40.

*"Temporary holding facility"* means secure holding rooms or cells administered by a law enforcement agency where detainees may be held for a limited period of time, not to exceed 24 hours, and a reasonable time thereafter to arrange for transportation to an appropriate facility. A law enforcement agency is not required to meet the standards for temporary holding facilities provided a detainee is held for less than two hours prior to transportation to an appropriate facility and a trained staff person of the agency is available to respond to, render aid to, or release the detainee in the event of a life-endangering emergency.

*"Temporary holding facility administrator"* means the executive head of any law enforcement agency, or the executive's designee, operating a temporary holding facility. The temporary holding facility administrator shall be responsible for the operation of the facility according to these rules.

*"Temporary holding facility inspector"* means the DOC employee responsible for inspection of temporary holding facilities and enforcement of these rules by the authority of Iowa Code section 356.43.

*"Temporary holding facility supervisor"* means any person who is responsible for the routine operation of the facility during the person's assigned duty hours. This person need not be on the premises at all times, but must be readily available for consultation.

*"Unencumbered space"* means floor space that is not encumbered by furnishings or fixtures. "Unencumbered space" is determined by subtracting the floor area encumbered by furnishings and fixtures from the total floor area. (All fixtures must be in operational position for these calculations.)

*"Waiver"* means waiver of a specific standard granted by the jail inspection unit in accordance with these rules.

*"Weapons"* means any instrument, excluding restraining devices, chemical control agents and electronic control devices, with an intended use of self-defense, protection of another, or to gain or maintain compliance from an individual.

**201—51.2(356,356A) General provisions.** These rules apply to all temporary holding facilities regulated by Iowa Code chapter 356 or 356A.

**51.2(1)** *Capacity.* Established capacities as determined by these rules shall not be exceeded except in the event of an emergency, and then only for such a period of time as is necessary to arrange for alternate housing or release of sufficient detainees to bring the number of persons confined into compliance with the rated capacity.

**51.2(2)** *Right to inspect and visit.* The chief jail inspector or authorized representatives shall visit and inspect temporary holding facilities and may do so on an unannounced basis. Facility personnel and supervisors shall cooperate in inspections and shall exhibit to the inspectors, upon request, all books, records, medical records, data, documents and accounts pertaining to a temporary holding facility or to the detainees confined and shall assist inspectors to perform the functions, powers and duties of their office. Provisions of the first paragraph of Iowa Code section 356.43 shall control to the extent of any inconsistency of the provisions of this subrule.

**51.2(3)** *Other standards.* Nothing contained in these standards shall be construed to prohibit local officials from adopting standards and requirements governing their employees and facilities, provided these standards and requirements exceed and do not conflict with standards mandated in this chapter. These standards shall not be construed as authority to violate any state fire safety standard, building standard, health and safety code, or any constitutional requirement. No facility shall be operated without substantially meeting these rules unless operating under a waiver granted according to the provisions of 201—Chapter 2504.

**51.2(4)** *Equal opportunity.* Facilities, programs, and services shall be available on an equitable basis to both males and females even though each standard does not specify that it applies to both males and females.

**51.2(5)** *Nondiscriminatory treatment.* Each facility administrator shall ensure that staff and detainees are not subject to discriminatory treatment based upon race, religion, nationality, disability, sex or age, absent compelling reason for said discriminatory treatment. Discrimination on the basis of a disability is prohibited in the provision of services, programs and activities.

**201—51.3(356,356A) Inspection and compliance.** The chief inspector or authorized representatives shall visit and inspect each facility within this state at least annually to determine the degree of compliance with these standards and within 45 days of each inspection shall report the results to the temporary holding facility administrator and the governing body responsible for the facility.

**51.3(1)** *Notice of noncompliance with minimum standards.* Whenever the jail inspector or designee makes the determination that a temporary holding facility is not in compliance with established minimum standards, the chief administrator of the affected governmental facility shall be notified by letter posted or personal delivery of the noncompliance status. The notice shall specify:

*a.* The statute(s) and any rules alleged to have been violated.

*b.* The deficiencies cited.

*c.* The time period allowed for the submission of an acceptable plan of compliance within the appropriate time limitation.

*d.* The right to request a hearing pursuant to rule 201—2506.34(17A,356).

**51.3(2)** *Enforcement of minimum standards; remedial orders.* Upon receipt of a notice of noncompliance pursuant to subrule 51.3(1), the responsible authorities shall initiate appropriate corrective measures within the time prescribed by the jail inspection unit in its notice (which shall not exceed 90 days) and shall complete the corrections within a reasonable time as prescribed by the notice of noncompliance. The jail inspector may agree with the responsible authorities to a plan of action detailing corrective steps with corresponding time frames that will bring the facility into compliance within a reasonable time. If the responsible officials receiving notice of noncompliance fail to initiate corrective measures or to complete the corrective measures within the time prescribed, the jail inspection unit may order the facility in question or any portion thereof closed, that further confinement of detainees or classifications of detainees in the noncomplying facility or any portion thereof be prohibited, or that all or any number of detainees then confined be transferred to and maintained in another facility, or any combination of remedies as set forth in subrule 51.3(1). This order shall be the notice of noncompliance pursuant to Iowa Code section 356.43 and 201—Chapter 2506 concerning contested cases. The matter shall then proceed in accordance with 7—Chapter 2506. The jail inspector may agree with the responsible authorities to a plan of action detailing corrective steps with corresponding time frames that would bring the facility into compliance within a reasonable time. The remedial order shall be in writing and shall specifically identify each minimum standard with which the facility has failed to comply. Such remedial order shall become final and effective 30 days after receipt thereof.

**51.3(3)** *Precedent.* Because rules cannot adequately anticipate all potential specific factual situations and circumstances presented for action, determination or adjudication by the jail inspection unit, the nature of the action taken with regard to any matter or the disposition of any matter pending before the jail inspection unit is not necessarily of meaningful precedential value, and the department shall not be bound by the precedent of any previous action, determination, or adjudication in the subsequent disposition of any matter pending before it. The director or the respondent may request that an informal conference be held to determine whether the noncompliance matter can be resolved in a just manner in furtherance of the public interest. Neither the director nor respondent is required to use this informal procedure. If the director and respondent agree to negotiate a settlement, the various points of the settlement, including a stipulated statement of facts, shall be set forth in writing and shall be binding on both parties.

This rule is intended to implement Iowa Code sections 17A.10, 17A.12 and 356.43.

**201—51.4(356,356A) Physical plant—general.**

**51.4(1)** *Building to meet existing codes.* All facilities are required to be structurally sound and to meet existing building code and health code requirements.

**51.4(2)** *Professional inspections.*

*a.* The state jail inspector may require for good reason that an agency operating a facility cause it to be examined by an architect, engineer, licensed electrician, health inspector, plumber, heating and air-conditioning specialist, food establishment inspector, state fire marshal or fire inspector or any other person with expertise who may be of assistance to the state jail inspector in making an informed decision relative to the facility operation or structure. Inspection by a municipal inspector qualified in these areas may be permitted.

*b.* Any facility determined to be deficient following inspection may be ordered closed by the jail inspector or specific conditions limiting its operation may be imposed in lieu of closing. An order of closure shall contain the following:

(1) Statute(s) and rule(s) violated.

(2) A brief description of the deficiencies.

(3) The effective date of the order.

(4) An explanation of remedies required before reopening.

An order of closure shall adhere to subrules 51.3(1) and 51.3(2).

This order shall be the notice of noncompliance pursuant to Iowa Code section 356.43 and 201—Chapter 2506. The matter shall then proceed in accordance with 7—Chapter 2506.

*c.* In the event that any agency fails to cooperate in an inspection, the jail inspector may arrange for an inspection and the agency operating the facility shall be financially responsible for any expense involved.

**51.4(3)** *Heating and ventilation.* All detention and living areas shall be reasonably heated and ventilated, with air flow sufficient to admit fresh air and remove disagreeable odors, to ensure healthful and comfortable living and working conditions for detainees and staff. Fans and an adequate supply of cold liquids will be made available and utilized when indoor temperatures exceed 85 degrees Fahrenheit.

**51.4(4)** *Cells.* Maximum security cells shall be equipped with tamper-resistant bunks, secured table(s) and seat(s), plus a toilet and wash basin recommended for jail or prison use. Cells shall have an adequate supply of both hot and cold water; mixing valves may be used. Housing areas of less secure design need not contain tamper-resistant fixtures. The cell must be constructed to minimize self-injury. Toilet facilities should be controlled from outside the cell and may be in the floor. Water need not be available in the cells but water must be accessible from staff upon request.

**51.4(5)** *Lighting.* Lighting shall be a minimum of 20 candlepower at the table top for the purposes of reading and writing. Living areas shall be devoid of dark areas. Lighting adequate to observe persons within the cell area shall be maintained at all times. All entrances, exits and hallways shall be equipped with independent emergency lighting sources. Hallways, entrances and exits shall be sufficiently lit to observe persons entering or exiting. Light controls shall be out of the control of detainees. Housing areas may be variably illuminated to allow sleep, but continuous observation of detainees must be possible.

**51.4(6)** *Screens.* If windows are opened for ventilation, screens shall be installed and maintained in good repair.

**51.4(7)** *Electrical facilities.* Drop cords shall not be used as permanent wiring. Electrical service shall meet the requirements of the governmental body permitted by statute to adopt standards for electrical service. Appliances shall plug directly into a fixed receptacle. Emergency generator power shall be available. Emergency generator power shall be tested at regular intervals not less than monthly. A record of test dates shall be maintained.

**51.4(8)** *Storage.*

*a.* Storage of any type in primary detention areas is not permitted except for supplies necessary for operation of the facility.

*b.* Adequate storage space for detainees' personal clothing and property shall be provided. Space provided shall be secure and the detainee's name or identity shall be affixed to the storage space. Property shall be inventoried and accounted for as provided in Iowa Code section 804.19.

*c.* Janitorial supplies shall be stored in a manner to prevent unauthorized detainee access. Janitorial supplies and equipment shall not be stored in detainee living areas.

*d.* Areas used for storage of chemicals, paints, and cleaning supplies shall not be accessible to detainees and such products shall be stored away from the primary detention area. Such storage shall not be in boiler or furnace rooms.

**51.4(9)** *Firearms lockers.* A place inaccessible to detainees shall be provided where officers entering the security area can store firearms.

**51.4(10)** *Noise level.* Detainee noise inside the facility shall be controlled to ensure an orderly and secure facility operation. The policy and procedures manual shall include a rule pertaining to noise level. Detainees must be advised of the rule.

**51.4(11)** *Mirrors.* Mirrors within detention areas shall be of tamper-resistant construction and securely fixed in place.

**201—51.5(356,356A) Physical requirements for existing facilities.** This rule shall apply to all facilities in existence prior to June 30, 1984. In cases where an existing facility undergoes major remodeling, rule 201—51.7(356,356A) shall apply to the area being upgraded.

**51.5(1)** Each single-occupancy cell for detainees in normal status shall have a minimum floor area of 40 square feet.

**51.5(2)** Multiple-occupancy cells must have 40 square feet of floor space for the first occupant and an additional 20 square feet for each additional occupant.

**51.5(3)** Except in emergency situations, no multiple-occupancy cell shall house more detainees than the designed capacity.

**51.5(4)** Each cell shall provide a minimum of 7 feet from floor to ceiling height.

**51.5(5)** All cells shall be equipped with bunks sufficient to ensure a bunk for each detainee assigned. Every cell will be equipped with a toilet and lavatory that function properly and supply adequate running water. Bunks must be of a size to accommodate a normal-sized male adult. Toilet and lavatory facilities must be accessible to detainees at all times.

**51.5(6)** Reserved.

**51.5(7)** Holding cells are multiple-occupancy space where detainees may be confined only while awaiting processing through administrative or legal procedures. These areas must have at least 40 square feet of floor space for the first detainee with 20 square feet for each additional detainee.

**51.5(8)** Dormitory units shall have a minimum of 60 square feet of floor space per detainee.

**201—51.6(356,356A) Physical requirements for new or remodeled facilities—after June 30, 1984.** This rule shall apply to temporary holding facilities that are of new or remodeled construction or let for bid after June 30, 1984. Plans for any remodeling or new construction shall be submitted to the jail inspection unit prior to letting any bids or commencing any construction subject to this rule. The inspection unit shall, within 60 days of receiving plans, review them for compliance with these rules and forward any comments to the submitting authority.

**51.6(1)** New housing units may be dormitory units, single-occupancy cells or multiple-occupancy cells. Each single-occupancy cell shall have a minimum of 70 square feet of floor space. Each multiple-occupancy cell shall have a minimum of 70 square feet of floor space for the first detainee and an additional 50 square feet of floor space for each additional detainee. Dormitory units shall have a minimum of 35 square feet of unencumbered floor space per detainee.

**51.6(2)** All new housing units shall provide:

*a.* No less than 7 feet of space between the floor and ceiling.

*b.* A bunk of adequate size for normal-sized adults for each detainee.

**51.6(3)** Each new dormitory unit or single- and multiple-occupancy cell shall have a security-type toilet/lavatory combination fixture that provides adequate running water. These cells may rely on common toilet facilities located outside the detention room provided that the detainee is never involuntarily locked in the room and denied access to the toilet facilities.

**51.6(4)** The new facility shall be designed to admit natural lighting and to give access to outside viewing by detainees where practical.

**51.6(5)** The new facility shall be designed and constructed so that detainees may be segregated according to existing laws and regulations.

**51.6(6)** Except in emergency situations, no housing unit shall house more detainees than its rated capacity.

**51.6(7)** Holding cells shall provide a minimum of 20 square feet per detainee with a total capacity of eight detainees per cell. Holding cells need not contain any fixture other than a means whereby detainees may sit. Drinking water and toilet facilities shall be made available under staff supervision. Detainees will be supplied blankets if the detainees are detained overnight in the holding cell.

**201—51.7(356,356A) Physical requirements for new or remodeled facilities—after September 12, 2001.** This rule shall apply to temporary holding facilities that are of new or remodeled construction after September 12, 2001. Plans for any remodeling or new construction shall be submitted to the jail inspection unit prior to letting any bids or commencing any construction subject to this rule. The jail inspection unit shall, within 60 days of receiving plans, review them for compliance with this rule and forward any comments to the submitting authority.

**51.7(1)** New housing units may be dormitory units, single-occupancy cells or multiple-occupancy cells. Each single-occupancy cell shall have a minimum of 70 square feet of floor space. Each multiple-occupancy cell shall have a minimum of 35 square feet of unencumbered floor space for each detainee. Dormitory units shall provide a minimum of 35 square feet of unencumbered floor space per detainee.

*a.* This paragraph shall apply to all temporary holding facilities that are of new or remodeled construction after December 28, 2005, and may apply to temporary holding facilities that were constructed prior to December 28, 2005.

(1) Single-occupancy cells shall provide a minimum of 35 square feet of unencumbered floor space. When confinement exceeds ten hours per day, except during administrative segregation or emergencies, there shall be at least 70 square feet of total floor space.

(2) Multiple-occupancy cells shall provide a minimum of 25 square feet of unencumbered floor space for each detainee. When confinement exceeds ten hours per day, except during administrative segregation or emergencies, there shall be at least 35 square feet of unencumbered floor space for each detainee.

(3) Dormitory units shall provide a minimum of 35 square feet of unencumbered floor space for each detainee.

(4) A facility may contain one or more single-occupancy cells, designated as special-needs cells, in which violent persons may be temporarily contained. The cell shall have not less than 40 square feet of floor space and a ceiling height of not less than 7 feet. The cell shall be constructed to minimize self-injury. Toilet facilities may be controlled from outside the cell and may be in the floor. Water need not be available in the cells, but water shall be accessible from staff upon request.

*b.* Reserved.

**51.7(2)** All new housing units shall provide:

*a.* No less than 7 feet of space between the floor and ceiling.

*b.* A bunk of adequate size for normal-sized adults for each detainee.

**51.7(3)** Each new dormitory unit or single- or multiple-occupancy cell shall have a security-type toilet/lavatory combination fixture that provides adequate running water for each group of nine detainees or portion thereof. These cells may rely on common toilet facilities located outside the detention room provided that the detainee is never involuntarily locked in the room and denied access to the toilet facilities.

**51.7(4)** The new facility shall be designed and constructed so that detainees may be segregated according to existing laws and regulations.

**51.7(5)** Except in emergency situations, no housing unit shall house more detainees than its rated capacity.

**51.7(6)** Holding cells shall provide a minimum of 20 square feet per detainee with a total capacity of eight detainees per cell. Holding cells need not contain any fixture other than a means whereby detainees may sit. Drinking water and toilet facilities shall be made available under staff supervision. Detainees will be supplied blankets if detained overnight in the holding cell.

**201—51.8(356,356A) Fire safety and emergency evacuation.**

**51.8(1)** *Approval of building plans.* All new construction or major remodeling plans shall be approved prior to commencement of construction by the state fire marshal.

**51.8(2)** *Compliance with state fire marshal rules.*

*a.* No facility shall be occupied by a detainee unless the state fire marshal or qualified local fire prevention authority has issued a certificate of inspection within the last 18 calendar months documenting that the facility complies with the fire safety standards for temporary holding facilities included in administrative rules promulgated by the state fire marshal.

*b.* Temporary holding facilities may be inspected by the state fire marshal, or by personnel of local fire departments deemed by the state fire marshal qualified to conduct inspections, on a schedule determined by the state fire marshal. The state jail inspection unit of the DOC, a temporary holding facility administrator, or the chief executive of an agency that administers a temporary holding facility may request the state fire marshal to inspect a temporary holding facility for compliance with fire safety standards. If the state fire marshal finds, based on such an inspection, that a temporary holding facility is not in substantial compliance with fire safety standards, the state fire marshal may require the facility administrator to submit a plan of correction of violations of these standards to the state fire marshal. The director of the DOC may initiate proceedings to close the temporary holding facility if the facility does not comply with the plan of correction.

**51.8(3)** *Evacuation plan.* The administrator of each facility shall prepare a written plan for emergency evacuation of the facility in the event of fire or other disaster. This plan shall include security arrangements and one or more alternate housing arrangements for displaced detainees. All personnel employed in the facility shall be thoroughly familiar with this plan, and relevant portions thereof shall be conspicuously posted. Evacuation drills shall be practiced or simulated by all facility staff on at least an annual basis, and a record thereof shall be maintained according to subrule 51.19(9).

**51.8(4)** *Release of detainees.*

*a.* There shall be a reasonable expectation of the prompt removal of detainees in the event of a life-threatening situation. Keys for all locks necessary for emergency exit shall be readily accessible and clearly identifiable with cell and door locks.

*b.* There shall be at least one full set of facility keys, other than those regularly used, stored in a safe place accessible only to appropriate persons, for use in the event of an emergency.

**51.8(5)** *Fire extinguishers.* All temporary holding facilities shall be equipped with fire extinguishing equipment approved and located in accordance with standards established by the state fire marshal by administrative rule. Fire extinguishers shall be tested at least annually to ensure they remain in operative condition. A record of such checks shall be maintained.

**51.8(6)** *Emergency lighting.* All exits shall be equipped with independent emergency lighting sources. All corridors and passage aisles shall be illuminated by independent emergency lighting sources. Lighting shall be arranged to ensure that no area will be left in darkness.

**51.8(7)** *Required exits.* Where exits are not immediately accessible from an open floor area, safe and continuous passage aisles or corridors leading directly to every exit shall be maintained and shall be so arranged as to provide access for each detainee to at least two separate and distinct exits from each floor. Passage aisles or corridors shall be kept clear. A locked exit may be classified as an emergency exit only if necessary keys to locked doors are readily available. Elevators shall not be counted as required exits.

**51.8(8)** *Fire alarms.* A means of fire detection utilizing equipment of a type meeting requirements established by the state fire marshal shall be installed and maintained in operational condition. These alarms shall be ceiling-mounted if possible and shall be located and protected from detainee access. The detection equipment shall be battery-operated or constructed as to continue operating during a power failure. Battery-operated systems shall be tested monthly. Electronic systems shall be tested at least annually. A record of test dates and results shall be maintained according to subrule 51.19(9).

**51.8(9)** *Heating appliances.* Heating appliances and water heaters shall not be located along the path of required exits.

**51.8(10)** *Hinged doors.* All hinged doors serving as required exits from an area designed for an occupancy in excess of 50 persons, or as part of a major remodeling project or as part of new construction, shall swing with exit traffic.

**51.8(11)** *Mattresses.* Only fire-resistant mattresses of a type that will not sustain a flame and are certified by an independent testing laboratory and that meet the standards established by the state fire marshal shall be used in temporary holding facilities. Mattresses that are ripped, are excessively cracked or contain large holes shall be replaced. Pillows shall be replaced when torn or excessively cracked.

**51.8(12)** *Sprinkler.* If installed, sprinkler heads accessible to detainees not under direct supervision must be of the weight-sensitive type, be protected with a sleeve that would hamper the tying of material on the sprinkler head, or be recessed into the wall or ceiling.

**201—51.9(356,356A) Minimum standards for facility personnel.**

**51.9(1)** *Minimum hiring standards.* Applicants must meet the following minimum standards before serving as a jail administrator, jailer, or temporary holding facility personnel:

*a.* Be 18 years of age or older.

*b.* Be able to read and write in English.

*c.* Be of good moral character as determined by a thorough background investigation, including a fingerprint search conducted of local, state and national fingerprint files.

*d.* Be not by reason of conscience or belief opposed to the use of force, when appropriate or necessary to fulfill the person's duties.

*e.* Have the ability to perform the essential elements of the position as defined in the department job specification.

*f.* Be an appropriate candidate for employment as demonstrated by qualified psychological screening.

**51.9(2)** *Minimum retention standards.* An employee who has demonstrated inappropriate action beyond a reasonable degree, who is not psychologically fit for facility employment, or who has repeatedly failed to observe these rules will not be retained.

**51.9(3)** *Conflict of interest.* A person working in a facility will not transact any business with a detainee nor arrange any business transaction with a detainee through another party. The facility will have a written code of ethics that the facility provides to all employees. At a minimum, the code will:

*a.* Prohibit staff from using their official positions to secure privileges for themselves or others.

*b.* Prohibit staff from engaging in activities that constitute a conflict of interest.

**201—51.10(356,356A) Training for facility personnel.**

**51.10(1)** *Initial orientation.* Except in an emergency situation, all persons performing temporary detention duties shall meet the following requirements, and the provision of this information and training shall be documented.

*a.* The individual shall be fully knowledgeable of the administrative rules referring to facility standards.

*b.* The individual shall be fully knowledgeable of facility rules, written policies and procedures as adopted by the administrator.

*c.* The individual shall have been given specific orientation with respect to a detainee's rights during confinement and procedures adopted to ensure those rights.

*d.* If the individual is to have access to a firearm at any time, the person shall hold a valid permit to carry weapons issued under the authority of Iowa Code chapter 724.

*e.* The individual shall be professionally trained and qualified in the use of any firearm, electric restraint control device and chemical control agents prior to their use in connection with the individual's duties at the facility.

*f.* The individual shall have been instructed in the use of required firefighting equipment and the fire and emergency evacuation plan.

*g.* All staff providing medication shall be trained in accordance with the Iowa State Sheriffs and Deputies Association medication training program or other recognized medication administration course.

*h.* The holding facility administrator shall, by either written or electronic means, record the acknowledgment of all staff performing temporary holding facility duties, attesting that they have full knowledge of the administrative rules referring to facility standards and the written policies and procedures governing the facility's operation.

**51.10(2)** *Training documented.* All temporary holding facility workers and administrators shall meet and document training requirements as specified by Iowa law enforcement academy training standards as found in 501—Chapter 9. The facility administrator shall, by either written or electronic means, record the acknowledgment of all persons attending the training.

*a.* The training shall include a minimum of ten hours of training within the first year of employment. Training shall include the following or comparable course content:

(1) Introduction to Iowa criminal procedure and criminal law as applicable to the temporary holding facility setting, including laws relating to the use of force.

(2) Security procedures, including procedures regarding the proper methods of transporting detainees.

(3) Supervision of detainees, including instruction on the basic civil rights of a detainee, which would be applicable to a temporary holding facility.

(4) Recognition of symptoms of mental illness, retardation or substance abuse.

(5) Specific instruction in the prevention of suicides.

*b.* During each fiscal year of employment, following completion of the required ten hours of training, temporary holding facility workers and administrators shall complete, at a minimum, five hours of in-service training, not to include hours spent in maintaining required certification or proficiency in first aid, life support, and handling of firearms.

**51.10(3)** *First aid.* At least one staff member on duty at the facility shall be trained in first aid (or the equivalent) and CPR.

*a.* The individual shall hold an American Red Cross standard first-aid certificate or the equivalent or one of the following:

(1) Certification as an Iowa law enforcement emergency care provider from the Iowa department of public health;

(2) Certification of completion of an emergency medical technician program; or

(3) Licensure to practice as a licensed practical nurse, registered nurse or medical practitioner in the state of Iowa.

*b.* The individual shall be certified as having successfully completed the basic life support training conducted under the program of the American Heart Association or the American Red Cross.

*c.* All certification or licensure required by this subrule must be maintained current according to the standards of the certifying or licensing agency.

**201—51.11(356,356A) Standard operating procedures manual.** Pursuant to the authority of Iowa Code sections 356.5 and 356.36, each municipality shall establish and the facility administrator shall ensure compliance with a standard operating procedures manual to include the following administrative rules: subrules 51.2(4), 51.2(5), 51.4(3), 51.4(7), 51.4(10), 51.8(3), 51.8(4), 51.8(5), 51.8(7), 51.8(8), 51.8(11), 51.9(1), 51.9(2), 51.9(3), and 51.10(1) through 51.10(3) and rules 201—51.11(356,356A) through 201—51.19(356,356A) as noted. The following does not require written policy: subrule 51.13(4).

**51.11(1)** *Admission/classification and security.*

*a.* No person shall be confined or released from confinement without appropriate process or order of court.

*b.* With the exception of incidental contact under staff supervision, the following classes of detainees shall be kept separate by architectural design barring conversational and visual contact from each other:

(1) Juveniles and adults (pursuant to Iowa Code section 356.3).

(2) Females from males (pursuant to Iowa Code section 356.4).

*c.* The following shall be kept separate whenever possible:

(1) Felons from misdemeanants.

(2) Pretrial detainees from sentenced persons.

(3) Witnesses from detainees charged with crimes.

*d.* The following shall be kept physically separated:

(1) Detainees of whom violence is reasonably anticipated.

(2) Detainees who are a health risk to others.

(3) Detainees of whom sexually deviant behavior is reasonably anticipated.

(4) Prisoners likely to be exploited or victimized by others.

*e.* Detention of juveniles shall be pursuant to Iowa Code section 232.22.

*f.* All staff involved in the booking process or the supervision of detainees shall be trained in suicide prevention. At the time of booking, an attempt shall be made (either by observation for marks or scars or direct questioning of the detainee) to determine if the detainee is suicidal.

(1) The following questions, or others of equal meaning, shall be incorporated into the booking process with appropriate documentation to aid in suicide prevention:

1. Does the detainee show signs of depression?
2. Does the detainee appear overly anxious, afraid, or angry?
3. Does the detainee appear unusually embarrassed or ashamed?
4. Is the detainee acting or talking in a strange manner?
5. Does the detainee appear to be under the influence of alcohol or drugs?
6. Does the detainee have any scars or marks that indicate a previous suicide attempt?

(2) In all cases, the following questions will be asked of the detainee:

1. Have you ever tried to hurt yourself?
2. Have you ever attempted to kill yourself?
3. Are you thinking about hurting yourself?

*g.* Housing for detainees with disabilities shall be designed for the detainees' use, or reasonable accommodations shall be provided for the detainees' safety and security.

*h.* Temporary holding facility personnel shall ask each detainee within 24 hours of the detainee's incarceration if the detainee is a military veteran. If so, facility personnel shall advise the detainee that the detainee may be entitled to a visit from a veteran service officer to determine if veteran services are required or available and, within 72 hours, shall provide the detainee with contact information for the county commission of veteran affairs and provide the detainee the opportunity to contact the county commission of veteran affairs to schedule a visit from a veteran service officer.

**51.11(2)** *Security and control.*

*a.* *Supervision of detainees.* The facility administrator shall develop and implement written policies and procedures for the facility that provide for the control of detainees and for the safety of the public and the facility staff. The policy and procedures shall include:

(1) Twenty-four-hour supervision of all detainees shall be provided pursuant to Iowa Code section 356.5(6).

(2) When staff is not within the confinement area of the facility, a staff person shall be in a position to hear detainees in a life-threatening or emergency situation; or a calling device to summon help will be provided. By policy and practice there shall be a means of ensuring that appropriate personnel will be available on a 24-hour basis to respond to an emergency, including but not limited to fire, assaults, suicide attempts, serious illness, and to preserve order, within a reasonable time period.

(3) At least hourly, personal observations of individual detainees shall be made and documented. Detainees considered to be in physical jeopardy because of physical or mental condition, including

apparently intoxicated persons, as indicated by the medical history intake process and by personal observations, shall be checked personally at least every 30 minutes until the condition is alleviated. Closed circuit television (CCTV)-audio monitoring system may supplement, but shall not replace, personal observations. In order to use a CCTV-audio monitoring system, the following requirements must be met: CCTV and audio must be operational at all times. Visual and audio must be clear and distinct. Observation of shower and restroom activities shall be at the discretion of the facility administrator.

(4) No employee or visitor of one sex shall enter a housing unit occupied by the other sex unless advance notice has been provided except in case of an emergency. Advance notice may be provided with respect to but not limited to inmate orientation, inmate handbook, broadcast via inmate notification system, booking notification system, posted notification, or verbal announcement prior to entering the housing unit.

(5) When females are housed in the facility, at least one female staff member shall be on duty in the facility at all times, in accordance with Iowa Code section 356.5(6).

(6) All juveniles arrested for intoxication due to substance abuse shall be personally observed on a continuous basis throughout the period of detention. The activities of juveniles arrested for crimes other than the above shall be monitored at all times, and the juveniles shall be observed by means of personal supervisory checks at no more than 30-minute intervals.

*b. Weapons.* Except in an emergency situation, no weapons shall be allowed in an area occupied by detainees.

*c. Searches.*

(1) All detainees and detainees' property entering the facility shall be thoroughly searched; searches of persons charged with simple misdemeanors shall follow provisions of Iowa Code section 804.30.

(2) All persons entering a facility may be searched for contraband. Persons may be denied admission if they refuse to consent to a required search.

(3) A search notice shall be posted in a conspicuous place (no policy required).

(4) Detainee rules shall contain a clear definition of each item permitted in the facility. All other items shall be considered contraband.

(5) Random, unannounced, irregularly scheduled searches of areas accessible to detainees shall be conducted for contraband and weapons.

*d. Key control.* Facility keys must be stored in a secure area when not in use. There must be at least one full set of facility keys, separate from those in use, stored in a safe place and accessible only to designated facility personnel for use in the event of an emergency. The facility administrator will identify those persons who may have access to keys.

*e. Detainees' property.* All personal property of detainees shall be inventoried and accounted for according to the provisions of Iowa Code section 804.19.

*f. Restraint devices.* The facility administrator shall have a written policy on the restraint devices. Restraint devices shall not be applied as punishment. Restraint devices shall be used only when a prisoner is a threat to self or others or jeopardizes facility security. There shall be defined circumstances under which supervisory approval is needed prior to application. Restraint devices shall not be applied for more time than is necessary to alleviate the condition requiring the use of the restraint device. While restrained, detainees shall be either clothed or covered in a manner that maximizes detainee privacy. Four/five-point restraints may be used only when other types of restraints have proven ineffective. If detainees are restrained in a four/five-point position, the following minimum procedures shall be followed:

(1) Observation by staff shall be continuous;

(2) Personal visual observation of the detainee and the restraint device application shall be made at least every 15 minutes;

(3) Restraint guidelines shall include consideration of an individual's physical and health condition, such as body weight; and

(4) All decisions and actions shall be documented.

*g. Facility security.*

(1) All areas of the facility shall be inspected regularly and frequently and kept clear of large posters, pictures and articles of clothing that obstruct the view of detainees by facility staff.

(2) All facility locks, doors, bars, windows, screens, grilles and fencing shall be inspected on at least a monthly basis. Any damaged or nonfunctioning equipment or fixtures must be reported to the facility administrator in writing. The facility administrator shall ensure prompt repair of any damaged or nonfunctioning equipment or fixture.

(3) The facility administrator shall develop written policy and procedures for the movement or transportation of detainees outside the secure area of the facility. The policy shall require procedures that will ensure the safety of the facility staff and the public and prevent detainee escape. The policy shall provide procedures for movement of detainees for medical treatment and to and from the courts and other facilities. The classification and security risk of the detainee to be moved will determine the number of staff required and the type of restraints to be used, if any.

(4) The facility administrator shall have written plans for situations that threaten facility security. Such situations include but are not limited to bomb threats, riots, hunger strikes, disturbances, hostage situations, escape attempts, medical emergencies, natural disasters and staff work stoppage. The plan shall be made available to all applicable personnel and shall be reviewed by facility staff at least annually and updated as needed.

**201—51.12(356,356A) Cleanliness and hygiene.**

**51.12(1)** *Housekeeping.*

*a.* The temporary holding facility shall be kept clean and sanitary. Toilets, wash basins, showers and other equipment throughout the facility shall be maintained in good working order. Walls, floors and ceilings shall be well maintained.

*b.* Unless cleaning is done by staff, necessary cleaning equipment shall be provided to detainees. Cleaning equipment shall be removed from the cell when cleaning is complete.

*c.* The facility shall be maintained in pest-free condition. Persons spraying chemicals shall be certified by the Iowa department of agriculture and land stewardship. Detainees and staff shall not be directly exposed to the chemicals being used.

*d.* All clothing and linen, if provided, shall be clean and sanitary.

*e.* The facility shall have a sharps disposal container for razors and needles. The facility shall be equipped to handle disposal of contaminated or hazardous waste according to universal health precautions.

**51.12(2)** Reserved.

**201—51.13(356,356A) Medical services.** The facility administrator shall establish a written policy and procedure to ensure that detainees have the opportunity to receive necessary medical attention for the detainee's objectively serious medical and dental needs that are known to the facility staff. A serious medical need is one that has been diagnosed by a physician or physician associate as requiring treatment, or one that is so obvious that even a lay person would easily recognize the necessity for a physician's or physician associate's attention. The plan shall include a procedure for emergency services day or night and a procedure for regular medical attention. Responsibility for the costs of medical services and products remains that of the detainee as allowed by Iowa Code section 356.7. However, no detainee will be denied necessary medical services, dental service, or medicine because of a lack of ability to pay. Medical and dental prostheses shall be provided only for the serious medical needs of the detainee as determined by a licensed health care professional. Cosmetic or elective procedures need not be provided.

**51.13(1)** *Medical resources.* Each facility shall have a designated medical practitioner, which may include a hospital or clinic staffed by licensed physicians, licensed osteopathic physicians or physician associates, designated for the medical supervision, care and treatment of detainees as deemed necessary and appropriate. Medical practitioners shall be available on a 24-hour basis.

**51.13(2)** *Trained staff.*

*a.* All staff providing medication shall be trained in accordance with the Iowa State Sheriffs and Deputies Association medication training program or other recognized medication administration course.

*b.* At least one staff member on duty at the facility shall be currently trained in first aid (or the equivalent) and CPR.

**51.13(3)** *Detainee involvement.* No detainee shall be involved in any phase of delivery of medical services.

**51.13(4)** *First-aid kits.* A first-aid kit approved by qualified medical personnel shall be available to staff.

**51.13(5)** *Chemical control agents.* Detainees affected by a chemical control agent shall be offered a medical examination and appropriate treatment as soon as reasonable.

**51.13(6)** *Screening upon admission.*

*a.* Any person who is obviously injured, ill or unconscious shall be examined by qualified medical personnel before being admitted to a facility.

*b.* Detainees suspected of having a contagious or communicable disease shall be separated from other detainees until examined by qualified medical personnel.

*c.* As a part of the admission procedure, a medical history intake form shall be completed for each person admitted to the facility. The intake procedure shall include screening for potential self-injury or suicide. Facility staff with actual knowledge that there is a substantial risk that a detainee intends to commit suicide shall take reasonable measures to abate the risk. The facility shall have a written suicide prevention plan. Essential elements of the plan shall include annual staff training to recognize the potential for suicide, communication between staff, appropriate housing, and intervention procedures.

*d.* During times when there is no means of immediate access to the district court, a person arrested on a charge constituting a simple misdemeanor and believed by the arresting officer/agency to be mentally ill, and because of that illness is likely to physically injure the person's self or others, shall be admitted to the facility only after the arresting officer/agency has demonstrated a reasonable effort to comply with the emergency hospitalization procedure as provided in Iowa Code section 229.22. The facility shall have a written plan to provide detainees access to services for the detection, diagnosis and treatment of mental illness.

*e.* Detainees shall be provided with information on how they can obtain necessary medical attention, and the facility's policy and procedure shall also reflect this.

**51.13(7)** *Medication procedures.*

*a.* Written policies and procedures pertaining to providing medication shall be established.

*b.* All prescription medicine shall be securely stored and inventory control practiced. Inventory control shall include documentation of all medication coming into the facility and the amount of medication returned or destroyed when a detainee is released.

*c.* A written procedure for recording the taking or administering of all medications shall be established.

Prescription medication, as ordered by a medical practitioner or licensed dentist, shall be provided in accordance with the directions of the prescribing medical practitioner or dentist. Detainees with medication from a personal medical practitioner or dentist may be evaluated by a medical practitioner or dentist selected by the facility administrator to determine if the present medication is appropriate.

**51.13(8)** *Medical records.* A separate medical record shall be maintained for each detainee receiving medical care. The record shall include the illness being treated, medication administered, special diets required, medical isolations and the name of the attending health professional or institution. The record may be kept in the detainee's file jacket but must be labeled "confidential."

**51.13(9)** *Medication storage.*

*a.* Detainees' medications shall be stored at the proper temperature, as defined by the following terms:

(1) Room temperature: temperature maintained between 15 degrees centigrade (59 degrees Fahrenheit) and 30 degrees centigrade (85 degrees Fahrenheit).

(2) Cool: temperature maintained between 8 degrees centigrade (46 degrees Fahrenheit) and 15 degrees centigrade (59 degrees Fahrenheit).

(3) Refrigerate: temperature that is thermostatically maintained between 2 degrees centigrade (36 degrees Fahrenheit) and 8 degrees centigrade (46 degrees Fahrenheit). All medication required to be "cool" or "refrigerated" shall be stored in a separate refrigerator or in a separate locked container within a refrigerator that is used for other purposes.

*b.* Any medications bearing an expiration date must not be administered beyond the expiration date.

*c.* Expired drugs or drugs not in unit dose packaging, whose administration had been discontinued by the attending medical practitioner, shall be destroyed by the facility administrator or designee in the presence of a witness. A record of drug destruction shall be made in each detainee's medical record. The record shall include the name, the strength and the quantity of the drug destroyed, and the record shall be signed by the facility administrator or designee and by the witness.

*d.* Medications dispensed by a pharmacy in unit dose packaging may be returned to the dispensing pharmacy pursuant to 481—Chapter 552.

*e.* Facilities utilizing unit dose packaging shall have written policies and procedures providing for the return of drugs so packed to the issuing pharmacy. Policy shall include proper recordkeeping of disposal.

**201—51.14(356,356A) General food service requirements.**

**51.14(1)** *Detainee being held.* If a detainee is held over a meal period, a meal of adequate nutrition shall be provided.

**51.14(2)** *Daily meals.* The three meals provided for each 24-hour duration shall be served at reasonable and proper intervals; at least one meal shall be a hot meal. Food must be served at the proper temperature: hot foods shall be reasonably hot and cold foods reasonably cold.

**51.14(3)** *Time of serving.* Meals shall be served at approximately the same time every day.

**51.14(4)** *Medical diets.* Special diets as prescribed by a medical practitioner shall be followed and documented.

**51.14(5)** *Religious requests.* When a special diet is requested for a detainee due to a bona fide religious belief, the facility shall meet that need unless the facility can demonstrate that its refusal does not impose a substantial burden on the exercise of the detainee's religion or that its refusal furthers some compelling interest and is the least restrictive means of furthering that interest.

**51.14(6)** *Punishment.* Deviation from normal feeding procedures shall not be used as punishment.

**51.14(7)** *Inspection of facilities for outside food service providers.* If food service is provided by outside sources, only a facility with a food establishment license or those required to undergo inspection by other statutes shall be utilized to provide these services. The transfer of food shall be done under sanitary conditions (no policy required).

**201—51.15(356,356A) In-house food services.**

**51.15(1)** Food preparation areas shall be clean and sanitary in accordance with requirements of the state health standards regulating the operation of institutions, food establishments, or equivalent organizations.

**51.15(2)** All food products shall be stored or refrigerated in compliance with state health standards governing institutional or food establishment operations.

**51.15(3)** Dishes, utensils, pans and trays shall be sanitized after use in accordance with state health standards for food establishments or institutions.

**51.15(4)** Staff shall serve or supervise the serving of all meals. Food handlers must be clean and free of illness or disease.

**201—51.16(356,356A) Communication.**

**51.16(1)** *Telephone calls upon arrest.* Detainees shall be permitted telephone access to their family or an attorney, or both, without unnecessary delay after arrest, at no charge if made within the local calling area, as required by Iowa Code section 804.20.

**51.16(2)** *Attorneys and ministers.* Attorneys and ministers shall be permitted to visit detainees upon request of the detainee at reasonable hours if security and daily routine are not unduly interrupted.

**51.16(3)** *General visitation.*

*a.* All detainees in normal status shall be allowed reasonable visitation.

*b.* Rules shall specify who is allowed to visit and when and how often visitors are allowed.

*c.* Facility staff shall document the date and time of visit, name and address of each person visiting, and the name of the detainee visited. Computerized logs are acceptable.

*d.* A visit may be denied if reasonable suspicion exists that the visit might endanger the security of the facility. A record shall be made of such denial and the reason(s) therefor.

**51.16(4)** *Detaining non-U.S. citizens.* When non-U.S. citizens are detained, they shall be advised of the right to have their consular officials notified or the nearest consular officials shall be notified of the detention, whichever is required by the Vienna Convention. Consular officials shall be given access to non-U.S. citizens in the facility and shall be allowed to provide consular assistance. When a facility administrator becomes aware of the death of a non-U.S. citizen, consular officials shall be notified.

**51.16(5)** *Detainee mail.*

*a.* Detainees held beyond 24 hours shall be furnished a reasonable amount of writing materials upon request. Jail officials may prohibit a detainee from corresponding with a person who states in writing that the person does not want to correspond with the detainee. This mail restriction does not include a "prior approval" list.

*b.* A reasonable amount of postage shall be provided to indigent detainees who are held beyond 24 hours for communication with the courts and for at least two letters per week of a personal nature when other means of communication are not available.

*c.* General correspondence may be opened and inspected; it may be read for security reasons if the detainee is notified of this procedure.

*d.* Privileged correspondence if so marked may be opened only in the presence of the detainee and then only to detect the presence of contraband; privileged correspondence will not be read except by the detainee. Privileged correspondence is defined as incoming and outgoing mail to or from:

(1) An attorney;

(2) A judge;

(3) The governor of Iowa;

(4) The ombudsman office;

(5) A member of the state or federal legislature.

*e.* Written policy, procedure, and practice require that, excluding weekends and holidays, incoming and outgoing letters be held for no more than 24 hours and packages be held for no more than 48 hours for inspection before delivery to the detainee or post office.

**201—51.17(356,356A) Access to the courts.** Detainees shall be provided at their request pertinent sections of the Iowa Code or city ordinance pertaining to their offense and access to attorneys pursuant to rule 201—51.16(356,356A).

**201—51.18(356,356A) Discipline and grievance procedures.**

**51.18(1)** No detainee shall be allowed to have authority or disciplinary control over another detainee.

**51.18(2)** The use of physical force by staff shall be restricted to instances of justifiable self-protection, the protection of others or property, the prevention of escapes or the suppression of disorder, and then only to the degree necessary to overcome resistance. Corporal punishment is forbidden.

**51.18(3)** The following information shall be made available to all detainees and explained to any detainee unable to read English:

*a.* A set of rules (including sanctions) and regulations pertaining to the conduct of persons in custody.

*b.* What services are available to them.

*c.* A detainee grievance procedure that includes at least one level of appeal.

**51.18(4)** Deprivation of clothing, bedding, or hygienic supplies shall not be used as discipline or punishment. These items may be withheld from any detainee who the staff reasonably believes would destroy such items or use them as weapons, for self-injury, to aid in escape, or interfere with the normal operation of the facility.

**201—51.19(356,356A) Records.** The following records shall be maintained by the facility administrator for two years unless a different period is specified.

**51.19(1)** Facility calendar. This record shall contain information required by Iowa Code section 356.6.

**51.19(2)** Visitor registration. This record shall contain the name and address of the person visiting; name of detainee visited; and the date, time and duration of the visit.

**51.19(3)** Facility inspection records. Facility inspection records shall contain the following and be maintained for a minimum period of two years:

*a.* State fire marshal's certificates.

*b.* Written reports received from all persons doing official inspections of the facility.

**51.19(4)** Medical history intake form. Notation of injury upon admission shall be included.

**51.19(5)** Records of medical care.

**51.19(6)** Injury reports. Copies of all reports of investigations relating to injuries within the facility shall be maintained by the facility administrator in a separate injury file or referenced in the detainee file by log for a period of five years.

**51.19(7)** Disciplinary records.

**51.19(8)** Property receipts. Property receipts as required by Iowa Code section 804.19 shall be completed and distributed as required.

**51.19(9)** Fire and disaster evacuation plan and record(s) of required fire drills.

**51.19(10)** Records of staff training.

**51.19(11)** Disposition of medication. A record shall be kept of the disposition of prescribed medication not taken by a detainee.

**51.19(12)** Supervisory checks. A record shall be made to document all required supervisory checks of detainees.

**51.19(13)** Incident reports. Records shall be made to document the following:

*a.* Use of force;

*b.* Suicide/suicide attempts;

*c.* Threats to staff, staff assaults, fires, detainee abnormal behavior, any verbal or nonverbal references to suicide and self-mutilation.

The state jail inspection unit of the DOC shall be notified within 24 hours of any death, fire, or escape. Attempted suicide, injury to staff or detainees from assaults, use of force, and prisoner self-inflicted injuries shall be reported to the DOC within 24 hours of the occurrence of the incident, excluding holidays and weekends. A copy of the investigative reports and other records shall be given to the state jail inspector upon request.

**51.19(14)** Menu records. This record shall include letters of documentation issued by a qualified dietitian.

**201—51.20(356,356A) Nonsecure holds for juveniles.**

**51.20(1)** *Standards for nonsecure hold areas.* The area to be used to detain the juvenile must be an unlocked area such as a lobby, office or other open room. Additionally, the following minimum procedures must be followed:

*a.* The juvenile is not physically secured to any stationary object.

*b.* The juvenile is under continuous visual supervision.

*c.* The juvenile has access to bathroom facilities.

*d.* A meal or meals shall be provided at usual mealtimes.

**51.20(2)** *Supervision of juveniles in nonsecure hold.* Juveniles in nonsecure hold status (see Iowa Code sections 232.19(2) and 232.22(2)) shall have continuous visual supervision by a qualified adult. The holding facility administrator may contract with an outside agency to perform supervisory functions. Persons performing juvenile supervisory functions must:

*a.* Be at least 18 years of age.

*b.* Have received a physical prior to employment.

*c.* Perform at a staff-to-detainee ratio that will ensure a safe environment for both the juvenile(s) and the staff.

*d.* Report any knowledge of child abuse to mandatory child abuse reporters.

*e.* Have successfully completed a child abuse and criminal background check.

**51.20(3)** *Prohibited acts.* Each nonsecure site must develop a policy of posted orders that protects juveniles against neglect; exploitation; and degrading punishment, such as corporal punishment, verbal abuse, threats, or derogatory remarks about the juvenile or the juvenile's family; binding or tying to restrict movement; enclosing the juvenile in a confined space, such as a closet, locked room, or similar cubicle; and deprivation of meals.

**51.20(4)** *Attendant nonsecure area operating procedures.*

*a.* Attendant shall make certain the juvenile is aware of the policies of the nonsecure holding area.

*b.* The personal effects of the juvenile shall be placed in a safe, secure place. A property receipt shall be issued to the juvenile.

*c.* All items given to the juvenile are subject to being searched.

*d.* Attendant shall pat search the juvenile.

**51.20(5)** *Care and treatment.*

*a.* *Medical.*

(1) No juvenile shall be held who is obviously injured, is obviously physically or mentally ill or, in the judgment of the arresting officer, is under the influence of drugs or intoxicated from the use of alcohol to the point of needing medical attention without first being examined by a medical practitioner.

(2) In an emergency situation or when the juvenile is suffering severe pain or is in danger of loss of life or permanent injury, medical treatment may be administered without parental consent. When none of the above situations exist, parental consent or judicial concurrence must be made before providing medical treatment.

(3) Juveniles suspected of having a contagious or communicable disease shall be isolated from other juveniles.

(4) There shall be at least one person on duty in the facility containing the nonsecure room who is trained in multimedia first aid and CPR.

(5) First-aid kits shall be immediately available.

(6) Any person providing medication shall be trained in the procedure of providing medication.

(7) As part of the admission procedure, a medical history intake form shall be completed. As part of this procedure, an attempt will be made to determine if the juvenile is suicidal by observing behavior and looking for marks or scars that would indicate previous suicide attempts.

(8) There shall be written policies or procedures pertaining to providing medication.

(9) All medication shall be stored according to state pharmaceutical standards and written inventory control maintained. The inventory shall include the starting number of pills, when pills were provided and by whom, the remaining number of pills at the time the juvenile left the facility, the disposition of the remaining pills, and a staff witness to the disposition of the pills.

(10) Special diets as prescribed by a medical practitioner shall be followed and documented.

(11) When a special diet is required for an individual due to a bona fide religious belief, the facility shall meet that need.

*b. Communications.*

(1) Juveniles shall be permitted, at no charge, telephone access to their family or an attorney, or both, without unnecessary delay after being taken into custody. Once family or attorney has been contacted, the number of additional calls, if any, will be determined by attendant.

(2) Attorneys and ministers shall be permitted to visit upon request when such visiting will not disrupt security or daily routines of the facility. Determination of additional visits shall be made by attendant.

*c. Safety and sanitation.*

(1) Walls, floors, and ceiling shall be well maintained.

(2) Facility shall be maintained in a pest-free condition.

(3) Clean bedding, including sheets, blankets, and pillowcases, shall be issued to each juvenile who wishes to sleep between the hours of 9 p.m. and 7 a.m.

(4) Soiled clothing that may affect the health of the juvenile shall be exchanged for clean, facility-provided clothing.

(5) An emergency evacuation plan must be conspicuously posted.

(6) There shall not be less than one AA-ABC fire extinguisher in operable condition for each 3,000 square feet of facility on any given floor of the building.

(7) All exits shall be equipped with independent emergency lighting.

(8) Where exits are not immediately accessible from an open floor area, safe and continuous passage aisles or corridors leading directly to every exit shall be maintained and shall be so arranged as to provide access for each juvenile to at least two separate and distinct exits from each floor. A locked exit may be classified as an emergency exit only if necessary keys to locked doors are on the person of the attendant. Elevators shall not be counted as required exits.

(9) A means of fire detection utilizing equipment of a type tested and approved by Underwriters Laboratories shall be installed and maintained in operational condition according to the factory manual. These alarms shall be ceiling-mounted and of such construction to continue in operation during power failure. Alarms shall be tested on at least a monthly basis. Such test shall be documented.

(10) Only fire-resistant mattresses and pillows approved by the state fire marshal's office shall be used.

*d. Staff training requirements.*

(1) Attendants shall be knowledgeable of facility policies and procedures pertaining to juvenile nonsecure holds, and acknowledgment of this shall be made by attendant's dated signature.

(2) Nonsecure hold attendants shall have received instruction in the following areas prior to supervising juveniles in a nonsecure holding area:

1. Role of nonsecure hold attendant.
2. Confidentiality issues.
3. Intake procedures—medical and suicide screening.
4. Communication and listening skills.
5. Dealing with a depressed or suicidal juvenile.

6. Overview of state and federal law.
7. Provision of medication.
8. Gentle self-defense.
9. Child abuse identification.

*e. Juvenile supervision.*

(1) An attendant shall be in the presence of all juveniles held at all times. Same-sex attendant or staff shall be present when juveniles perform bodily functions/shower.

(2) A log shall be maintained at half-hour intervals reflecting the juvenile's activities and behavior.

*f. Records.* The following records shall be maintained by the facility for a period of at least two years:

(1) Medical history intake form.
(2) Records of medical care.
(3) Injury reports.
(4) Food served.
(5) Records of staff training.
(6) Disposition of medication.
(7) Individual log.
(8) Any use of force reports.
(9) Any suicide or suicide attempts reports.

*g. Incident reports.* Reports of the following incidents shall be sent to the state jail inspection unit, DOC, within 24 hours of incident:

(1) Any injury to juvenile or staff that requires medical attention.
(2) Any use of force by staff.
(3) Any attempted suicide.

The state jail inspection unit, DOC, shall be notified within five hours of any successful juvenile suicide that occurred in a nonsecure hold area.

**51.20(6)** *Exemption from nonsecure hold standards.* Any requests for exemption from nonsecure hold standards shall be submitted according to the provisions under 201—Chapter 2504.

These rules are intended to implement Iowa Code sections 80B.11A, 356.36 and 356.43 and chapter 356A.

**RA 26-199**

# EDUCATION DEPARTMENT[281]

## Regulatory Analysis

Notice of Intended Action to be published: 281—Chapter 11
"Department-Operated Special School and Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.107
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 256, subchapter V

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 to 10 a.m. | Room B50<br>Grimes State Office Building<br>Des Moines, Iowa<br>Via videoconference:<br>meet.google.com/fir-kvch-sjp |

*Public Comment*

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

Thomas A. Mayes
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

*Purpose and Summary*

After a review required by Executive Order 10, this proposed rulemaking removes obsolete language and rules.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no known costs to implement this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

All Iowans will benefit from the removal of obsolete language and rules.

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

There is no known quantitative impact.
- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**
- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no known costs.
- **Anticipated effect on State revenues:**

There is no effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Rulemaking is required by Iowa Code section 256.107.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly alternatives. Rulemaking is required by statute.

6. **Alternative methods considered by the agency:**
- **Description of any alternative methods that were seriously considered by the agency:**

There are no plausible alternatives to rulemaking.
- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

There are no plausible alternatives to rulemaking.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**
- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

There is no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 281—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
DEPARTMENT-OPERATED SPECIAL SCHOOL AND PROGRAM

**281—11.1(256) Organization: Iowa educational services for the blind and visually impaired.**

**11.1(1)** *Statement of mission.* The mission of Iowa educational services for the blind and visually impaired (IESBVI) has two primary components: to provide direct educational services to visually impaired children and youth of the state of Iowa and to serve a leadership and resource role in statewide efforts to meet the needs of the visually impaired. In fulfilling its stated mission, IESBVI will coordinate its efforts with all appropriate state agencies, area education agencies, and local education agencies.

*a.* Consistent with the various sections of the Iowa Code, the educational mission of IESBVI is to provide an appropriate individual education program for visually impaired children and youth who require the comprehensive programs provided by the school.

*b.* The educational programs of IESBVI will be consistent with the philosophy, reflected in federal and state legislation, that children and youth with and without disabilities be educated together to the greatest extent possible. Thus, IESBVI assumes responsibility for providing an education for the blind and visually impaired, including those with additional handicaps, for whom the comprehensive educational programs of IESBVI are most appropriate.

*c.* The scope of the educational program includes provisions for the blind and visually impaired from infancy through secondary education.

*d.* The IESBVI also serves as a state resource and dissemination center for education of the blind and visually impaired. In this role, IESBVI has a central and vital mission in the statewide education of the blind and visually impaired and provides a resource center for educators, related field professionals, parents, and all interested citizens. Such a role affords the opportunity for the community at large to draw upon the specialized program and services available at IESBVI.

*e.* IESBVI will make its special resources available to regent universities, area education agencies, local education agencies, and other public and private agencies. Resource services would provide support in such activities as:

(1) Assessment, counseling, and educational planning for visually impaired children and youth;
(2) Programs for development of specialized skills;
(3) Parent education;
(4) Instruction in orientation and mobility;
(5) Research;
(6) Preservice and continuing education of teachers and related professionals;
(7) Consultative services to other professionals;
(8) Curriculum development and evaluation; and
(9) Development, use, and dissemination of instructional materials and technology.

*f.* Within the scope of IESBVI's mission, future programs will be determined by the ongoing evaluation of existing programs and an analysis of developing needs. Programs will be added, curtailed, or eliminated based on assessment of need and the most effective use of resources. IESBVI remains flexible so as to respond quickly and effectively to unmet needs of visually impaired children and youth of Iowa.

**11.1(2)** *Officers.* IESBVI has two statutory officers: the superintendent and the secretary-treasurer (business manager). The superintendent is the chief administrative officer of IESBVI and has such authority and duties as delegated by the department of education. The secretary-treasurer (business manager) is responsible for investments, financial transactions, financial records, maintenance of facilities and related services as delegated by the superintendent.

**11.1(3)** *Organization.* The mission of IESBVI is carried out through the regular academic programs, the special curriculum program, and outreach services.

**11.1(4)** *Communications.* Written inquiries, personal inquiries, submissions, and requests should be addressed to the Office of the Superintendent, 3501 Harry Langdon Boulevard, Council Bluffs, Iowa 51503, or the office of the Department of Education, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa 50319. In general, inquiries, submissions and requests by the public may be submitted via informal letter. However, application for a particular purpose is to be made on a specified form. A list of these forms and the address where they may be obtained is found in 281—11.2(256).

**281—11.2(256) Forms.** IESBVI uses a number of forms in its relations with the public. They are available from the superintendent's office, 3501 Harry Langdon Boulevard, Council Bluffs, Iowa 51503.

**281—11.3** to **11.5** Reserved.

**281—11.6(256) Admission requirements.** To receive services from IESBVI, an individual must meet the following criteria:

1. Be blind or visually impaired;
2. Be intellectually and physically capable of benefiting from IESBVI's educational services, as determined by the decision-making processes and teams required by 281—Chapter 41;
3. Be of an age eligible for special education services under Iowa Code chapter 256B;
4. Be immunized as evidenced by a valid certificate of immunization, unless an exception or exemption applies; and
5. Be a resident of the state of Iowa. (The residency requirement will be established on an individual basis consistent with the laws of the state of Iowa and the rules of the state board of education.)

**281—11.7** to **11.10** Reserved.

**281—11.11(256) Organization: Iowa School for the Deaf.**

**11.11(1)** *Statement of mission.* The mission of the Iowa School for the Deaf (ISD) has two primary components: to provide direct educational services to deaf and hard-of-hearing children and youth of the state of Iowa and to serve a leadership and resource role in statewide efforts to meet the needs of the deaf and hard of hearing. In fulfilling its stated mission, ISD will coordinate its efforts with all appropriate state agencies, area education agencies, and local education agencies.

*a.* Consistent with various sections of the Iowa Code, the educational mission of ISD is to provide an appropriate individual education program for deaf and hard-of-hearing children and youth who require the comprehensive programs provided by the school.

*b.* The educational programs of ISD will be consistent with the philosophy, reflected in federal and state legislation, that children and youth with and without disabilities be educated together to the greatest extent possible. Thus, ISD assumes responsibility for providing an education for those deaf and hard-of-hearing children and youth, including those with additional disabilities, for whom the comprehensive educational programs of the school are appropriate.

*c.* The scope of the educational program includes provisions for the deaf and hard of hearing from infancy through secondary education. Program formats include full-time residential, day school, summer and other short-term residential programs to meet specific needs, vocational, and on- and off-campus individual assessment and evaluation services. For residential students, activities and experiences on a 24-hour basis, not restricted to the traditional academic day, are an integral part of the program.

*d.* ISD also serves as a state resource and dissemination center for education of the deaf and hard of hearing. In this role, the school has a central and vital mission in the statewide education of the deaf and hard of hearing and provides a resource center for educators, related field professionals, parents, the deaf and hard-of-hearing community, and all interested citizens. Such a role affords the opportunity for the community at large to draw upon the specialized programs and services available at ISD.

*e.* ISD will make its special resources available to regent universities, area education agencies, local education agencies, and other public and private agencies. Resource services would provide support in such activities as:

(1) Assessment, counseling, and educational planning for deaf and hard-of-hearing children and youth;

(2) Programs for development of specialized communications skills;

(3) Parent education;

(4) Extended educational programming for deaf and hard-of-hearing adults;

(5) Research;

(6) Preservice and continuing education of teachers and related professionals;
(7) Curriculum development and evaluation; and
(8) Development and dissemination of instructional materials and technology.

*f.* Within the scope of the school's mission, future programs will be determined by the ongoing evaluation of existing programs and an analysis of developing needs. Programs will be added, curtailed, or eliminated based on assessment of need and the most effective use of resources. The school remains flexible so as to respond quickly and effectively to unmet needs of deaf and hard-of-hearing children and youth of Iowa.

**11.11(2)** *Officers.* The school has two statutory officers: the superintendent and the secretary-treasurer. The superintendent is the chief administrative officer of the school and has such authority and duties as delegated by the board of regents. The secretary-treasurer is responsible for nonfaculty personnel, investments, financial transactions, financial records, maintenance of facilities and related services as delegated by the superintendent. The secretary-treasurer is also designated as business manager.

**11.11(3)** *Organization.* The academic mission of the school is principally carried out through its elementary, middle school, and high school departments.

**11.11(4)** *Communications.* Written and personal inquiry, submissions and requests should be addressed to the Office of the Superintendent, Iowa School for the Deaf, 3501 Harry Langdon Blvd., Council Bluffs, Iowa 51503-7898, or the office of the Iowa Department of Education, Grimes State Office Building, 400 East 14th Street, Des Moines, Iowa 50319. Generally, inquiries, submissions and requests by the public may be submitted by informal letter. However, application for some purposes is to be made on a specified form. A list of the forms, general description, and the address where they may be obtained are found at 281—11.12(256).

**281—11.12(256) Forms.** The school uses the following forms in its relations with the public. They are available from the superintendent's office, Iowa School for the Deaf, 3501 Harry Langdon Blvd., Council Bluffs, Iowa 51503-7898.

Application for student admission
Facilities Request Form
Employment—application for employment

**281—11.13** Reserved.

**281—11.14(256) Transportation.** Transportation from the institution to the residence of the parents or guardians and return to the institution for children enrolled in the Iowa School for the Deaf shall be reimbursed or provided as follows:

**11.14(1)** Transportation or transportation reimbursement at a rate to be established annually by the state board of regents shall be provided to the parents or guardians of children who reside in the Council Bluffs area but do not live at the school and travel daily to the school.

**11.14(2)** Transportation for children who attend the school and live outside the Council Bluffs area shall be provided in accordance with special education law.

**281—11.15(256) General rules.**

**11.15(1)** Salespersons or agents for any product, proposition, or cause are prohibited from soliciting employees or students in any building or part of the school property, except with the permission of the superintendent.

**11.15(2)** Permission is given by the superintendent for the solicitation of employees by charitable organizations under all of the following circumstances:

*a.* The charitable organization presents documentation of its tax-exempt status as provided in Section 501(C)(3) of the Internal Revenue Code.

*b.* The solicitation is conducted through the school's campus mail system or once a year through an on-campus coordinated campaign of all eligible organizations meeting the conditions and giving written notice to the school of the desire to participate at least 120 days prior to the campaign period.

*c.* The organization may be expected to pay the administrative and out-of-pocket costs associated with using the campus mail system or other school facilities.

*d.* The solicitation by any one charitable organization may occur once in any calendar year.

*e.* No solicitation using the school's facilities may occur except as described above; however, any eligible charitable organization may arrange to conduct information sessions at which no solicitation occurs, at times and places and in a manner the school deems reasonable.

*f.* Any eligible charitable organization acting pursuant to the authority of this rule may also make use of the payroll deduction system described in Iowa Code sections 70A.14 and 70A.15, if qualified under the terms of those provisions.

These rules are intended to implement Iowa Code chapter 256, subchapter V.

**RA 26-200**

# EDUCATION DEPARTMENT[281]

## Regulatory Analysis

Notice of Intended Action to be published: 281—Chapter 31
"Private Instruction and Dual Enrollment"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 299A.10
State or federal law(s) implemented by the rulemaking: Iowa Code chapters 299 and 299A

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 to 10 a.m. | Room B50<br>Grimes State Office Building<br>Des Moines, Iowa<br>Via videoconference:<br>meet.google.com/fir-kvch-sjp |

*Public Comment*

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

Thomas A. Mayes
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

*Purpose and Summary*

This proposed rulemaking implements sections 98 and 99 of 2026 Iowa Acts, House File 2754.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no known costs to implement this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

Individuals providing private instruction and the students who they will serve will benefit from this rulemaking.

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

There is no known quantitative impact.
- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Rulemaking is required by Iowa Code section 299A.10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly alternatives. Rulemaking is required by statute.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

There are no plausible alternatives to rulemaking.

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

There are no plausible alternatives to rulemaking.

*Small Business Impact*

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

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

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

There is no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Adopt the following **new** subrules 31.7(8) and 31.7(9):

**31.7(8)** *Recognition of attainment in private instruction.* Recognition of attainment in private instruction, including recognition of diplomas and transcripts, is governed by Iowa Code section 299A.13 as enacted by 2026 Iowa Acts, House File 2754, section 98.

**31.7(9)** *Verification of enrollment or participation.* The rights of a parent, guardian, or legal custodian of a child of compulsory education age who is receiving competent or private instruction are governed by Iowa Code section 299A.14 as enacted by 2026 Iowa Acts, House File 2754, section 99.

**RA 26-201**

# EDUCATION DEPARTMENT[281]

## Regulatory Analysis

Notice of Intended Action to be published: 281—Chapter 79
"Standards for Practitioner and Administrator Preparation Programs"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.7(3), 256.7(5), and 256.16
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.16

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 to 10 a.m. | Room B50<br>Grimes State Office Building<br>Des Moines, Iowa<br>Via videoconference:<br>meet.google.com/fir-kvch-sjp |

*Public Comment*

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

Thomas A. Mayes
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

*Purpose and Summary*

This proposed rulemaking removes surplus language and provides greater detail on preparing future teachers to deliver instruction consistent with the science of reading and evidence-based instruction in mathematics.

*Analysis of Impact*

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

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

Costs of a modest but unknown amount will be borne by practitioner preparation programs.

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

Teacher candidates and the students who they will serve will benefit from this rulemaking.

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

- **Quantitative description of impact:**

There is no known quantitative impact.

- **Qualitative description of impact:**

There is no known qualitative impact.

3. **Costs to the State:**

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

There are no known costs.

- **Anticipated effect on State revenues:**

There is no effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Rulemaking is required by Iowa Code section 256.16.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly alternatives. Rulemaking is required by Iowa Code section 256.16.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

There are no plausible alternatives to rulemaking.

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

There are no plausible alternatives to rulemaking.

*Small Business Impact*

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

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

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

There is no impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Adopt the following **new** definition of "Literacy changes lives: Iowa literacy competencies for preservice educators," in rule **281—79.2(256)**:

*"Literacy changes lives: Iowa literacy competencies for preservice educators"* means the department's tool with specific requirements for all teacher candidates and those candidates in specified endorsement areas listed on the department website (educate.iowa.gov) that was most recently updated by the department on [the effective date of this rulemaking].

ITEM 2. Rescind subrule 79.15(3) and adopt the following **new** subrule in lieu thereof:

**79.15(3)** Literacy instruction and practical application include all of the following:

*a.* All teacher candidates demonstrate competency in:

(1) Literacy, including reading theory, knowledge, and evidence-based reading strategies and approaches, and integrating literacy instruction into content areas.

(2) Direct and explicit strategies and systematic and sequential approaches to teaching phonemic awareness, phonics, vocabulary, fluency, and text comprehension.

(3) Responsive teaching and making appropriate accommodations for students who struggle with literacy. Demonstrated competency shall address the needs of all students, including those listed in Iowa Code section 256.16(1)*"a."*

Preparation shall not include instruction or practical application on teaching foundational reading that incorporates the three-cueing system.

*b.* Each educator preparation program will adopt literacy curriculum for teacher candidates in specified endorsement areas, listed on the department website (educate.iowa.gov) that include evidence-based reading instruction, determined by research, including those practices identified within the statewide literacy plan, and detailed in literacy changes lives: Iowa literacy competencies for preservice educators.

ITEM 3. Renumber subrules **79.15(4)** to **79.15(5)** as **79.15(5)** to **79.15(6)**.

ITEM 4. Adopt the following **new** subrule 79.15(4):

**79.15(4)** Mathematics instruction and practical application include all of the following:

*a.* All teacher candidates demonstrate competency in:

(1) Assessment, diagnosis, and evaluation of student learning in mathematics.

(2) Current, research-based instructional methods in mathematical processes, including:

1. Systemic and sequential instruction in mathematical progressions.

2. Conceptual understanding, procedural fluency, and application.

3. Use of high-quality instructional materials aligned to Iowa's academic standards.

4. Leveraging multiple numerical models, benchmark numbers, and diverse representations across all grade levels.

5. Differentiated instruction and responsive teaching, including small-group interventions and intensive interventions for students who are persistently at risk in mathematics.

(3) Appropriate integration of technology in teaching and student learning in mathematics.

(4) Classroom management applied to mathematics methods, including fostering productive struggle and mathematical discourse.

*b.* Each educator preparation program will adopt mathematics curriculum for teacher candidates in specified endorsement areas, listed on the department website (educate.iowa.gov) that include evidence-based mathematics instruction and that are detailed in the mathematics teacher preparation workbook, most recently published on [the effective date of this rulemaking].

**RA 26-202**

# EDUCATION DEPARTMENT[281]

## Regulatory Analysis

Notice of Intended Action to be published: 281—Chapter 95
"Equal Employment Opportunity in Educational Agencies"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 19B.11(2)
State or federal law(s) implemented by the rulemaking: Iowa Code section 19B.11

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 to 10 a.m. | Room B50<br>Grimes State Office Building<br>Des Moines, Iowa<br>Via videoconference:<br>meet.google.com/fir-kvch-sjp |

*Public Comment*

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

Thomas A. Mayes
Grimes State Office Building
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.281.8661
Email: thomas.mayes@iowa.gov

*Purpose and Summary*

This proposed rulemaking implements amendments made to Iowa Code section 19B.11 by 2026 Iowa Acts, House File 2711.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

The proposed rulemaking is not anticipated to impose significant new costs on any class of persons.
- **Classes of persons that will benefit from the proposed rulemaking:**

Local school districts, area education agencies, community colleges, and other educational entities subject to Chapter 95 will benefit from the proposed rulemaking through increased consistency between administrative rules and current State law.

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

This rulemaking does not impose measurable costs beyond those imposed by law.

- **Qualitative description of impact:**

This proposed rulemaking updates Chapter 95 to align with changes enacted by 2026 Iowa Acts, House File 2711.

3. **Costs to the State:**

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

The Department does not anticipate significant new implementation or enforcement costs resulting from the proposed rulemaking.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to have a measurable effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking primarily updates Chapter 95 to conform to changes enacted by 2026 Iowa Acts, House File 2711. The benefits of the proposed rulemaking include improved consistency between administrative rules and current statutory requirements, increased clarity for regulated entities, and reduced potential for confusion or misinterpretation in implementation of equal employment opportunity requirements. In contrast, inaction would result in administrative rules that are inconsistent with current law, which could create confusion for educational entities subject to Chapter 95 and increase the likelihood of inconsistent application of requirements across the State. Overall, the benefits of aligning administrative rules with current statutory authority are expected to outweigh the minimal administrative costs associated with implementation of the proposed rulemaking.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Department has determined that no less costly or less intrusive methods exist to achieve the purpose of the proposed rulemaking.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No other methods were seriously considered by the Department since the method proposed is the most cost-efficient and seamless for all entities involved.

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

Alternative methods were rejected because they would lead to additional burdens on educational entities and the Department.

*Small Business Impact*

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

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

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

The proposed rulemaking is not expected to impact small businesses.

*Text of Proposed Rulemaking*

ITEM 1. Amend **281—Chapter 95**, title, as follows:

EQUAL EMPLOYMENT OPPORTUNITY
~~AND AFFIRMATIVE ACTION~~ IN EDUCATIONAL AGENCIES

ITEM 2. Amend rule 281—95.1(19B) as follows:

**281—95.1(19B) Definitions.** The following definitions will be applied to the rules in this chapter:

~~*"Affirmative action"* means action appropriate to overcome the effects of past or present practices, policies, or other barriers to equal employment opportunity.~~

*"Agency"* means a local school district, an area education agency or a community college.

~~*"Availability"* means the extent to which members of a racial/ethnic group, women, men or persons with disabilities are present within the relevant labor market.~~

~~*"Department"* means the Iowa department of education.~~

*"Director of education"* means the director of the Iowa department of education.

*"Equal employment opportunity"* means equal access to employment, training and advancement, or employment benefits regardless of race, creed, color, religion, sex, age, national origin and disability.

~~*"Metropolitan statistical area"* means a large population nucleus (over 50,000 persons) and nearby communities which have a high degree of economic and social integration with that nucleus. Each area consists of one or more entire counties.~~

~~*"Person with a disability"* means any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment or is regarded as having such an impairment, as defined in Iowa Code section 216.2.~~

~~*"Racial/ethnic minority person"* means any person who is African American, Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native.~~

~~*"Relevant labor market"* means the geographic area in which an agency can reasonably be expected to recruit for a particular job category.~~

~~*"Underrepresentation"* means having fewer members of a racial/ethnic group, women, men or persons with disabilities in a particular job category than would be reasonably expected based on their availability in the relevant labor market.~~

*"Work force"* means an agency's full-time and part-time employees.

ITEM 3. Amend rule 281—95.2(19B) as follows:

**281—95.2(19B) Equal employment opportunity standards.** An agency's employment policies and practices shall provide equal employment opportunity to all persons. No person may be denied equal access to agency employment opportunities because of race, creed, color, religion, national origin, ~~gender~~ sex, age or disability.

ITEM 4. Amend rule 281—95.3(19B) as follows:

**281—95.3(19B) Duties of boards of directors.** Each agency's board of directors will adopt a policy ~~statements~~ statement and develop ~~plans~~ a plan for implementation of equal employment opportunity standards ~~and affirmative action programs~~, which contain the following elements:

1. A policy statement outlining the board of directors' commitment to the principles of equal employment opportunity ~~and affirmative action~~, which ~~contain~~ contains procedures for employees and applicants for employment to redress complaints of discrimination.

2. A written equal employment opportunity ~~and affirmative action~~ plan, to be evaluated and updated on a biennial basis.

3. Assignment of responsibility to an employee for coordinating the development and ongoing implementation of the ~~plans~~ plan. This employee may be the same employee who has been assigned to coordinate the agency's efforts to comply with federal laws requiring nondiscrimination in educational programs and employment.

4. Systematic input from diverse racial/ethnic groups, women, men and persons with disabilities into the development and implementation of the ~~plans~~ plan, which may include using existing advisory committees or public hearing procedures.

5. Periodic training for all staff who hire or supervise personnel on the principles of equal employment opportunity ~~and the implementation of its affirmative action plan~~.

~~6. Maintenance of necessary records to document its affirmative action progress. An agency will report employment data to the department by racial/ethnic category, gender and disability.~~

ITEM 5. Amend rule 281—95.4(19B), introductory paragraph, as follows:

**281—95.4(19B) Plan components.** In addition to the board policy statement, each agency's equal employment opportunity ~~and affirmative action~~ plan will include, at a minimum, the following components:

ITEM 6. Amend subrule 95.4(1) as follows:

**95.4(1)** *General.*

*a.* The name, job title, address and phone number of the employee responsible for coordinating the development and implementation of the equal employment opportunity ~~and affirmative action plans~~ plan.

*b.* An administrative statement on how the agency's equal employment opportunity ~~and affirmative action policies~~ policy and ~~plans are~~ plan is to be implemented, including the internal system for auditing and reporting progress, to be signed and dated by the chief executive officer of the agency.

*c.* A work force analysis showing the numerical and percentage breakdown of the agency's full-time and part-time employees within each major job category (consistent with the E.E.O. 5 and E.E.O. 6 occupational categories reported to the United States Equal Employment Opportunity Commission) by racial/ethnic group~~, gender,~~ and disability. For the purpose of confidentiality, disability data may be based on total agency figures, rather than those of major job categories.

~~*d.* A quantitative analysis comparing work force analysis figures with the availability of qualified or qualifiable members of racial/ethnic groups, women, men and persons with disabilities within the relevant labor market.~~

~~*e.* When underrepresentation is identified in one or more major job category, the agency will conduct a qualitative analysis to be included in the agency's affirmative action plan. The qualitative analysis is a review of employment policies and practices to determine if and where those policies and practices tend to exclude, disadvantage, restrict or result in adverse impact on the basis of racial/ethnic origin, gender, or disability. The analysis may include, but is not limited to the review of:~~

~~(1) Recruitment practices and policies;~~

~~(2) A demographic study of the applicant pool and flow;~~

~~(3) The rate and composition of turnover in major job categories;~~

~~(4) Trends in enrollment that will affect the size of the work force;~~

~~(5) Application and application screening policies and practices;~~

~~(6) Interview, selection, and placement policies and practices;~~

~~(7) Transfer and promotion policies and practices;~~

~~(8) Discipline, demotion, termination, and reduction in force policies and practices;~~

~~(9) Employee assistance, training selection, and mentoring policies and practices;~~

~~(10) The impact of any collective bargaining agreement on equal employment opportunity and the affirmative action process;~~

~~(11) Law, policies or practices external to the agency that may hinder success in equal employment opportunity and affirmative action.~~

ITEM 7. Rescind and reserve subrules **95.4(2)** to **95.4(4)**.

ITEM 8. Amend rule 281—95.5(19B) as follows:

**281—95.5(19B) Dissemination.** Each agency will adopt an internal and external system for disseminating its equal employment opportunity ~~and affirmative action policies~~ policy and ~~plans~~ plan.

**95.5(1)** *Plan distribution.* An agency will annually distribute its ~~policies~~ policy and ~~plans~~ plan to agency employees involved in the hiring or management of personnel, and the agency will make the ~~policies~~ policy and ~~plans~~ plan available to other agency employees, the public and the director of education upon request.

**95.5(2)** No change.

ITEM 9. Amend rule 281—95.6(19B) as follows:

**281—95.6(19B) Reports.** Each agency will submit an annual progress report on equal employment opportunity ~~and affirmative action~~ to its local board of directors and the director of education upon request. ~~Each agency will submit its annual progress report under this chapter to the department by December 31 of each year. The report is a part of the basic educational data collection system administered by the department.~~

**RA 26-191**

# HUMAN SERVICES DEPARTMENT[441]

**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 116
"Licensing and Regulation of Residential Facilities for Children
with an Intellectual Disability or Brain Injury"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237.3
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 237

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10 a.m. | Microsoft Teams<br>Meeting ID: 263 183 115 478 438<br>Passcode: RG9AC95E |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

*Purpose and Summary*

This chapter was reviewed as a part of the Red Tape Review process laid out by Executive Order 10. Through the review, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter relates specifically to the licensing and regulation of residential facilities serving children with an intellectual disability or a brain injury.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

Children, families, and facilities serving children with an intellectual disability or a brain injury in Iowa will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential facilities in the State.

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

- **Quantitative description of impact:**

There is not expected to be a quantitative impact from this proposed rulemaking.

- **Qualitative description of impact:**

Children, families, and facilities serving children with an intellectual disability or a brain injury in Iowa will benefit from having clear, concise, and accurate rules regarding the certification standards for children's residential facilities in the State.

3. **Costs to the State:**

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

There are no other implementation or enforcement costs aside from personnel expenses.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have an effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The rules set forth in this proposed chapter are appropriate under Iowa Code chapter 237.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

This rulemaking is not expected to have an impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 441—Chapter 116 and adopt the following **new** chapter in lieu thereof:

CHAPTER 116
LICENSING AND REGULATION OF RESIDENTIAL FACILITIES FOR CHILDREN WITH AN INTELLECTUAL DISABILITY OR BRAIN INJURY

**441—116.1(237) Definitions.**

*"Caseworker"* means the same as defined in 441—Chapter 114.

*"Casework supervisor"* means the same as defined in 441—Chapter 114.

*"Community residential facility for children with an intellectual disability or brain injury"* means the same as a community residential facility as defined in rule 441—114.2(237).

*"Comprehensive residential facility for children with an intellectual disability or brain injury"* means a comprehensive residential facility as defined in rule 441—115.2(237).

*"Child care worker"* means the same as defined in rule 441—114.2(237).

*"Direct-service provider"* means any employee of an agency whose primary responsibility is the care and programming of the children through direct interactions.

*"Indirect-service provider"* means an employee of an agency who supervises, coordinates and administers employees and program components.

**441—116.2(237) Qualifications of staff.**

**116.2(1)** *Direct-service providers.* Direct-service providers shall be paraprofessionals or professionals meeting all of the following criteria:

*a.* Paraprofessionals shall:

(1) Be at least 18 years of age.

(2) Have graduated from high school or earned a high school equivalency degree.

(3) Have completed the prescribed agency training program.

(4) Be appropriate to the specific job description of the employing agency.

*b.* Professionals in the direct-service provider category shall:

(1) Be at least 18 years of age.

(2) Have a bachelor of arts degree in a related field; or an associate of arts degree in a related field and two years' experience specific to the job responsibilities; or two years of higher education in a related field and two years' experience specific to job responsibilities; or four years' experience in programming specific to job responsibilities.

(3) Have completed the prescribed agency training program.

(4) Be appropriate to the specific job description of the employing agency.

**116.2(2)** *Indirect-service providers.* Indirect-service providers shall meet one of the following education and experience criteria:

*a.* Have a master's degree in social work or a master of arts degree in a related field and one year of experience specific to job responsibilities.

*b.* Have a bachelor of arts degree in a related field and two years' experience specific to job responsibilities.

*c.* Have an associate of arts degree in a related field and four years' experience specific to job responsibilities.

*d.* Have five years' specific treatment program experience relating to the job responsibilities.

**441—116.3(237) Staff-to-client ratio.** The number and qualifications of the staff will vary depending on the needs of the children. There shall be at least a one-to-four staff-to-client ratio during prime programming time.

**441—116.4(237) Program components.** In addition to the requirements of 441—subrule 114.8(3), the facility shall have and follow a written procedure that defines who is responsible for overseeing personal hygiene of children and maintaining general orderliness of the facility.

**441—116.5(237) Restraint.** In addition to the provisions of 441—Chapters 114 and 115, a restraint may be used as stated in the child's individual service plan as approved by the parent or guardian, caseworker, and facility as long as that facility meets the standards for utilizing that particular type of restraint.

These rules are intended to implement Iowa Code chapter 237.

**RA 26-192**

# HUMAN SERVICES DEPARTMENT[441]

**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 153
"Funding for Local Services"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.6
State or federal law(s) implemented by the rulemaking: Iowa Code section 234.6

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10 a.m. | Microsoft Teams<br>Meeting ID: 263 183 115 478 438<br>Passcode: RG9AC95E |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

*Purpose and Summary*

This chapter was reviewed as a part of the Red Tape Review process laid out by Executive Order 10. As a result of the Red Tape Review for this chapter, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This proposed chapter sets forth the requirements for reporting required for receipt of federal Social Services Block Grant (SSBG) funds and service availability and allocation methodology related to those funds.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

Families that depend on and receive funds or services through the SSBG will benefit from having clear rules to ensure Iowa can remain in compliance with the federal reporting guidelines.

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

This proposed rulemaking is not expected to have a quantitative effect on those who receive funds through the SSBG.

- **Qualitative description of impact:**

Families that depend on and receive funds or services through the SSBG will benefit from having clear rules to ensure Iowa can remain in compliance with the federal reporting guidelines.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs associated with this proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Rulemaking is appropriate under Iowa Code section 234.6.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

This proposed rulemaking is not expected to have any impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 441—Chapter 153 and adopt the following **new** chapter in lieu thereof:

CHAPTER 153
FUNDING FOR LOCAL SERVICES

**441—153.1(234) Development of pre-expenditure report and intended use plan.**

**153.1(1)** The department will develop the social services block grant pre-expenditure report and intended use plan on an annual basis. The report and plan will be developed in accordance with 45

CFR Part 96, Subpart G, as amended to August 1, 2026. The report and plan will describe the services to be funded, the areas in which services are available, and the amount of funding available. The plan will also indicate the source of the funding.

**153.1(2)** The department will issue a proposed pre-expenditure report and intended use plan before publication of the final report and plan. The proposed report and plan will be available for public review and comment.

**153.1(3)** The department will announce the time and scope of public review each year. The announcement will indicate where the proposed report and plan can be viewed.

**153.1(4)** The department will accept comments about the pre-expenditure report and intended use plan during the specified public review and comment period.

**153.1(5)** The department will consider public comments when developing the final pre-expenditure report and intended use plan.

**153.1(6)** A copy of the final pre-expenditure report and intended use plan will be available on the department's website.

**441—153.2(234) Amendment to pre-expenditure report and intended use plan.**

**153.2(1)** The pre-expenditure report and intended use plan may be amended throughout the year. The department may file an amendment changing the type, scope or duration of a service. Decisions to change a direct service or state-purchased service will be made by the department. Prior to filing an amendment, the department will evaluate available funds and the effect any change will have on clients.

**153.2(2)** An amendment in the pre-expenditure report and intended use plan will be posted on the department's website at least 30 days prior to the effective date of the change. However, in the event funding for the service has been exhausted, an amendment will be posted immediately notifying the public that the service will no longer be available.

*a.* The department will, whenever possible, give advance notice of a service termination made necessary because funds have been exhausted.

*b.* When a service is added or extended, an amendment may be posted immediately, and a 30-day posting period is not required.

**153.2(3)** Individuals or groups may submit written comments to the department.

**153.2(4)** Nothing in this rule will supersede the requirement for notifying clients of adverse action as provided in rule 441—130.5(234).

**441—153.3(234) Service availability.**

**153.3(1)** A client seeking services shall apply for services from the department.

*a.* The department will determine eligibility according to rule 441—130.3(234).

*b.* The department will develop a case plan to monitor the client's progress toward achieving goals as identified in rule 441—130.7(234).

**153.3(2)** A client shall receive a service for which the client is eligible, subject to the provisions of 441—Chapter 130, when the service is listed in the geographic area in which the client resides.

**153.3(3)** When federal law prohibits the use of federal funds for the social services block grant, state funds shall be used to pay for services to persons the department has defined as eligible.

**441—153.4(234) Allocation of block grant funds.**

**153.4(1)** The department will follow a cost allocation plan for determining the appropriate administrative costs to be funded with block grant money.

**153.4(2)** Funding for services will be allocated in accordance with the annual budgeting process. The department's annual budget is available for review on the department's website. Costs may be shifted in and between service areas to ensure continued statewide availability of services.

**441—153.5(234) Expenditure of supplemental funds.** When supplemental funds are issued through the social services block grant as emergency disaster relief, the department will administer the funds in compliance with the terms of the federal award.

These rules are intended to implement Iowa Code section 234.6.

**RA 26-193**

# HUMAN SERVICES DEPARTMENT[441]

**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 176
"Dependent Adult Abuse"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 235B
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 235B

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10 a.m. | Microsoft Teams<br>Meeting ID: 263 183 115 478 438<br>Passcode: RG9AC95E |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

*Purpose and Summary*

This proposed chapter was reviewed under Executive Order 10. As a result, duplicative terms were removed, restrictive terms were reduced, and the rules were streamlined and updated to reflect current practices. This proposed chapter outlines the ways that dependent adult abuse reports can be received, describes the investigative process, and sets forth rules for responding to an allegation of dependent adult abuse.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs associated with this proposed rulemaking.
- **Classes of persons that will benefit from the proposed rulemaking:**

Dependent adults and their caregivers will benefit from streamlined rules that set forth the rights and responsibilities of those involved regarding a report of dependent adult abuse.

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

The review of this proposed chapter did not result in any quantitative changes to the protections and rights afforded to those involved in potential dependent adult abuse responses.

• **Qualitative description of impact:**

The review of this proposed chapter further clarified the definition of "denial of critical care," updated language to be in line with the Department's background check policy, and aligned terminology so that it is consistent with current practices.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs associated with enforcement of this proposed chapter.

• **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Not applicable.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Rulemaking for dependent adult abuse reports and investigations is required by Iowa Code chapter 235B.

*Small Business Impact*

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

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

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

This rulemaking will not have an impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 441—Chapter 176 and adopt the following **new** chapter in lieu thereof:

CHAPTER 176
DEPENDENT ADULT ABUSE

**441—176.1(235B) Definitions.**

*"Assault"* means the same as defined in Iowa Code section 708.1.

*"At-risk adult"* means a dependent adult whose personal health or safety is at risk due to impairments, the environment, a substance use disorder, a lack of services or social supports, a refusal to accept services, or other risk factors identified through an assessment.

*"Caretaker"* means the same as set forth in Iowa Code section 235B.2.

*"Collateral sources"* means any person or agency who is providing, either in a professional or paraprofessional capacity, service to the dependent adult, including but not limited to doctors, counselors, and public health nurses.

*"Denial of critical care"* exists when the dependent adult's basic needs are denied or ignored to such an extent that there is imminent danger of the dependent adult suffering injury or death.

*"Dependent adult"* means the same as set forth in Iowa Code section 235B.2.

*"Dependent adult abuse"* means the same as set forth in Iowa Code section 235B.2.

*"Expungement"* means the process of permanently deleting electronic and printed materials regarding dependent adult abuse information in compliance with Iowa Code section 235B.9.

*"Finding"* means the department's determination, following an investigation, of whether dependent adult abuse or self-neglect occurred.

*"Immediately"* means within 24 hours when referring to mandatory reporters reporting suspected abuse of a dependent adult.

*"Imminent"* means occurring or likely to occur soon.

*"Investigation"* means the process of examining and gathering information about an allegation of dependent adult abuse to determine if the circumstances of the allegation meet the standards of evidence for a finding.

*"Investigative summary"* means the written documentation of an investigation that summarizes the information gathered, including all actions taken or contemplated, the analysis of the evidence, and the finding of whether dependent adult abuse or self-neglect occurred.

*"Multidisciplinary team"* means a membership of individuals who possess knowledge and skills related to the diagnosis, assessment, and disposition of dependent adult abuse cases and who are professionals practicing in the disciplines of medicine, public health, social work, law, law enforcement and other disciplines relative to dependent adults.

*"Physical injury"* means damage to any bodily tissue to the extent that the tissue must undergo a healing process in order to be restored to a sound and healthy condition, or damage to any bodily tissue to the extent that the tissue cannot be restored to a sound and healthy condition, or damage to any bodily tissue that results in the death of the person who has sustained the damage, or physical injury that is at variance with the history given of it.

*"Registry"* means the central registry for dependent adult abuse information established in Iowa Code section 235B.5.

*"Report"* means a verbal or written statement, made to the department, that alleges that dependent adult abuse has occurred.

**441—176.2(235B) Denial of critical care.** A finding of denial of critical care shall be made only when the caretaker or dependent adult had the financial ability to obtain the necessary critical care need or when financial or other reasonable means were offered and the caretaker or dependent adult refused or failed to utilize them. It includes the failure, by the act or omission on the part of the caretaker or the dependent adult, to provide minimum food, shelter, clothing, supervision, physical care, mental health care, or other care necessary to maintain the dependent adult's health and welfare when financially able to do so, or when offered financial or other reasonable means to do so.

**441—176.3(235B) Appropriate report.** Upon receipt of a dependent adult abuse report, the department will conduct an intake sufficient to determine whether the allegation meets criteria and constitutes a report of dependent adult abuse as defined in Iowa Code section 235B.2.

**176.3(1)** Abuse reports. Dependent adult abuse reports will be investigated when all of the following criteria are alleged to be met:

*a.* There is a reasonable belief the person is a dependent adult.

*b.* Dependent adult abuse as defined in Iowa Code section 235B.2 is suspected.

*c.* The alleged person responsible is:

(1) A caretaker in reports of physical injury, assault, unreasonable confinement or cruel punishment of a dependent adult; commission of a sexual offense; exploitation; personal degradation; and deprivation of food, shelter, clothing, supervision, physical or mental health care and other care necessary to maintain life or health.

(2) The dependent adult in reports of deprivation of food, shelter, clothing, supervision, physical or mental health care and other care necessary to maintain life or health due to the adult's own acts or omissions pursuant to Iowa Code section 235B.2(5)*"a."*

**176.3(2)** Nondependent adult abuse situations. In addition to the circumstances established in Iowa Code section 235B.2(5)*"b,"* the following are also not dependent adult abuse situations:

*a.* A report of domestic abuse under Iowa Code chapter 236 does not in and of itself constitute a report of dependent adult abuse.

*b.* An allegation pertaining to correctional staff as caretakers when the alleged victim is a person legally incarcerated in a penal setting, either in a local jail or confined to the custody of the director of the department of corrections.

**176.3(3)** Dependent adult acts or omissions. The investigative summary of dependent adult abuse that is the result of the acts or omissions of the dependent adult will be collected and maintained as set forth in Iowa Code section 235B.3(1)*"b."*

**176.3(4)** Confirmed, not registered finding. Physical abuse, denial of critical care by a caretaker, or personal degradation investigative summaries that would otherwise be founded will be classified as confirmed, not registered if the abuse is determined to be minor, isolated, and unlikely to reoccur. Such investigative summaries will not be included on the registry. Access to confirmed, not registered dependent adult abuse information will be authorized pursuant to Iowa Code section 235B.6(3).

**441—176.4(235B) Reporters.** As a function of the registry, the department will take reports from mandatory reporters or any other person who believes dependent adult abuse has occurred.

**176.4(1)** Mandatory reporters shall report suspected abuse of a dependent adult within 24 hours of becoming aware of an abusive incident.

**176.4(2)** The reporter may use a department-prescribed form or a form developed by the reporter that meets the requirements of Iowa Code section 235B.3.

**441—176.5(235B) Reporting procedure.**

**176.5(1)** Each report made may be orally or in writing to the department.

**176.5(2)** When the person making the report has reason to believe that immediate protection for the dependent adult is advisable, that person will be asked to also make an oral report to an appropriate law enforcement agency.

**176.5(3)** The department will provide access to all reports alleging dependent adult abuse to the appropriate county attorney.

**176.5(4)** The report may contain the following information, or as much thereof as the person making the report is able to furnish:

*a.* The names and home addresses of the dependent adult, appropriate relatives, caretakers, and other persons believed to be responsible for the care of the dependent adult.

*b.* The dependent adult's present whereabouts if not the same as the address given.

*c.* The reason the adult is believed to be dependent.

*d.* The dependent adult's age.

*e.* The nature and extent of the dependent adult abuse, including evidence of previous dependent adult abuse.

*f.* Information concerning suspected dependent adult abuse of other dependent adults in the same residence.

*g.* Other information that the person making the report believes might be helpful in establishing the cause of the abuse or the identity of the person or persons responsible for the abuse, or helpful in providing assistance to the dependent adult.

*h.* The name and address of the person making the report.

**176.5(5)** A report will be received whether or not it contains all of the information requested in subrule 176.5(4) and may be made to the department, county attorney, or law enforcement agency. When the report is made to any agency other than the department, that agency shall promptly refer the report to the department.

**441—176.6(235B) Duties of the department upon receipt of report.**

**176.6(1)** When a report is received and meets the criteria pursuant to Iowa Code section 235B.2(5)*"a,"* the department will promptly commence an investigation, except that the department of inspections, appeals, and licensing is responsible for the investigation and disposition of a case of dependent adult abuse in a health care facility pursuant to Iowa Code chapter 235E, including hospitals as defined in Iowa Code section 135B.1 and facilities as defined in Iowa Code section 135C.1. The department will forward all reports and other information concerning dependent adult abuse in a health care facility to the department of inspections, appeals, and licensing on the first working day following the submission of the report.

**176.6(2)** The investigative summary will include all of the following:

*a.* Identification of the nature, extent, and cause of the dependent adult abuse, if any, to the dependent adult named in the report.

*b.* The identity of the person or persons responsible for the dependent adult abuse.

*c.* An examination of whether other dependent adults in the same residence have been subjected to dependent adult abuse.

*d.* A critical explanation of all other statutory requirements outlined in Iowa Code chapter 235B.

**176.6(3)** With the consent of the dependent adult or caretaker, investigations may include a visit to the residence of the dependent adult named in the report and an examination of the dependent adult.

*a.* If permission to enter the residence and to examine the dependent adult is refused, the district court, upon a showing of probable cause that a dependent adult has been abused, may authorize a person, authorized by the department, to enter the residence of and to examine the dependent adult.

*b.* Upon a showing of probable cause that a dependent adult has been financially exploited, a court may authorize a person, also authorized by the department, to gain access to the financial records that the department reasonably believes are related to the resources of the dependent adult.

**176.6(4)** Completion of investigation. Upon completion of the investigation, the department will complete a written investigative summary that describes its findings and includes all actions taken or contemplated.

*a.* The department will complete its investigative summary within 20 business days of the receipt of the reported abuse allegations unless an extension of time for good cause is granted. The department may grant an extension for a maximum of 30 business days. No more than three extensions will be granted.

*b.* Upon completion of an investigation, the department will enter its investigative summary into the electronic dependent adult reporting and evaluation system (DARES).

**176.6(5)** Investigative summary to county attorney. The department will provide access to the investigative summary to the appropriate county attorney.

**176.6(6)** During the investigation, the department will complete an assessment of services needed by a dependent adult believed to be the victim of abuse, the dependent adult's family, or a caretaker. The department will explain that the department does not have independent legal authority to compel the acceptance of protective services. Upon voluntary acceptance of the offer of services, the department will make referrals or may provide necessary protective services to eligible dependent adults, family members, and caretakers.

**176.6(7)** Notification of licensing authority. Based on information discovered during an investigation of dependent adult abuse in a program providing care to a dependent adult as authorized pursuant to Iowa Code section 235B.6(2)*"c"* and for the purpose of assuring safety and mitigating risk to dependent adults, the department will notify the licensing or accrediting authority for the program, the governing body of the program, and the administrator in charge of the program of any of the following occurs:

*a.* A violation of program policy noted in the investigation.

*b.* An instance in which program policy or lack of program policy may have contributed to the dependent adult abuse.

*c.* An instance in which general practice in the program appears to differ from the program's policy.

**176.6(8)** Services by other agencies. The department may approve agencies considered capable and appropriate to provide services during the course of an investigation to dependent adults who are suspected of being abused or neglected.

*a.* The department may make a referral to an approved agency to provide services to a dependent adult who is suspected of being abused or neglected in conjunction with an abuse investigation on the dependent adult.

*b.* The department may use information obtained during services provided by the approved agency in the abuse investigation. The department has complete authority in determining the conclusions of the abuse investigation.

**176.6(9)** Assessment of dependency and risk. During a dependent adult abuse investigation, the department will complete an assessment of the adult pursuant to Iowa Code section 235B.16A(2). The department will assess:

*a.* The adult's dependency,

*b.* The risk to the adult's health or safety, and

*c.* The areas in which the adult is either dependent or independent.

**176.6(10)** Follow-up for at-risk adults. When it has not been possible or necessary to obtain a court order for services to an at-risk adult, the department will attempt to empower the at-risk adult to agree to accept services or to participate in developing a plan to mitigate risk and safety on a form prescribed by the department. If the at-risk adult refuses to develop a plan to mitigate risk and safety or to accept recommended services, the department will provide periodic visits at the conclusion of the investigation. Periodic visits will be conducted with the at-risk adult. The department has no authority to share information or obtain information with any other individuals during the course of periodic visits. Periodic visits should not be used as a means to continue gathering investigation information.

*a.* *Purpose.* The purpose of the periodic visits will be to:

(1) Assess the at-risk adult for increased risk or impairment,

(2) Monitor the at-risk adult's situation to determine the feasibility of intervening with protective services, and

(3) Empower the at-risk adult to accept recommended services or to engage in developing a plan to mitigate risk and safety.

*b.* *Exemption.* If it has been determined there is a physical threat to the safety of the department employee who is attempting to visit an at-risk adult, the department will not attempt a periodic visit unless the physical threat to safety has been removed.

*c.* *Considerations to continue periodic visits from one month to the next.* Periodic visits will continue if:

(1) The at-risk adult's health or safety has deteriorated somewhat but not to the point that a court order is necessary; or

(2) The at-risk adult's health or safety has remained the same and there is a possibility the at-risk adult may in the future agree to services or participate in developing a plan to mitigate risk and safety.

*d.* *Criteria to end periodic visits.* Periodic visits will be terminated when:

(1) The at-risk adult agrees to services and services are arranged; or

(2) The at-risk adult agrees to the development of a plan to mitigate risk and safety; or

(3) The at-risk adult's health or safety has deteriorated to the point that the department has requested court action; or

(4) A new allegation of abuse is accepted; or

(5) The at-risk adult's health or safety has not changed for three months after the conclusion of the investigation and there appears no possibility the adult will ever agree to services.

**441—176.7(235B) Investigation.**

**176.7(1)** After receipt of a report alleging dependent adult abuse that meets criteria as outlined in subrule 176.3(1), a dependent adult abuse investigation will be initiated and will be assigned to a department employee. The department will make an effort to observe and examine the dependent adult and evaluate the dependent adult's safety.

*a.* When report information indicates an immediate risk of death, immediate risk of serious or irreparable harm, or immediate risk of significant loss of income, assets, or resources to the dependent adult, the initial response will occur no later than 24 hours after receipt of a report of dependent adult abuse.

*b.* When report information does not indicate an immediate risk of death, serious or irreparable harm, or significant loss of income, assets, or resources, the initial response will occur no later than 72 hours after receipt of a report of dependent adult abuse.

*c.* When reasonable efforts have been made to observe the adult subject within the specified time frames and the department has established that there is no need to observe and no risk to the adult subject, the observation of the adult subject may be delayed or waived with supervisory approval.

**176.7(2)** After receipt of the report alleging dependent adult abuse, the department employee will conduct an investigation to determine whether the information as reported, other known information, and any information gathered as a result of the worker's contact with collateral sources or other collateral contacts would tend to corroborate the alleged abuse.

**176.7(3)** If, following acceptance of a report, information obtained during initial case activity establishes that the report was accepted on materially inaccurate reported facts and does not fall within the scope of Iowa Code chapter 235B, the department employee may, with department approval, terminate the investigation and submit the investigative summary. In such cases, completion of assessments required under Iowa Code section 235B.16A are not required.

**441—176.8(235B) Registry records.** Registry records will be kept in the name of the dependent adult and cross-referenced in the name of the alleged person responsible (if applicable).

**441—176.9(235B) Dependent adult abuse information disseminated.**

**176.9(1)** *Requests for information.* Written requests for dependent adult abuse information by the subject of a report may be submitted to the county office of the department on the department-prescribed forms.

*a.* Oral requests for dependent adult abuse information may be made to the county office or the registry when the person making the request believes that the information is needed immediately and the person is authorized to access the information, pursuant to the requirements of Iowa Code section 235B.6.

*b.* If a request is made orally by telephone, a written request shall be filed within 72 hours of the oral request on the department-prescribed form. When an oral request to the county office to obtain dependent adult abuse information is granted by the registry, the county shall document the approval to the registry on the department-prescribed form.

*c.* All other requests for information shall be made to the registry in writing pursuant to the requirements of Iowa Code section 235B.7.

**176.9(2)** *Verification of identity.* The county office will verify the identity of the person making the request on the department-prescribed form. Upon verification of the identity of the person making the request, the county office will transmit the request to the registry. The registry will verify the identity of persons making requests for information directly to the registry by telephone, mail, or fax, or in person on the appropriate department-prescribed form.

**176.9(3)** *Approval of requests.* The department will grant access to dependent adult abuse information as authorized by Iowa Code section 235B.6. Upon approval of any request for dependent adult abuse information authorized by this rule, the department may withhold the name of the person who made the report of dependent adult abuse pursuant to Iowa Code section 22.7(18).

**176.9(4)** *Requests concerning applicants for employment and employees of health care programs.* A health care program making a request for dependent adult abuse information for the purpose of determining employability, as authorized by Iowa Code section 235B.6(2)*"e"*(6) and *"e"*(7), shall request the information directly from the registry or obtain the information from the single contact repository (SING).

**176.9(5)** *Requests concerning employees of department facilities.* The department may conduct periodic background checks as needed. The department will inform the hiring authority only upon a finding that the results of a background check have a direct bearing on employability of the person employed. When the personnel office determines that the information has no direct bearing on employability, the hiring authority will be notified that no job-related dependent adult abuse information is available. If the registry and local office files contain no information, the hiring authority will be so informed.

**176.9(6)** *Dependent adult abuse information disseminated and redisseminated.* Notwithstanding requests pursuant to Iowa Code section 235B.7, written requests and oral requests are not required for dependent adult abuse information that is disseminated to an employee of the department, a district court, the attorney representing the department as authorized by Iowa Code section 235B.6, or the office of the attorney general.

**176.9(7)** *Required notification.* The department will make a reasonable attempt to notify dependent adult abuse subjects as described in Iowa Code section 235B.6(2)*"a"* of the outcome of the dependent adult abuse investigation. The department shall subsequently send a written notice to the report subjects that will include information regarding the finding, the confidentiality provisions of Iowa Code sections 235B.6 and 235B.12, and the procedures for correction or expungement and appeal of dependent adult abuse information as provided in Iowa Code section 235B.10.

**176.9(8)** *Reporter notification.* Following the reporting of suspected dependent adult abuse, the department will inform the mandatory or permissive reporter, orally or by other appropriate means, whether the department commenced an investigation or if the concern was referred to another agency.

**176.9(9)** *Subjects informed of abuse history.* The department may inform a subject of a dependent adult abuse investigation of a person's abuse history if the department determines at any time that disclosure is necessary for the protection of the dependent adult. A subject may be informed that a person is listed on the child or dependent adult abuse registry as having a finding of founded abuse or is listed on the sex offender registry.

**441—176.10(235B) Examination of information.** Pursuant to Iowa Code section 235B.10, any person, or that person's attorney, requesting to examine the information in the registry that refers to that person shall be allowed to inspect the information after providing appropriate identification.

**441—176.11(235B) Dependent adult abuse information registry.** The department will create a central abuse registry for dependent adult abuse information. The registry will collect, retain, and disseminate dependent adult abuse information from DARES as described in Iowa Code section 235B.9.

**441—176.12(235B) Multidisciplinary teams.**

**176.12(1)** *Purpose of multidisciplinary teams.* The department will establish multidisciplinary teams for the purpose of assisting the department in assessment, diagnosis, and disposition of reported dependent adult abuse cases. The disposition of a case may include the provision for treatment recommendations and services.

**176.12(2)** *Execution of team agreement.* When the team is established, the department and all team members shall execute an agreement on a form prescribed by the department.

*a.* The team will be consulted solely for the purpose of assisting the department in the assessment, diagnosis, and treatment of dependent adult abuse cases.

*b.* Any team member may cause a dependent adult abuse case to be reviewed if approved by the department.

*c.* No team members shall redisseminate dependent adult abuse information obtained solely through the multidisciplinary team. This shall not preclude redissemination of information as authorized by Iowa Code section 235B.6 when an individual team member has received information as a result of another authorized access provision of the Iowa Code.

*d.* The department may consider the recommendation of the team in a specific dependent adult abuse case but will not be bound by the recommendations.

*e.* Any document produced by the team pertaining to an individual case shall be made a part of the file for the case and shall be subject to all confidentiality provisions of Iowa Code sections 235B.6 and 235B.8.

*f.* Any written records maintained by the team that identify an individual dependent adult abuse case shall be destroyed when the agreement lapses.

*g.* Consultation team members shall serve without compensation.

*h.* Any party to the contract may withdraw with or without cause upon the giving of 30 days' notice.

*i.* All agreements must include the date on which the agreement will expire.

**176.12(3)** *Filing of agreement.* Whenever a team is created, a copy of the executed agreement will be kept by the department, in addition to any other requirements placed upon execution of the agreement by the department.

**441—176.13(235B) Request for correction or expungement.** The department is responsible for correction or expungement of investigative summaries prepared by department staff. The department of inspections, appeals, and licensing is responsible for correction or expungement of investigative summaries prepared by that department's staff.

**176.13(1)** When a request for correction or expungement pursuant to Iowa Code section 235B.10 is received by the registry, the registry will record the request and promptly forward it to the appropriate area for review. The determinations made will be binding on the registry.

**176.13(2)** Unless the designated department corrects the information or findings as requested, the designated department shall provide the person making the request with an opportunity for a hearing as provided by 441—Chapter 2506 to correct the information or the findings. The department may defer the hearing until the conclusion of a pending district court case relating to the information or findings.

These rules are intended to implement Iowa Code chapter 235B.

**RA 26-194**

# HUMAN SERVICES DEPARTMENT[441]

**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 187
"Aftercare Services Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.46
State or federal law(s) implemented by the rulemaking: Iowa Code section 234.46 and Foster Care Independence Act of 1999 as amended to August 1, 2026

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>10 a.m. | Microsoft Teams<br>Meeting ID: 263 183 115 478 438<br>Passcode: RG9AC95E |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

*Purpose and Summary*

This proposed chapter was reviewed as a part of Executive Order 10. As a result, duplicative terms were removed, restrictive terms were reduced, and the rules were streamlined and updated to reflect current practices.

This proposed chapter outlines the program services and support opportunities available to youth who are transitioning from foster care, the State Training School, or a court-ordered Iowa juvenile detention center to adulthood. The program offers voluntary services and financial benefits to eligible youth up to the age of 23.

*Analysis of Impact*

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

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

There are no costs associated with this proposed rulemaking.

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

Youth transitioning from time spent in foster care or State institutions to independent living will benefit from the services this proposed chapter outlines.

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

- **Quantitative description of impact:**

This proposed chapter was reviewed as a part of Executive Order 10. As a result, duplicative terms were removed, restrictive terms were reduced, and the rules were streamlined and updated to reflect current practices.

- **Qualitative description of impact:**

The review of this proposed chapter did not result in any changes to the scope or effectiveness of the aftercare services provided in Iowa.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs associated with enforcement of this proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any impact on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Not applicable.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Rulemaking for the provision of youth aftercare services is required by Iowa Code section 234.46.

*Small Business Impact*

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

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

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

This rulemaking will not have an impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 441—Chapter 187 and adopt the following **new** chapter in lieu thereof:

CHAPTER 187
AFTERCARE SERVICES PROGRAM

**441—187.1(234) Aftercare services program eligibility requirements.** To be eligible for aftercare services, a youth needs to meet the following requirements.

**187.1(1)** *Residence.* The youth must be a resident of Iowa.

**187.1(2)** *Age.* The youth must be at least 17 years of age but less than 23 years of age.

**187.1(3)** *Out-of-home placement experience.*

*a.* *Preservices.* The youth must meet eligibility requirements for preservices as described below:

(1) The youth is at least 17 years of age; and

(2) The youth is placed in foster care, the state training school, or a court-ordered Iowa juvenile detention center; was adopted from foster care after reaching 16 years of age; or entered a subsidized guardianship arrangement from foster care after reaching 16 years of age; and

(3) The youth has access to funding for preservices provided in contract that has not been fully expended for the contract year.

*b.* *Core services.* The youth must meet eligibility requirements for core services as described below:

(1) The youth is 18, 19, or 20 years of age; and

(2) The youth exited foster care, the state training school, or a court-ordered Iowa juvenile detention center:

1. On or after the youth's eighteenth birthday; or

2. Between the ages of 17½ and 18 after having been in any combination of foster care, the state training school, or a court-ordered Iowa juvenile detention center for at least one day in at least 6 of the 12 calendar months prior to the youth leaving placement; or

(3) The youth was adopted from foster care on or after the youth's sixteenth birthday; or

(4) The youth entered a subsidized guardianship arrangement from foster care on or after the youth's sixteenth birthday.

*c.* *Extended services.* The youth must meet eligibility requirements for extended services as described below:

(1) The youth resides in Iowa; and

(2) The youth is 21 or 22 years of age; and

(3) The youth has access to funding for extended services provided in contract that has not been fully expended for the contract year.

*d.* *Definition of foster care.* For purposes of this chapter, "foster care" is defined as 24-hour substitute care for a child who is placed away from the child's parents or guardians and for whom the department or juvenile court services has placement and care responsibility through either a court order or voluntary agreement.

(1) A placement may meet this definition of foster care regardless of whether:

1. The placement is licensed and the state or a local agency makes payments for the child's care;

2. Adoption subsidy payments are being made before the finalization of adoption; or

3. There is federal matching of any payments made.

(2) Foster care may include but is not limited to placement in:

1. A foster family home;

2. A foster care group home;

3. An emergency shelter;

4. Supervised apartment living;

5. A preadoptive home;

6. The home of a relative or suitable person; or

7. A psychiatric medical institution for children (PMIC).

**187.1(4)** *Responsibility.* The youth must:

*a.* Actively take part in developing and participating in an individual self-sufficiency plan; and

*b.* Indicate recognition and acceptance of personal responsibility in the transition toward self-sufficiency, which includes meeting with the self-sufficiency advocate regularly and as described in the youth's individual self-sufficiency plan.

**441—187.2(234) Services and supports provided.** The aftercare services program delivered by a provider contracted by the department shall provide the following services and supports to eligible youth.

**187.2(1)** *Preservices.* Informational and trust-building activities may be provided to a youth placed out of home who is expected to participate in aftercare services at 18 years of age or older. The department may provide funds; however, funds provided to the youth in preservices will be deducted from available start-up funds in the youth's first year of participation in core services.

**187.2(2)** *Core services.* Case management services shall be offered to youth at a safe and convenient location. Activities shall include but are not limited to all of the following:

*a.* Development of an individual self-sufficiency plan based on an assessment of the youth's strengths and needs. Each core services participant shall have a plan to identify:

(1) The youth's goals for achieving self-sufficiency;

(2) The target date for reaching the goals; and

(3) The tasks, responsible parties, time frames, and desired outcomes needed to reach the goals.

*b.* Services to develop a budget and money management skills training.

*c.* Services to assist the youth in establishing or reestablishing relationships with significant adults.

*d.* Services to facilitate the youth's access to community resources.

*e.* Life skills training, as identified in the youth's individual self-sufficiency plan. Life skills training shall include skills to help the youth in establishing and maintaining safe and stable housing, education goals, employment goals, health and health care coverage, healthy relationships, or other life skills that the youth may need to succeed independently.

*f.* Additional case management activities necessary for youth to successfully transition to adulthood and as described in the individual self-sufficiency plan.

*g.* Individual face-to-face contact with the youth at the frequency defined in the youth's individual self-sufficiency plan and according to the youth's changing needs. If a youth is a resident of Iowa but is attending a postsecondary education program in another state, the program administrator or designee shall approve an alternative method for maintaining contact with the youth if or when it is a hardship for the youth to physically be in Iowa.

*h.* Ongoing assessment, including evaluation and coordination of the services, supports, and life skills training being provided to assist the youth in reaching self-sufficiency goals and to determine if and what progress is being made. The case manager shall amend any goals, outcomes, tasks, responsible parties, and time frames in the plan along with services, supports, and life skills training provided as necessary to assist the youth in achieving self-sufficiency.

**187.2(3)** *Extended services.* Extended services may be provided to youth, and may include life skills training, periodic check-ins, referrals to needed services, limited payments to youth, or other services determined to be valuable to the youth's development. Funds, limited to an annual per-participant amount identified in the contract, may be provided. Prior to receiving available funds, the youth is required to meet with the advocate and discuss the reason the youth is accessing funds and prior efforts to meet the need. The youth may also be asked to provide documentation of income.

**187.2(4)** *Start-up allowance.* When a youth between the ages of 17 and 21 is receiving or is expected to receive core services, and is actively participating in the program, the program administrator or designee may authorize and provide payment to a youth as described below:

*a.* The start-up allowance is intended to assist in covering the initial costs of establishing the youth's living arrangement, such as by paying rental or utility deposits, purchasing food, or purchasing necessary household items.

*b.* The start-up allowance is limited to amounts designated in the contract.

**187.2(5)** *Vendor payments.* When a youth qualifies for core services in accordance with subrule 187.3(2), and is actively participating in the program, the program administrator or designee may authorize and provide payment to a youth as described below:

*a.* To receive a vendor payment, the youth must demonstrate that there are no other means to meet the needs that would be covered by the vendor payment. The youth shall contribute toward the cost of meeting the identified need, to the extent the youth is able. A youth receiving a preparation for adult living (PAL) stipend, preservices, or extended services is not eligible for a vendor payment.

*b.* Vendor payments may include but are not limited to:

(1) Health care-related expenses;

(2) Transportation assistance;

(3) Costs related to employment and education;

(4) Clothing; and

(5) Room and board.

*c.* The amount available for a 12-month period of service shall be noted in the contract.

**187.2(6)** *PAL stipend.* When an eligible youth is actively participating in the program, the eligible youth may receive the PAL program services as described in Iowa Code section 234.46 and as follows:

*a.* To receive the PAL stipend, the youth must:

(1) Have met eligibility requirements in Iowa Code section 234.46(1) upon reaching the age of 18 and meet eligibility requirements in rule 441—187.1(234).

(2) Have exited foster care, the state training school, or a court-ordered Iowa juvenile detention center as identified by Iowa Code chapter 232 on or after the youth's eighteenth birthday.

(3) Meet one or more of the following criteria:

1. Be enrolled in or actively pursuing enrollment in postsecondary education, a training program, or work training; or

2. Be employed for 80 hours per month or be actively seeking that level of employment; or

3. Be attending an accredited school full-time pursuing a course of study leading to a high school diploma; or

4. Be attending an instructional program leading to a high school equivalency diploma.

*b.* The maximum monthly stipend shall be provided after completion of the youth's budget. The maximum amounts provided to a youth shall be stated in the contract and based on program eligibility and guidelines, as follows:

(1) The monthly stipend shall be prorated based on the number of days of youth participation for those entering and exiting the program during the month.

(2) When the monthly unearned income of the youth exceeds the overall maximum monthly stipend offered in the preparation for the adult living program, the youth is not eligible for payments unless unused startup funds remain.

(3) When the net earnings of the youth exceed the overall maximum monthly stipend offered in the PAL program, the monthly stipend is reduced by 50 cents for every dollar earned by the youth over the monthly maximum stipend.

(4) All earned and unearned income received by the youth during the 30 days before the determination shall be used to project future income. If the 30-day period is not indicative of future income, income from a longer period or verification of anticipated income from the income source may be used to project future income.

(5) Nonrecurring lump-sum payments are excluded as income. Nonrecurring lump-sum payments can include one-time payments received for such things as income tax refunds, rebates, credits, refunds of security deposits on rental property or utilities, and retroactive payments for past months' benefits such as social security, unemployment insurance, or public assistance.

(6) The youth shall timely report the beginning and ending of earned and unearned income. A report is considered timely when made within ten days from the receipt of income or the date income ended.

(7) When the youth timely reports a change in income, the youth's prospective eligibility and stipend amount for the following month shall be determined based on the change.

(8) Recoupment shall be made for any overpayment due to failure to timely report a change in income or for benefits paid during an administrative appeal if the department's action is ultimately upheld. Recoupment may be made through a reasonable reduction of any future stipends.

(9) Recoupment cannot be made when a youth timely reports a change in income and the change is timely acted upon.

(10) The stipend may be paid to the youth, the foster family, or another payee other than a department employee. The payee shall be agreed upon by the parties involved and specified in the individual self-sufficiency plan.

(11) The maximum stipend may be based on the age of the youth.

**187.2(7)** *Extended services allowance.* A youth 21 or 22 years of age may receive extended services funds if they meet all of the following criteria:

*a.* The youth is participating in extended services.

*b.* A budget discussion has been timely completed by the youth with a self-sufficiency advocate.

*c.* The need has been identified in the individual self-sufficiency plan.

*d.* The extended services funds approved for the youth have not exceeded contracted amounts for a six-month period calculated from the date of initiation of extended services.

**441—187.3(234) Termination of aftercare services.**

**187.3(1)** A youth may be discharged from the aftercare services program for any of the following reasons:

*a.* The youth fails to follow individual self-sufficiency plan components and expectations as determined by the program administrator or designee.

*b.* The youth fails to meet regularly with the self-sufficiency advocate without good cause as determined by the program administrator or designee.

*c.* The youth voluntarily withdraws from the program.

*d.* The youth is no longer a resident of Iowa.

*e.* The youth has entered a residential services program and has resided there for 60 days. "Residential services program" means a program where housing and support services are provided, including but not limited to homeless shelters, habilitation homes or transitional living programs.

*f.* The youth reaches 23 years of age.

**187.3(2)** Aftercare services and supports may be terminated for up to six months as determined by the program administrator or designee when a youth intentionally physically threatens or injures program staff or an employee of an aftercare provider agency.

**187.3(3)** The PAL stipend may be suspended or terminated if the youth fails to meet work or education eligibility requirements for 30 consecutive days without good cause as determined by the program administrator or designee.

**187.3(4)** The PAL stipend may be suspended or terminated if the youth fails to maintain satisfactory progress as defined by the education or training program in which the youth is enrolled. A youth who is not making satisfactory progress may stay in the PAL program component of the aftercare services program by choosing the work option.

**187.3(5)** The youth intentionally misrepresents income or expenditures or spends funds in a manner inconsistent with their intended purpose. The program administrator may request receipts or acceptable evidence that funds went to the intended purpose.

**187.3(6)** There are insufficient funds.

**187.3(7)** Unless otherwise stated, a youth whose aftercare service is terminated in accordance with this rule may return to the program after a minimum of at least 30 days. However, if the youth has received three or more notices of termination within a 12-month period, the youth may not return until at least three months have passed from the date of the third notification.

**441—187.4(234) Waiting list.** The program administrator or designee shall create a waiting list when all funds for the aftercare services program are committed for the fiscal year. Names will be entered on the waiting list on a first-come, first-served basis once the youth is determined eligible.

**441—187.5(234) Administration.** The department may contract with another state agency or a private organization to perform the administrative and case management functions necessary to administer the aftercare services program.

**441—187.6(234) Appeal.** Notice of adverse action taken by the department shall be issued in accordance with 441—Chapter 16, and the right to appeal shall be given in accordance with 441—Chapter 2506.

These rules are intended to implement Iowa Code section 234.46 and the Foster Care Independence Act of 1999 as amended to August 1, 2026.

**RA 26-195**

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Regulatory Analysis**

Notice of Intended Action to be published: 481—Chapters 616, 617, and 619 to 621
"Nursing Education Programs; Registered Nurse/Licensed Practical Nurses; Advanced Registered Nurse Practitioners; Continuing Education"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A, 147, 152, 152E, and 272C

State or federal law(s) implemented by the rulemaking: Iowa Code section 152.5, chapter 152E, and sections 272C.2 and 272C.3

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>1 p.m. | 6200 Park Avenue<br>Des Moines, Iowa |

Information on virtual participation will be available on the Department of Inspections, Appeals, and Licensing's website prior to the hearing.

*Public Comment*

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

Emily DeRonde
6200 Park Avenue
Des Moines, Iowa 50321
Email: emily.deronde@dia.iowa.gov

*Purpose and Summary*

This proposed rulemaking is intended to update provisions of Board of Nursing rules to streamline the approval process for educational programs, update licensing processing, and implement legislation.

*Analysis of Impact*

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

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

There are no direct costs to the public to comply with this rulemaking. The individual institutions and programs that provide educational programs incur costs in the form of application fees, documentation and the accreditation process, but the proposed rulemaking is meant to simplify the process and reduce the costs.

Staff salaries to support the work of the Board are covered by the Licensing and Regulation Fund established in 2023 Iowa Acts, Senate File 557. Licensing fees go to the fund to cover the operations of the regulated professional licensing boards. Board staff review applications, perform site visits, review reports and present to the Board.

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

Establishing minimum program requirements ensures that nursing programs are providing competent education that meets the minimum standards. Without having an established threshold for nursing education programs, institutions that are not appropriately staffed or educated or providing the appropriate training could cause harm to the public, especially nursing students. For these reasons, the Board believes the costs of implementing this rulemaking are justified by the benefits received.

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

- **Quantitative description of impact:**

The Board regulates over 74,000 nursing licenses in Iowa. There is no national standard or established curriculum for nursing programs. The Board has approved 79 prelicensure programs and 21 postlicensure programs to provide nursing education in Iowa.

- **Qualitative description of impact:**

Because the field of nursing does not have a nationally recognized curriculum or education, the Board currently approves all nursing programs existing in Iowa or providing services to individuals in Iowa. This rulemaking would shorten the process of approval for those schools with national accreditation. Both processes ensure the State does not have programs that are fraudulent or lack the proper education and training required to prepare an individual to practice nursing safely.

3. **Costs to the State:**

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

Staff salaries to support the work of the Board are covered by the fund. Licensing fees go to the fund to cover the operations of the regulated professional licensing boards. Board staff review applications, perform site visits, review reports, and present to the Board.

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Establishing minimum program and licensing requirements ensures that nursing programs are providing competent education that meets the minimum standards and that Iowa nurses have the proper education prior to licensure. Without having an established threshold for nursing education programs, institutions that are not appropriately staffed or educated or providing the appropriate training could cause harm to the public, especially nursing students. For these reasons, the Board believes the costs of implementing this rulemaking are justified by the benefits received.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

This rulemaking proposes changes to the rules on nurse education program approval and licensure process for individuals to create a more cost-effective approval process. The Board finds that these rules provide the most cost-effective approach while also ensuring public safety and adequacy of nursing programs for Iowans. The program requirements or approval process could be eliminated completely, but the Board would be concerned about the credibility of the programs offered to nursing students in that scenario.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

This rulemaking proposes changes to the rules on nurse education program approval and licensure process for individuals to create a more cost-effective approval process. The Board finds that these rules provide the most cost-effective approach while also ensuring public safety and adequacy of nursing programs for Iowans. The program requirements or approval process could be eliminated completely, but the Board would be concerned about the credibility of the programs offered to nursing students in that scenario.

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

This rulemaking proposes changes to the existing rules on nurse education program approval and licensure process for individuals to create a more cost-effective approval process. The Board finds that these rules provide the most cost-effective approach while also ensuring public safety and adequacy of nursing programs for Iowans. The program requirements or approval process could be eliminated completely, but the Board would be concerned about the credibility of the programs offered to nursing students in that scenario.

*Small Business Impact*

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

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

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

The proposed rulemaking regulates the quality of the education for nursing programs in Iowa. These rules apply equally to all schools, businesses and licensees. If a small business identifies a rule that is overly burdensome and the goals of which could be achieved in a manner that would reduce the impact on the small business, the business may utilize the Department's established waiver process.

*Text of Proposed Rulemaking*

ITEM 1. Amend rule **481—616.1(152)**, definition of "Improvement status," as follows:

*"Improvement status"* means the status on which a program is placed after three consecutive years of NCLEX® results below ~~95~~ <u>80</u> percent of the national NCLEX® passing percentage.

ITEM 2. Adopt the following **<u>new</u>** definitions of "Accreditation" and "Program proposal," in rule **481—616.1(152)**:

*"Accreditation"* means the official, voluntary peer-review process conducted by a national accreditor that evaluates a nursing program to ensure it meets strict national education quality and professional practice standards.

*"Program proposal"* means the comprehensive set of documentation required from the proposed nursing program submitted prior to enrolling students.

ITEM 3. Renumber rules **481—616.3(152)** to **481—616.18(152)** as **481—616.5(152)** to **481—616.20(152)**.

ITEM 4. Adopt the following **<u>new</u>** rule 481—616.3(152):

**481—616.3(152) Accreditation.** Any nursing education program currently accredited by the Accreditation Commission for Education in Nursing, the Commission on Collegiate Nursing Education, or the Commission for Nursing Education Accreditation is an approved education program for the purpose of qualifying graduates for licensure.

**616.3(1)** If an accredited program receives notice or determines that its accreditation status is in jeopardy, the institution offering the program must:

*a.* Notify the board in writing no later than ten days of receipt of the determination; and *b.* Immediately and verifiably notify each enrolled student, in writing, within ten days of receipt of official notice from the accrediting body. The written notification must include:

(1) The estimated date the accrediting body will make its final determination as to the program's accreditation;

(2) The imposed action being taken by the accrediting body;

(3) The potential impact of the program's accreditation status on the student's ability to secure licensure and employment or transfer academic credits to another institution in the future; and

(4) Attempted negotiations with other academic institutions to establish a transfer articulation agreement.

**616.3(2)** The board may rescind full approval that has been granted to a nursing education program that consistently fails to meet the board's standards, as evidenced in the annual report; failure to notify a board representative of accreditation site visits; or unacceptable performance on a licensing examination for each program with a pass rate of less than 80 percent for its first-time takers in any given year for two consecutive calendar years.

ITEM 5. Adopt the following **new** rule 481—616.4(152):

**481—616.4(152) Board approval.** A nursing education program that is not currently accredited by the Accreditation Commission for Education in Nursing, the Commission on Collegiate Nursing Education, or the Commission for Nursing Education Accreditation must meet the requirements of this chapter for board approval.

ITEM 6. Amend renumbered rule 481—616.5(152) as follows:

**481—616.5(152) Application for interim approval of a nursing program.**

**616.5(1)** No change.

**616.5(2)** The proposed program shall submit the following prior to enrolling students:

*a.* Evidence of employment of the head of the program, including the individual's qualifications~~, at least six months prior to the beginning of the first nursing course~~.

*b.* and *c.* No change.

*d.* Curriculum plan that meets the criteria in rule ~~481—616.10(152)~~ 481—616.12(152).

*e.* No change.

*f.* Evidence of faculty employed by the controlling institution prior to the beginning of teaching assignments. Faculty members who teach nursing shall meet the qualifications outlined in subrule ~~616.11(2)~~ 616.13(2).

*g.* No change.

**616.5(3)** No change.

**616.5(4)** Interim approval may be granted to the program based on the program proposal and ~~a~~ site visit.

*a.* No change.

*b.* The program shall submit an annual report by June ~~30th~~ 30 of each year until full approval as described in rule ~~481—616.4(152)~~ 481—616.6(152) is granted by the board. The report shall include the following:

(1) to (4) No change.

(5) Changes requiring board notification and approval as outlined in subrule ~~616.17(3)~~ 616.19(3).

*c.* Interim approval continues until the board conducts a review of program materials, completes a site visit, and grants approval to the program following graduation of the first class and submission of results of the national examination for licensure or advanced practice certification, if applicable. If the program is seeking national accreditation, then the program may submit accreditation self-study and notify the board representative of a site visit.

*d.* No change.

**616.5(5)** The board may deny interim approval based on the program proposal and a site visit.

*a.* In order to be reconsidered, the controlling institution shall resubmit a program proposal within six months from the time of ~~program application~~ denial.

*b.* ~~One year from the initial application~~ If more than six months have passed since the application denial, the controlling institution may ~~resubmit a~~ submit a new initial program application to the board in order to be reconsidered.

ITEM 7. Amend renumbered subrule 616.6(3) as follows:

**616.6(3)** The program provides to the board the nursing education program report and supporting documentation addressing all aspects of the program outlined in rules ~~481—616.8(152) through 481—616.18(152)~~ 481—616.10(152) through 481—616.20(152).

ITEM 8. Amend renumbered subrule 616.12(3) as follows:

**616.12(3)** Prelicensure programs.

*a.* No change.

*b.* In addition to the requirements identified in paragraph ~~616.10(3)~~ 616.12(3)*"a,"* the curriculum of a program leading to a diploma in practical nursing and to eligibility to apply for practical nurse licensure by examination requires:

(1) to (4) No change.

*c.* In addition to the requirements identified in paragraph ~~616.10(3)~~ 616.12(3)*"a,"* the curriculum of a program leading to a degree in nursing and to eligibility to apply for registered nurse licensure by examination requires:

(1) to (5) No change.

ITEM 9. Amend renumbered subrule 616.13(1) as follows:

**616.13(1)** *Program requirements.* The program shall provide:

*a.* A sufficient number of faculty who satisfy the requirements in subrule ~~616.11(2)~~ 616.13(2).

*b.* to *f.* No change.

ITEM 10. Amend renumbered subrules 616.20(3) and 616.20(4) as follows:

**616.20(3)** Changes requiring board notification and approval. The program shall submit one copy of a proposed change for board approval at least four weeks prior to the next scheduled board meeting when the outcome will:

*a.* to *e.* No change.

*f.* Reduce the human, physical or learning resources provided by the controlling institution to meet program needs as described in rule ~~481—616.9(152)~~ 481—616.11(152).

*g.* to *j.* No change.

**616.20(4)** If a program makes changes as part of a plan to improve the program's NCLEX® passing percentage pursuant to rule ~~481—616.17(152)~~ 481—616.19(152), such changes must also be separately submitted to the board for approval pursuant to this rule.

ITEM 11. Adopt the following **new** definitions of "Disqualifying event" and "TruMerit" in rule **481—617.1(17A,147,152,152E,272C)**:

*"Disqualifying event"* means an incident that results in a person's becoming disqualified or ineligible to retain or renew a multistate license. This includes but is not limited to any adverse action resulting in an encumbrance, current participation in an alternative to discipline program, a misdemeanor offense related to the practice of nursing (including agreed disposition), or any felony offense.

*"TruMerit"* means the credentialing organization recognized by the board to verify and evaluate the education, professional credentials, and English language proficiency of foreign-educated applicants for licensure.

ITEM 12. Amend subrules 617.4(2) and 617.4(3) as follows:

**617.4(2)** Successful passage of the National Council Licensure Examination (NCLEX®) or the State Board Test Pool Examination, the national examination used prior to 1982. The passing standard is that established by the testing authority at the time the test was administered. Graduates who do not pass the National Council Licensure Examination (NCLEX®) within five years following completion of an approved nursing education program must follow specific remedial measures prescribed by the board.

**617.4(3)** If applicable, board approval of an applicant with a criminal history, pursuant to rule ~~481—617.11(272C)~~ 481—617.12(152), or a record of prior disciplinary action, regardless of jurisdiction.

ITEM 13. Amend rule 481—617.5(17A,147,152,272C) as follows:

**481—617.5(17A,147,152,272C) Licensure by examination.**

**617.5(1)** *Board application.* A graduate of an approved nursing program seeking initial licensure as a registered nurse or licensed practical nurse shall submit the following:

*a.* and *b.* No change.

*c.* ~~Two completed fingerprint cards and a signed waiver form~~ Fingerprints pursuant to the board-approved process to facilitate a national criminal history background check.

~~*d.* If the applicant has a criminal history, copies of all documents required by rule 481—617.11(272C).~~

~~*e.*~~ *d.* An official transcript ~~denoting~~ or a sworn statement from an official of the educational institution certifying the date of graduation and diploma or degree conferred, sent directly to the board from the nursing program. Electronic transcripts must be sent by a source approved by the board.

**617.5(2)** and **617.5(3)** No change.

**617.5(4)** *Authorization to test.* An applicant will not receive an authorization to test until ~~all of~~ the requirements in ~~subrules 617.5(1) and~~ paragraphs 617.5(1)*"a"* and *"b"* and subrule 617.5(2) are met.

*a.* and *b.* No change.

**617.5(5)** to **617.5(7)** No change.

ITEM 14. Amend rule 481—617.6(17A,147,152,272C) as follows:

**481—617.6(17A,147,152,272C) Licensure by endorsement.**

**617.6(1)** *Board application.* A graduate of an approved nursing program seeking licensure as a registered nurse or licensed practical nurse in Iowa who has been licensed in another state shall submit the following:

*a.* and *b.* No change.

*c.* ~~Two completed fingerprint cards and a signed waiver form~~ Fingerprints pursuant to the board-approved process to facilitate a national criminal history background check.

*d.* If the applicant has a criminal history, copies of all documents required by rule ~~481—617.12(272C)~~ 481—617.13(272C).

*e.* and *f.* No change.

*g.* Proof of active licensure in any jurisdiction within the previous five years from the date of application or proof of completion of a nurse refresher course in accordance with rule ~~481—617.11(152)~~ 481—617.12(152) within the 12 months prior to the date of application.

*h.* An official transcript ~~denoting~~ or a sworn statement from an official of the educational institution certifying the date of graduation and diploma or degree conferred, sent directly to the board from the nursing program. An applicant may be excused from this requirement if the nursing program is closed and records are no longer available. Electronic transcripts may be sent by a source approved by the board

**617.6(2)** to **617.6(4)** No change.

**617.6(5)** *Changing primary state of residence for multistate license.* A nurse who holds a multistate license issued by a party state and who changes the nurse's primary state of residence to Iowa must apply for licensure in Iowa pursuant to ~~this rule.~~ paragraph 617.5(1)*"a."* Upon issuance of a multistate license by the board, the nurse's prior multistate license will be deactivated.

ITEM 15. Amend subrule 617.7(1) as follows:

**617.7(1)** Applicant for licensure. An applicant seeking licensure in Iowa who was educated in a foreign country or in a U.S. territory that is not a member of NCSBN shall apply for licensure by examination pursuant to rule 481—617.5(17A,147,152,272C) or licensure by endorsement pursuant to rule 481—617.6(17A,147,152,272C), as applicable, but instead of submitting an official transcript, shall submit one of the following documents issued by ~~CGFNS~~ TruMerit:

*a.* and *b.* No change.

*c.* ~~CGFNS~~ TruMerit Certification Program® certificate or certificate verification letter verifying that a ~~CGFNS~~ TruMerit Certification Program® certificate was issued.

ITEM 16. Amend subrule 617.8(7) as follows:

**617.8(7)** *Reactivation.*

*a.* To reactivate an inactive license, the licensee shall comply with the following:

(1) The licensee shall submit:

1. to 3. No change.

4. ~~Two completed fingerprint cards and a signed waiver form~~ Fingerprints pursuant to the board-approved process to facilitate a national criminal history background check.

(2) No change.

(3) If a licensee has not held an active license in any jurisdiction within the previous five years, the licensee must complete a nurse refresher course in accordance with rule ~~481—617.11(152)~~ 481—617.12(152) within 12 months of applying for reactivation.

*b.* and *c.* No change.

ITEM 17. Renumber rules **481—617.11(152)** and **481—617.12(272C)** as **481—617.12(152)** and **481—617.13(272C)**.

ITEM 18. Adopt the following **new** rule 481—617.11(152):

**481—617.11(152) Deactivation.** If the board determines that a disqualifying event has occurred or that the licensee is participating in an alternative to discipline program, the board may administratively deactivate the licensee's multistate license or multistate licensure privilege.

**617.11(1)** Upon deactivation due to a disqualifying event, the board may issue a single-state license.

**617.11(2)** The license of a licensee who is engaged in an alternative to discipline program will be administratively converted to a single-state license.

**617.11(3)** A licensee must reapply for a multistate license at the time the disqualifying event is concluded or the licensee is no longer participating in an alternative to discipline program.

ITEM 19. Adopt the following **new** subrule 617.12(4):

**617.12(4)** A nurse refresher course may be required if the applicant has graduated from an approved nursing program more than five years prior to application and has never held an active license or had any relevant clinical practice.

ITEM 20. Amend renumbered subrule 617.13(2) as follows:

**617.13(2)** *License application.* Unless an applicant for licensure petitions the board for an eligibility determination pursuant to subrule ~~617.11(3)~~ 617.12(3), the applicant's convictions will be reviewed when the board receives a completed license application.

*a.* to *f.* No change.

ITEM 21. Amend subrule 619.2(4) as follows:

**619.2(4)** *Documentation.* Licensees are required to keep continuing education documentation for a period of four years, including proof of attendance, licensee's name, course date, course title, awarded hours and ~~provider approval information~~ name of provider.

ITEM 22. Amend subrule 620.3(14) as follows:

**620.3(14)** A licensed practical nurse is permitted to perform, in addition to the functions set forth in subrule 620.3(5), procedures related to the expanded scope of practice of intravenous therapy upon completion of the board-approved expanded intravenous therapy certification course and in accordance with the following:

*a.* No change.

*b.* The course must be offered by an approved Iowa board of nursing provider ~~of nursing continuing education~~. Documentation of course completion shall be maintained by the licensed practical nurse and employer.

*c.* to *e.* No change.

ITEM 23. Amend rule 481—621.8(152) as follows:

**481—621.8(152) Prescribing epinephrine ~~auto-injectors~~ delivery systems, bronchodilator canisters, bronchodilator canisters and spacers, or opioid antagonists in the name of a facility or school.**

**621.8(1)** An ARNP may issue a prescription for one or more epinephrine ~~auto-injectors~~ delivery systems in the name of a facility as defined in Iowa Code section 135.185(1), a school district, or an accredited nonpublic school.

**621.8(2)** and **621.8(3)** No change.

**621.8(4)** An ARNP who prescribes epinephrine ~~auto-injectors~~ delivery systems, bronchodilator canisters, bronchodilator canisters and spacers, or opioid antagonists in the name of an authorized facility as defined in Iowa Code section 135.185(1), a school district, or an accredited nonpublic school, to be maintained for use pursuant to Iowa Code sections 135.185, 135.190, 280.16, and 280.16A, provided the ARNP has acted reasonably and in good faith, is not be liable for any injury arising from the provision, administration, or assistance in the administration of an epinephrine ~~auto-injector~~ delivery system, bronchodilator canister, bronchodilator canister and spacer, or opioid antagonist.

**RA 26-196**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 1
"Organization"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
ORGANIZATION

**495—1.1(97B) Organization.**

**1.1(1)** IPERS administers the retirement system created by Iowa Code chapter 97B. Specific powers and duties of IPERS, the chief executive officer, the board, the committee, and agency staff are set forth in Iowa Code chapter 97B and these rules.

**1.1(2)** Operational units within IPERS shall develop and administer policies and procedures governing retirement system programs, including accounting functions for the collection of funds from employers and employee members; disbursement of retirement benefits, death benefits, lump sum payments, and disability retirement benefits; training to employers and subsequent review of employer records for compliance with Iowa Code chapter 97B, rules and policies; preparation and release of informational newsletters and the annual report; and investment of funds contributed to the retirement system by employers and employee members. IPERS is also the state administrator to the federal Social Security Administration pursuant to Iowa Code chapter 97C.

**495—1.2(97B) Definitions.** Unless otherwise prescribed by federal or state regulations, the terms used in this chapter have the following meanings:

*"Board"* means the IPERS' investment board as created in Iowa Code section 97B.8A.

*"Chief benefits officer"* means the same as defined in Iowa Code section 97B.4(3)*"b."*

*"Chief executive officer"* means the same as described in Iowa Code section 97B.3.

*"Chief investment officer"* means the same as defined in Iowa Code section 97B.4(3)*"a."*

*"Committee"* means the benefits advisory committee created pursuant to Iowa Code section 97B.8B.

*"Internal Revenue Code"* means the same as defined in Iowa Code section 422.3.

*"IPERS"* or *"system"* means the Iowa public employees' retirement system created pursuant to Iowa Code chapter 97B and as an independent agency within the executive branch of state government to administer Iowa Code chapter 97B.

**495—1.3(97B) Administration.** The chief executive officer, through the chief investment officer and the chief benefits officer, may take any action the officers deem necessary for the administration of the retirement system under Iowa Code chapters 97, 97B, and 97C.

**1.3(1)** *Location.* IPERS' headquarters is located at 7401 Register Drive, Des Moines, Iowa. General correspondence, inquiries, requests for information or assistance, complaints, or petitions shall be addressed to: Chief Executive Officer, Iowa Public Employees' Retirement System, P.O. Box 9117, Des Moines, Iowa 50306-9117.

**1.3(2)** *Business hours.* Business hours are 8 a.m. to 4:30 p.m., Monday through Friday, excluding officially designated holidays.

These rules are intended to implement Iowa Code chapter 97B.

**RA 26-197**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 2
"Investment Board"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 2 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2
INVESTMENT BOARD

**495—2.1(97B) Investment board.** The principal place of business of the board is IPERS' headquarters, 7401 Register Drive, Des Moines, Iowa.

**2.1(1)** At the first meeting in each fiscal year, the voting members elect a chair and vice chair. Future meeting dates for the year will be decided at the first meeting. Advance notice of time, date, tentative agenda, and place of each meeting will be given in compliance with Iowa Code chapter 21. All meetings of the board are open to the public and are held in accordance with Robert's Rules of Order, Newly Revised.

**2.1(2)** Parties wishing to present items for the agenda of the next meeting shall file a written request with the board chair at least five business days prior to the meeting.

**2.1(3)** Decisions of the board are made by a simple majority vote of the full voting membership.

**2.1(4)** Members of the board shall file financial statements pursuant to Iowa Code section 68B.35(2)*"e."*

**2.1(5)** If the chief investment officer position becomes vacant, the board may consult with, and make hiring recommendations to, the chief executive officer consistent with the requirements of Iowa Code chapter 8A, subchapter IV.

**495—2.2(97B) Group trusts.** Assets of the fund may be invested in a tax-exempt group trust that has been determined by the Internal Revenue Service to be a pooled fund arrangement pursuant to Revenue Ruling 81-100, as modified by Revenue Rulings 2004-67 and 2011-1, and that is operated or maintained exclusively for the commingling and collective investment of moneys. In such case, the terms of the group trust shall be adopted as part of this plan.

These rules are intended to implement Iowa Code chapter 97B.

**RA 26-198**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 3
"Benefits Advisory Committee"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
BENEFITS ADVISORY COMMITTEE

**495—3.1(97B) Benefits advisory committee (BAC).** The BAC is an advisory committee established to carry out duties set forth in Iowa Code section 97B.8B. The BAC is a governmental body as defined by Iowa Code section 21.2(1).

**495—3.2(97B) Membership organizations and representatives.**

**3.2(1)** BAC membership consists of at least 9 and no more than 14 members with the composition of the BAC aligning with Iowa Code section 97B.8B. A current list of organizations, appointees, terms and voting status is maintained on IPERS' website.

**3.2(2)** Appointment of BAC representatives. Each membership organization appoints a representative to serve on the BAC. The BAC will not entertain petitions disputing that selection. BAC representatives will provide IPERS or the chairperson with their name, address, telephone number and other information required by IPERS or the chairperson.

**3.2(3)** Attendance.

*a.* Any representative will be deemed to have submitted a resignation from participation in the BAC if either of the following events occurs:

(1) The representative does not attend three or more consecutive regularly scheduled meetings.

(2) The representative attends fewer than one-half of the regularly scheduled meetings each fiscal year.

*b.* This provision applies only to a period beginning on or after the date when the person assumes the position of representative. In the event that a representative is deemed to have resigned under this provision, the chairperson will immediately notify the representative's organization and require the appointment of a different representative within 30 days.

*c.* If a representative is unable to attend a meeting, an alternate designated by the membership organization may attend the meeting. Attendance by an alternate will not relieve the regular representative of the responsibility of attendance at regularly scheduled meetings.

**3.2(4)** Replacement of membership organizations due to nonparticipation. If a membership organization, after receiving written notice from the BAC under subrule 3.2(3), fails to appoint a new representative, the chairperson will send a second written notice giving the organization an additional 30 days to appoint a representative. The notice will state that, in order for the appointment to become effective, the newly appointed representative must attend the next regularly scheduled BAC meeting. The attendance of an alternative representative at said meeting will not fulfill the requirements of this subrule.

*a.* If the organization does not timely appoint a new representative, or its newly appointed representative does not attend the next regularly scheduled BAC meeting, the organization will be deemed to have relinquished its seat on the BAC.

*b.* After a membership organization relinquishes its seat on the BAC for nonparticipation, the subcommittee on membership will, as soon as practicable, meet to consider a replacement organization. If the subcommittee determines that the composition of the BAC would continue to satisfy subrule 3.2(1), the subcommittee may recommend any type of qualified, interested organization as a replacement, or it may recommend leaving the seat open. However, if the subcommittee determines that the composition of the BAC would not satisfy subrule 3.2(1) if a seat was not filled, the subcommittee must recommend a replacement, and the replacement must be one that permits the BAC to meet the requirements of subrule 3.2(1).

*c.* Any qualified, interested organization may file a petition for consideration as a replacement membership organization. The subcommittee will review all petitions that have been filed after the most recent formal review under this rule. The subcommittee may solicit petitions for BAC membership from any qualified, interested organization.

*d.* The subcommittee will recommend a replacement membership organization, if any, at the next regularly scheduled BAC meeting or as soon as practicable. The BAC, by a majority vote of the nine voting representatives, approves or rejects the subcommittee's recommendation.

*e.* If the subcommittee's recommendation is rejected and the seat must be filled, the subcommittee will reconvene as soon as practicable and the foregoing process will be repeated until such time as the subcommittee's recommendation is approved.

*f.* In order to be considered for BAC membership under this rule, an organization must be a "qualified, interested organization." "Qualified, interested organization" means a unit of the executive branch or a formally organized corporation or association representing a viable and identifiable group of covered employers or covered employees as determined by the BAC in its sole discretion.

*g.* This subrule does not affect BAC members described in Iowa Code section 97B.8B(3).

**3.2(5)** Replacement of current membership organizations other than through nonparticipation. A qualified, interested organization may petition the BAC to replace an existing membership organization. Petitions for BAC membership must be submitted in writing on IPERS-provided forms and will be considered according to the schedule established below.

*a.* A formal review of petitions under this rule occurs every three years. IPERS provides 60 days' prior written notice of the next formal review to interested organizations. Notice to all other potential petitioners of the next formal review will be provided on IPERS' website.

*b.* The subcommittee chosen to make recommendations regarding the replacement of a current membership organization will not include the individual representing that organization on the BAC. However, any membership organization whose seat is being contested under this rule may submit written materials and make oral presentations to the subcommittee in support of its continued existence as a BAC membership organization.

*c.* For each formal review, the subcommittee reviews all petitions for membership, if any, that have been filed after the most recent formal review under this rule. The subcommittee may solicit petitions for BAC membership from any qualified, interested organization.

*d.* When one or more qualified, interested organizations have filed a petition to replace a current membership organization, the subcommittee will meet at least 30 days prior to the next formal review session to determine whether to recommend approval or rejection.

*e.* If the subcommittee determines that the composition of the BAC would continue to satisfy subrule 3.2(1) regardless of the type of qualified, interested organization recommended, the subcommittee may recommend any type of qualified, interested organization for a seat being sought under this rule.

*f.* If the subcommittee determines that the composition of the BAC will only continue to satisfy subrule 3.2(1) if a current membership organization's seat is filled by a certain specific type of organization, the subcommittee must limit its recommendations for approval to the types of organizations that would permit the composition of the BAC to continue to satisfy subrule 3.2(1).

*g.* The subcommittee will present its recommendation at the next regularly scheduled formal review of petitions under this rule. The BAC, by a majority vote of the nine voting representatives, approves or rejects the subcommittee's recommendation.

*h.* If the subcommittee determines that two qualified, interested organizations are competing for the same seat, the subcommittee will, in its sole discretion, evaluate the competing organizations and make a recommendation that meets the requirements of this rule and takes into consideration the following factors: the number of employers or employees represented, the diversity of the representation, the degree to which the applicable constituents already have BAC representation through other BAC membership organizations, prior involvement in BAC activities, and prior activities as an IPERS advocate in other forums.

*i.* If the BAC votes to replace a current membership organization that holds a voting seat with a new membership organization, the replacement membership organization will complete the remainder of the term for that voting seat. Otherwise, the new membership organization will be seated as a nonvoting organization. Thereafter, if a vacancy occurs in a voting seat and the new membership organization is qualified to fill that voting seat, the new membership organization may compete for the vacant voting seat.

*j.* An organization that petitions for a seat under this rule and is not selected must resubmit its petition for membership in order to receive consideration for a seat during the next scheduled formal review.

*k.* This subrule does not affect BAC members described in Iowa Code section 97B.8B(3).

**495—3.3(97B) Voting representatives and rights.** The BAC consists of voting representatives as set forth in Iowa Code section 97B.8B(3).

**3.3(1)** *Member voting representatives.* One voting representative will be elected from a membership organization that represents teachers. Of the other three voting representatives who represent members of the system, only one representative will be from a membership organization that solely represents the public safety protection classes.

**3.3(2)** *Voting rights.* A membership organization is permitted to designate a substitute voting representative to cast the vote of the membership organization at a meeting in the event that the named representative cannot attend. No membership organization will have more than one vote on a matter brought before the BAC.

**3.3(3)** *Terms of voting representatives.* The term of each voting representative will be three years, beginning and ending as provided in Iowa Code section 97B.8B. Terms of voting representatives will be staggered.

**3.3(4)** *Quorum, voting requirements and voting procedures.*

*a.* *Quorum.* Five voting representatives of the BAC constitute a quorum.

*b.* *Voting requirements.* A quorum of the BAC must be present, whether the representatives are attending in person or remotely, at the time any vote is taken.

*c.* *Voting procedures.* The chairperson rules as to whether the vote will be by voice or roll call. A roll-call vote will be taken anytime a voice vote is not unanimous. Minutes of the BAC will indicate the vote of each voting member if a roll-call vote is taken.

**3.3(5)** *Officers and elections.*

*a.* *Officers.* BAC officers are the chairperson and vice chairperson.

*b.* *Elections.* At the first meeting in each fiscal year, the voting members elect officers. If an officer does not serve out the elected term, a special election will be held at the first meeting after notice is provided to the BAC to elect a representative to serve out the remainder of the term.

**495—3.4(97B) Meetings.**

**3.4(1)** The BAC will meet at least quarterly or at the request of the chairperson or IPERS' chief executive officer. The chairperson establishes the dates of all regularly scheduled meetings. Advance notice of the time, date, tentative agenda and place of meeting will be given in compliance with Iowa Code chapter 21. All meetings of the BAC are open to the public and are held in accordance with Robert's Rules of Order, Newly Revised. The BAC may exclude the public from portions of the meeting in accordance with Iowa Code section 21.5 (closed session). Minutes are reviewed and approved by the BAC and maintained by IPERS.

**3.4(2)** Parties wishing to address the BAC on a matter not on the agenda should notify IPERS or the chairperson in writing at least five days prior to the meeting.

These rules are intended to implement Iowa Code chapter 97B.

**RA 26-212**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 8
"Service Purchases"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
SERVICE PURCHASES

**495—8.1(97B) Service eligible for purchase.**

**8.1(1)** *General.*

*a.* *Scope.* This chapter applies to service purchases under Iowa Code section 97B.80C.

*b.* *Estimates and cost quotes.* As set forth in Iowa Code section 97B.80C, IPERS calculates all service purchase estimates and cost quotes at actuarial cost.

*c.* *Service purchase estimate prior to retirement.* Upon completing and submitting a service purchase application, IPERS will calculate a written estimate of the cost of purchasing service under Iowa Code section 97B.80C. Members who are vested by service may request a service purchase estimate by completing and submitting a service purchase application. Once the application is submitted, IPERS shall complete a cost estimate. This calculation is an estimate only and is not considered binding. IPERS calculates the cost estimate as follows:

(1) IPERS will calculate the actuarial cost by capturing the projected baseline benefit attributes at the member's anticipated retirement date without any service purchase quarterly credits, including average salary, years of service, the Option 2 benefit amount, accumulated member contributions and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary that represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span.

(2) With each potential purchasable quarterly service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each quarterly service credit will be the difference between the new reserve amount and the previous one.

*d.* *Final service purchase cost quote at retirement.* On or before the date that a member's first benefit payment is issued, a member who is vested by service may request a final service purchase cost quote by completing and submitting an application for retirement/disability benefit indicating the member's desire to receive a final service purchase cost quote. After the member submits the completed application, IPERS shall generate a final service purchase cost quote once all of the member's wages are submitted to IPERS, which may be after the member's first month of entitlement. The final cost quote is calculated as follows:

(1) IPERS will calculate the cost by capturing the baseline benefit attributes at the member's first month of entitlement without any service purchase quarterly credits, including average salary, years of service, the Option 2 benefit amount, accumulated member contributions and the calculated present-day reserve value. The present-day reserve value is a lump sum value calculated with actuarial tables provided by the system's actuary that represents the lump sum value sufficient to pay the monthly benefits over the member's expected life span. With each potential purchasable service credit, IPERS will recalculate the Option 2 benefit amount. A new present-day reserve value will also be calculated. The cost of each purchasable quarter of service credit will be the difference between the new reserve amount and the previous one.

(2) The retired member will have six months from the date in which IPERS generates the final service purchase cost quote to purchase additional service.

(3) If the retired member purchases service within the six-month deadline, the increase in the retirement benefit is made effective with the month of the service purchase payment.

(4) Retired members who do not indicate their desire for a final service purchase cost quote on or before the date their first payment is issued or do not complete the purchase within the six-month

deadline indicated on the final service purchase cost quote are not eligible to purchase additional credit.

(5) Retired members who selected Option 1 upon retirement may request the lump sum death benefit to be increased to consider the additional contributions from making a service purchase. If the member requests an increase in the death benefit, the monthly benefit will be reduced to consider the increased death benefit.

*e. Cost adjustments due to changes in the original retirement benefit.* If an error in the service purchase cost is discovered or a retired member's account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, adjust the service purchase cost, or adjust the retirement allowance to ensure the member paid the actuarial cost of buying additional service. If a retired member overpays due to an adjustment, IPERS will issue a refund to the retired member directly or to the rollover institution.

**8.1(2)** *Service credit for other public employment.*

*a.* A member may apply to purchase credit for service rendered to another public employer. IPERS requires a member to verify service for the other employer.

*b.* A period of service is defined as follows: (1) if a member was continuously employed by an employer, the entire time is one period of employment, regardless of whether a portion or all of the service was covered by one or more retirement systems and (2) if a member is continuously employed by multiple employers within a single retirement system, the entire service credited by that retirement system is one period of employment.

(1) A member with service credit under another public employee retirement system who wishes to transfer only a portion of the service value of the member's public service in another public system to IPERS must provide a waiver of that service time to IPERS together with proof that the other public system has accepted this waiver and allowed partial withdrawal of service credit.

(2) Members may purchase time credited by the other public employer as a leave of absence in the same manner as other service credit. However, members wishing to receive free credit for military service performed while employed by a qualifying non-IPERS covered public employer must purchase the entire period of service encompassing the service time for that public employer or in the other retirement system, excluding the military time. Veterans' credit originally purchased in another retirement system may be purchased in the same manner as other service credit.

**8.1(3)** *IPERS buy-back.* Members may buy back previously refunded IPERS service credit under the methodology of subrule 8.1(1).

**8.1(4)** *Veterans' credit.* A member may make a service credit purchase for a period of active duty service in the armed forces of the United States if the member produces verification of active duty service in the armed forces of the United States.

**8.1(5)** *Legislative members.*

*a. Active members.* Persons who are members of the Seventy-first General Assembly or a succeeding general assembly during any period beginning July 4, 1953, may, upon proof of such membership in the general assembly, make contributions to the system for all or a portion of the period of such service in the general assembly.

*b. Vested or retired former members of the general assembly.*

(1) The member shall submit to IPERS proof of membership in the general assembly for the period claimed.

(2) Upon determining a member's eligibility and receiving the appropriate contributions from the member, IPERS will credit the member with the period of membership service for which contributions are made.

*c. Actuarial cost.* Effective January 1, 2016, the member must be vested by service and must pay 40 percent and the Iowa legislature pays 60 percent of the actuarial cost of a service purchase, as certified by IPERS. In calculating the actuarial cost, IPERS applies the same actuarial assumptions, procedures and cost methods as those described in subrule 8.1(1).

**8.1(6)** *Employer-approved leaves of absence.* Members may purchase service credit for employer-approved leaves of absence that begin on or after July 1, 1998.

**8.1(7)** *Service credit for elective coverage positions—coverage not elected.* Members may purchase service credit for periods of time prior to January 1, 1999, when the member was employed in a position for which coverage could have been, but was not, elected.

**8.1(8)** *Service credit for noncovered public employment in Iowa.* A member who was previously employed in public employment for which optional coverage was not available, such as substitute teaching or other temporary employment, may purchase service credit for such employment subject to the requirements of Iowa Code section 97B.80C. Members cannot purchase service credit under this subrule for periods in which the individual was performing services as an independent contractor.

**495—8.2(97B) Revocation of service purchase application and refund of amounts paid.** A member may revoke a service purchase application and receive a refund without interest of all or a portion of amounts paid to IPERS to buy back prior service credit or to purchase credit for other service pursuant to Iowa Code chapter 97B. The revocation must be made in writing and must be made within 60 days after the date of receipt of such amounts by IPERS. Such refunds are in increments representing one or more quarters. This rule does not limit IPERS' ability to refund service purchase amounts when required in order to meet the provisions of the Internal Revenue Code (IRC) that apply to IPERS. This rule is effective for revocation requests received by IPERS on or after May 3, 1996.

**495—8.3(97B) IRC Section 415(n) compliance.** Service purchases made under this chapter, including buy-backs and buy-ups, are subject to the limitations of IRC Section 415(c)(1) as amended to August 1, 2026, per calendar year, as provided under IRC Section 415(n)(2)(B) as amended to August 1, 2026. In addition, the amounts contributed for service purchases under this chapter cannot exceed the amount required to purchase the service according to the current cost schedules. In implementing these and the other requirements of IRC Section 415(n) as amended to August 1, 2026, IPERS uses the following procedures.

**8.3(1)** If the member's total benefit at retirement passes the fully reduced IRC Section 415(b) (August 1, 2026) dollar limit test, IPERS shall pay the total benefit.

**8.3(2)** If the member's total benefit at retirement fails the fully reduced IRC Section 415(b) (August 1, 2026) dollar limit test, and the member made one or more service purchases, IPERS shall perform the applicable IRC Section 415 (August 1, 2026) tests, with adjustments for posttax service purchases and other posttax contributions, and pay excess amounts, if any, under a qualified benefits arrangement authorized under Iowa Code section 97B.49I.

**8.3(3)** IPERS permits the purchase of nonqualified service credit as defined under IRC Section 415(n) as amended to August 1, 2026.

*a.* "Nonqualified service" means:

(1) Service that is not qualified service under Iowa Code section 97B.80C; and

(2) Service for which no services were performed; and

(3) Service for which the member is entitled to receive retirement benefits under another retirement plan.

*b.* A member must have 20 quarters of existing service to make such a purchase. Nonqualified service credit purchased cannot exceed 20 quarters. This limit is an aggregate limit that applies to all quarters categorized as nonqualified service credit.

**8.3(4)** The limitations of this rule applies to buy-backs of prior refunds. In addition, the annual limit under this rule does not apply to service purchases grandfathered under the provisions of the Iowa Code and Section 1526 of the Taxpayer Relief Act of 1997 as amended to August 1, 2026.

**8.3(5)** If IPERS adopts rules and procedures permitting service to be purchased on a pretax basis, the amounts contributed will not be combined with posttax service purchases and other posttax contributions in applying the foregoing procedures.

**8.3(6)** The IRC Section 415(c) (August 1, 2026) limitations do not apply to a service purchase that qualifies as a direct rollover from an eligible retirement plan or a direct transfer from a plan qualified under IRC Section 403(b) or 457 as amended to August 1, 2026.

**8.3(7)** IPERS reserves the right to apply the limitations of IRC Section 415(n) as amended to August 1, 2026, on a case-by-case basis to ensure that such limits are not exceeded.

**495—8.4(97B) Additional information, procedures and limitations.**

**8.4(1)** *Additional service purchase procedures.*

*a.* Service purchase cost quotes for members currently in special service positions are prepared as special service credit.

*b.* Members covered under another retirement plan. Members who wish to buy service credit for employment that is covered by another retirement plan qualified under IRC Section 401 as amended to August 1, 2026, IRC Section 403 or 457 as amended to August 1, 2026, and similar plans and retirement pay from the United States government for active duty in the armed forces (except retirement pay for nonregular service pursuant to 10 U.S.C. Sections 12731-12739 as amended to August 1, 2026) must waive their right to benefits based on the service credit that is being purchased under IPERS.

*c.* Effective January 1, 2007, IPERS may, notwithstanding certain provisions of Iowa Code section 97B.82 adopted in order to comply with prior rollover provisions of the IRC, utilize forms and procedures permitting direct rollover service purchases to include after-tax amounts as provided under the applicable rollover provisions of the IRC as amended to August 1, 2026, subsequent to the enactment of Iowa Code section 97B.82.

**8.4(2)** *Additional service purchase limitations.*

*a.* Service purchases are not allowed for quarters already on file with IPERS as covered quarters.

*b.* If a member has requested a service purchase cost quote and, before the six-month expiration has passed, submits another request for a service purchase cost quote for the same or different employer, the new service purchase cost quote will be based on a combination of the two service purchase cost quotes. The latest service purchase cost quote supersedes all prior cost quotes provided to the member for the quarters that the member purchases after the issuance of the second cost quote.

*c.* Self-employed and independent contractor members. Members are not permitted to purchase service credit for periods of self-employment or as an independent contractor.

**8.4(3)** *Buy-up of service credit through service purchase.* Effective July 1, 2008, IPERS members may be allowed to buy up service credit. The term "buy up" means to convert regular service credit to special service credit by payment of the actuarial cost pursuant to the requirements of subrule 8.1(1).

*a.* *Mixture of service time.* If a member's service time contains a mixture of regular, protection and sheriff service credit, IPERS prepares buy-up cost quotes prior to other service credit purchases and processes the buy-up as follows:

(1) If the member is currently employed in the sheriff class or retired as a sheriff, the cost quote is prepared reflecting a buy-up to sheriff service credit.

(2) If the member is not currently employed in the sheriff class or did not retire as a sheriff, the cost quote is prepared reflecting a buy-up to protection occupation service credit.

*b.* *Wage adjustment after a buy-up.* If an employer wage adjustment completely removes a member's service credit in a buy-up quarter, IPERS will correct the service credit and perform the necessary recalculations.

*c.* *IRS limitations.* Buy-up service purchases are aggregated with buy-in and buy-back service purchases during a calendar year and cannot exceed the defined contribution dollar limit then in effect under Section 415(c) of the IRC as amended to August 1, 2026. Amounts that are rolled over from other qualified plans for service purchases are excluded from these limits.

**495—8.5(97B) Adjustments.** If an error in the service purchase cost is discovered or a member's account is adjusted in any manner after a purchase is made, IPERS may rescind the service purchase, make adjustments to the service purchase cost, or adjust the retirement allowance to ensure the active or retired member is paying the actuarial cost of buying additional service.

These rules are intended to implement Iowa Code sections 97B.1A, 97B.1A(13), 97B.1A(20), 97B.43, 97B.80, 97B.80C, and 97B.82.

**RA 26-213**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 13
"Disability for Regular and Special Service Members"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4, 97B.15, 97B.50, and 97B.50A

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, 97B.15, 97B.50, and 97B.50A

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13
DISABILITY FOR REGULAR AND SPECIAL SERVICE MEMBERS

**495—13.1(97B) Disability for persons retiring under Iowa Code section 97B.50(2).**

**13.1(1)** For IPERS members retiring because of a disability:

*a.* The member must be awarded federal social security or federal Railroad Retirement Act benefits due to a disability that existed on or before the member's first month of entitlement. In no event shall retroactive disability benefits payments under Iowa Code section 97B.50(2) precede the month the member actually receives the member's first social security or railroad retirement disability payment. The member shall provide IPERS with a copy of the Social Security Administration or railroad retirement award letter showing dates of eligibility.

*b.* Continued qualification monitoring.

(1) On or after July 1, 2009, a member retiring due to a disability under Iowa Code section 97B.50(2) must provide IPERS, or IPERS' designee, with proof of continuing eligibility for federal social security disability benefits or railroad retirement disability benefits by June 30 of each calendar year in order to continue qualification for IPERS disability benefits. If the member fails to provide the records timely, IPERS suspends the member's disability benefits.

(2) Annual certification of continued eligibility for federal social security disability benefits or railroad retirement disability benefits is not required as of the calendar year the member reaches normal retirement age as defined by Iowa Code section 97B.45, or for special service members aged 55, or sheriffs and deputies aged 50 with 22 years of service.

**13.1(2)** If a member returns to covered employment after achieving a bona fide retirement, IPERS suspends or reduces the benefits provided to the member under Iowa Code section 97B.50(2)*"a"* or *"b"* as follows:

*a.* If the member has not attained the age of 55 upon reemployment, benefit payments are suspended in their entirety until the member subsequently terminates employment, applies for, and is approved to receive benefits under the provisions of Iowa Code chapter 97B.

*b.* If the member has attained the age of 55 or older upon reemployment, the member continues to receive monthly benefits adjusted as follows: monthly benefits are calculated under the same benefit option the member first selected, based on the member's age, years of service, and the applicable reductions for early retirement as of the month that the member returns to covered employment.

(1) The suspension or reduction of benefits for returning to covered employment no longer applies as of the calendar year the member reaches normal retirement age, as defined by Iowa Code section 97B.45, or for special service members aged 55, or sheriffs and deputies aged 50 with 22 years of service.

(2) The member's benefit is subject to the applicable provisions of Iowa Code section 97B.48A pertaining to reemployed retired members.

**13.1(3)** Upon terminating a reemployment that resulted in the suspension of all or a portion of the member's disability retirement allowance, IPERS recomputes the member's benefits under Iowa Code section 97B.48A and rule 495—12.8(97B). To requalify for a monthly retirement allowance under Iowa Code section 97B.50(2), the member must furnish a new or updated Social Security Administration disability award letter, or other acceptable documentation from the Social Security Administration, indicating that the member is currently eligible for social security disability benefits.

**13.1(4)** If a member whose IPERS disability benefits were suspended because of the member's return to covered employment provides proof acceptable to IPERS that the member remains eligible for federal social security disability benefits or railroad retirement disability benefits, IPERS reinstates the member's disability benefits, subject to the member's continued compliance with paragraph 13.1(1)*"b."*

**495—13.2(97B) Disability claim process for special service members.** Except as otherwise indicated, this rule applies only to disability claims initiated under Iowa Code section 97B.50A. Except as otherwise indicated, disability claims under Iowa Code section 97B.50(2) are administered under rule 495—13.1(97B).

**13.2(1)** *Initiation of disability claim.* The disability claim process originates on an application designated by the system and in the manner set forth in 495—Chapter 11.

**13.2(2)** *Medical board examinations.* The medical board, consisting of three physicians from the University of Iowa occupational medicine clinic and other departments as required, shall examine the member and perform the relevant tests and examinations.

*a.* The medical board shall submit a letter of recommendation to the system, based on its findings and the job duties supplied in the member's application, whether or not the member is mentally or physically incapacitated from the further performance of the member's duties and whether or not the incapacity is likely to be permanent. "Permanent" means that the mental or physical incapacity is reasonably expected to last more than one year. The medical board's letter of recommendation must include a recommended schedule for reexaminations to determine the continued existence of the disability in question.

*b.* IPERS is not liable for any diagnostic testing procedures performed in accordance with Iowa Code section 97B.50A and this rule that are alleged to have resulted in injury to the members being examined.

*c.* The medical board must furnish its determination, test results, and supporting notes to IPERS and IPERS' designee no later than ten working days after the date of the examination. The medical board may use electronic signatures in fulfilling its reporting obligations under this rule.

*d.* The medical board is not required to have regular meetings but is required to meet with IPERS' representatives at reasonable intervals to discuss the implementation of the program and performance review.

**13.2(3)** *Member and employer comments.* Upon receipt by the system, IPERS distributes the medical board's determination regarding the existence or nonexistence of a permanent disability to the member and to the employer for review. The member and the employer may forward to the system written statements pertaining to the medical board's findings within ten days of transmittal. If relevant medical information not considered in materials previously forwarded to the medical board is contained within such written statements, the system submits such information to the medical board for review and comment.

**13.2(4)** *Fast-track review.* IPERS or IPERS' designee may refer any case to IPERS' chief benefits officer (CBO) for fast-track review. The CBO or the CBO's designee may, based upon a review of the member's application and medical records, permit the medical board to make its recommendations based solely upon a review of the application and medical records, without requiring the member to submit to additional medical examinations by, or coordinated through, the medical board.

**13.2(5)** *Initial administrative determination.* IPERS, or IPERS' designee, in consultation with the system's legal counsel, reviews the member's complete file, including the member's file, the medical board's letter of recommendation, test results, and supporting notes, and hospital discharge summary reports and makes the initial disability determination. IPERS sends written notification of the initial disability determination to the member and the member's employer within 14 business days after IPERS receives a complete file for the initial disability determination.

**13.2(6)** *General benefits provisions.* Effective July 1, 2000, if an initial disability determination is favorable, benefits begin as of the date of the initial disability determination or, if earlier, the member's last day on the payroll, but no more than six months of retroactive benefits are payable, subject to Iowa Code section 97B.50A(13). "Last day on the payroll" includes any form of authorized leave time, whether paid or unpaid. If a member receives short-term disability benefits from the employer while awaiting a disability determination hereunder, disability benefits accrue from the date the member's short-term disability payments are discontinued. If a member appeals an initial favorable determination, the member continues to receive payments pending the outcome of the appeal.

*a.* Any member who is awarded disability benefits under Iowa Code section 97B.50A and this rule is eligible to elect any of the benefit options available under Iowa Code section 97B.51. All such options are the actuarial equivalent of the lifetime monthly benefit provided in Iowa Code section 97B.50A(2) and 97B.50A(3).

*b.* The disability benefits established under this subrule are eligible for the favorable experience dividends payable under Iowa Code section 97B.49F(2).

*c.* If the award of disability benefits is overturned upon appeal, IPERS may require the member to repay the amount already received or, upon retirement, suspend or reduce payments until IPERS recovers the appropriate amount.

**13.2(7)** *In-service disability determinations.*

*a.* Subject to the presumptions in Iowa Code section 97B.50A in determining whether a member's mental or physical incapacity arises in the actual performance of duty, "duty" means:

(1) For special service members other than firefighters, any action that the member, in the member's capacity as a law enforcement officer:

1. Is obligated or authorized by rule, regulation, condition of employment or service, or law to perform; or

2. Performs in the course of controlling or reducing crime or enforcing the criminal law; or

(2) For firefighters, any action that the member, in the member's capacity as a firefighter:

1. Is obligated or authorized by rule, regulation, condition of employment or service, or law to perform; or

2. Performs while on the scene of an emergency run (including false alarms) or on the way to or from the scene.

*b.* A presumption exists that a special service member contracted a disease while on active duty only if the disease is defined by Iowa Code section 97B.50A(2)*"c."* If a presumption exists, IPERS may, in making its determination as to whether the member incurred a disability while on active duty, proceed with evidence to rebut the presumption. IPERS can rebut the presumption when credible evidence exists to the contrary or when the requirements of Iowa Code section 97B.50A(2)*"c"* are met. Under no circumstances does the burden of proof shift from the special service member to IPERS.

**13.2(8)** *Appeal rights.*

*a.* The member or the employer, or both, may appeal IPERS' initial disability determination within 30 days after IPERS mails the notification of IPERS' initial disability determination by submitting to IPERS' CEO or CEO's designee a notice of appeal in writing setting forth:

(1) The name, address, and social security number of the member or employee number of the employer;

(2) A reference to the decision from which the appeal is being made;

(3) The fact that an appeal from the decision is being made;

(4) The grounds upon which the appeal is based;

(5) Additional medical or other evidence to support the appeal; and

(6) The request that a different decision be made by IPERS.

*b.* Upon notice of appeal, IPERS conducts an internal review of the initial disability determination, and the CEO or CEO's designee notifies in writing the party who filed the appeal of IPERS' final disability determination with respect to the appeal. The CEO or CEO's designee may appoint a review committee to make nonbinding recommendations on such appeals. The disability retirement benefits officer, if named to the review committee, does not vote on any such recommendations, nor do any members of IPERS' legal staff participate in any capacity other than a nonvoting capacity. Further appeals follow the procedures set forth in 495—Chapter 2506.

**13.2(9)** *Notice of abuse of disability benefits.* The system investigates all allegations of abuse of disability benefits. IPERS, in its sole discretion, may initiate investigations in the absence of a complaint. IPERS determines the scope of the investigation and may include the ordering of a sub rosa investigation of a disability recipient to verify the facts relating to an alleged abuse. IPERS only considers a sub rosa investigation upon receipt and evaluation of an acceptable notice of abuse.

*a.* Acceptable written notification includes:

(1) The informant's name, address, telephone number, and relationship to the disability recipient; and

(2) A statement pertaining to the circumstances that prompted the notification, such as activities that the informant believes are inconsistent with the alleged disability.

*b.* Anonymous calls are not acceptable notification.

*c.* IPERS may employ such investigators and other personnel, in IPERS' sole discretion, as may be deemed necessary. IPERS may also, in its sole discretion, decline to carry out such investigations if more than five years have elapsed since the date of the disability determination.

**13.2(10)** *Qualification for social security or railroad retirement disability benefits.* Upon qualifying for social security or railroad retirement disability benefits, a special service member may contact the system to have the member's disability benefits calculated under Iowa Code section 97B.50(2). The member and spouse must complete the designated application to stop having benefits calculated under Iowa Code section 97B.50A and to start having benefits calculated under Iowa Code section 97B.50(2). The decision is irrevocable, and must be made within 60 days after the member receives written notification of eligibility for disability benefits from social security or railroad retirement and has commenced receiving such payments.

**13.2(11)** *Reemployment/income monitoring.*

*a.* A member who retires under Iowa Code section 97B.50A and this rule must supply a copy of a complete set of the member's state and federal income tax returns, including all supporting schedules, by June 30 of each calendar year in order to continue qualification for IPERS special service disability benefits. IPERS may suspend the benefits of any such member if such records are not timely provided. This subrule does not apply to a member who is at least 55 years of age and would have completed 22 years of service if the member had remained in active special service employment.

*b.* Only wages and self-employment income are counted in determining a member's reemployment comparison amount, as adjusted for health care coverage for the member and member's dependents.

**13.2(12)** *Offset to allowance.*

*a.* A member who retires under Iowa Code section 97B.50A will have benefits reduced by other disability-related payments the member receives for the same disability, including but not limited to benefits from:

(1) Social security.

(2) Long-term disability insurance.

(3) Workers' compensation, subject to the limitations set forth in Iowa Code section 97B.50A(5)*"b"* and *"c."*

(4) Unemployment insurance.

(5) Employer-paid disability plans, programs, or policies.

(6) Other laws.

*b.* For purposes of calculating the income offsets required under Iowa Code section 97B.50A, IPERS converts any lump sum workers' compensation award, disability insurance payments, or similar lump sum awards for the same illnesses or injuries to an actuarial equivalent, as determined by IPERS. IPERS converts any monthly, weekly, or other stated period workers' compensation award, disability insurance payments, or other awards for the same illnesses or injuries, dollar-for-dollar, to the same monthly, weekly, or other stated period, as determined by IPERS.

These rules are intended to implement Iowa Code sections 97B.50 and 97B.50A.

**RA 26-214**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 14
"Death Benefits and Beneficiaries"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 14 and adopt the following **new** chapter in lieu thereof:

CHAPTER 14
DEATH BENEFITS AND BENEFICIARIES

**495—14.1(97B) Internal Revenue Code limitations.**

**14.1(1)** Death benefits payable under Iowa Code sections 97B.51 and 97B.52 must not exceed the maximum amount possible under Internal Revenue Code (IRC) Section 401(a)(9) as amended to August 1, 2026.

**14.1(2)** To satisfy subrule 14.1(1), a member's combined lump sum death benefit under Iowa Code section 97B.52(1) and 97B.52(2) does not exceed 100 times the Option 2 amount that would have been payable to the member at the member's earliest normal retirement age. If a beneficiary of a special service member is eligible for an in-the-line-of-duty death benefit, IPERS takes any reduction required under this rule first from a death benefit payable under Iowa Code section 97B.52(1). The limit set forth above applies to active and inactive members. Death benefits payable under this chapter for a reemployment period for a retired reemployed member who dies during the period of reemployment are subject to the limits described in this rule.

**14.1(3)** The maximum claims period for IPERS lump sum death benefits is the period required under IRC Section 401(a)(9), which may be less than five years for a member who dies after the member's required beginning date, unless the beneficiary is a spouse. The claims period for all cases in which the member's death occurs during the same calendar year in which a claim must be filed under this rule ends April 1 of the year following the year of the member's death.

**14.1(4)** A member's beneficiary or heir may file a claim for previously forfeited death benefits. Interest, if any, for periods prior to the date of the claim will only be credited through the quarter that the death benefit was required to be forfeited by law. Interest for periods following the quarter of forfeiture will accrue beginning with the quarter that the claim for reinstatement is received by IPERS. For death benefits required to be forfeited in order to satisfy IRC Section 401(a)(9) as amended to August 1, 2026, in no event will the forfeiture date precede January 1, 1988. IPERS is liable for any excise taxes imposed by the Internal Revenue Service on reinstated death benefits.

**14.1(5)** Effective January 14, 2004, IPERS processes all claims for a previously forfeited death benefit under the procedure set forth in rule 495—14.6(97B).

**14.1(6)** The system recognizes the validity of same-gender marriages executed in Iowa on or after April 27, 2009, if the domestic relations order or other assignment otherwise meets the system's minimum requirements for such orders; the system modifies the tax treatment of distributions under such orders as required by the federal laws governing such distributions. The Iowa Supreme Court decision recognizing same-gender marriages in Iowa specifically states that this recognition does not extend to same gender marriages of other states. The system recognizes the validity of same-gender marriages based on the U.S. Supreme Court's decision in *United States v. Windsor*, 133 S.Ct. 2675 (2013), and the direction of Rev. Rul. 2013-17 and IRS Notice 2014-19. IPERS recognizes the federal tax treatment of distributions as required by the sources listed in this paragraph.

**495—14.2(97B) Designation of beneficiaries.**

**14.2(1)** *Designation of beneficiaries.*

*a.* Members may designate their beneficiary through the IPERS website or in the manner set forth in Iowa Code section 97B.44.

*b.* The beneficiary designation by a retiring member on the application for monthly benefits revokes all prior designation of beneficiary forms.

*c.* If a retired member is reemployed in covered employment, the most recently filed beneficiary form governs the payment of all death benefits for all periods of employment.

*d.* Notwithstanding paragraph 14.2(1)*"c,"* a reemployed IPERS Option 4 or 6 retired member may name someone other than the member's contingent annuitant as beneficiary, but only for lump sum death benefits accrued during the period of reemployment and only if the contingent annuitant has died or has been divorced from the member before or during the period of reemployment unless a qualified domestic relations order (QDRO) directs otherwise. If a reemployed IPERS Option 4 or 6 retired member dies without filing a new beneficiary form, the death benefits accrued for the period of reemployment are paid to the member's contingent annuitant, unless the contingent annuitant has died or been divorced from the member. If the contingent annuitant has been divorced from the member, any portion of the lump sum death benefits awarded in a QDRO is paid to the contingent annuitant as alternate payee, and the remainder of the lump sum death benefits is paid to the member's estate or, if applicable, to the member's heirs if no estate is probated.

*e.* A funeral home cannot be designated as a beneficiary.

**14.2(2)** *Deceased beneficiary.* If a named beneficiary predeceased the member, IPERS will pay that beneficiary's share to the surviving named beneficiaries in equal shares.

**14.2(3)** *Change of beneficiary.* Members may change their beneficiary through the IPERS website or in accordance with Iowa Code section 97B.44(1). The latest dated designation of beneficiary form on file determines the identity of the beneficiary.

**495—14.3(97B) Applications for death benefits.**

**14.3(1)** IPERS pays any death benefit payable under Iowa Code section 97B.52 only after IPERS receives:

*a.* An application in writing for the benefit; and

*b.* A copy of the member's death certificate.

If a death certificate cannot be obtained, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, the bureau of health statistics, IPERS' own internal records, or reports derived from other public records, and other departmental or governmental records to which IPERS may have access together with information establishing the claimant's right to payment.

**14.3(2)** A named beneficiary must complete an IPERS application for death benefits based on the deceased member's account. If the claimant's claim is based on dissolution of marriage that revoked the IPERS beneficiary designation, the claim is processed pursuant to rule 495—14.14(97B).

**495—14.4(97B) Commuted lump sums—guaranteed payments.** In addition to death benefits payments provided in Iowa Code section 97B.52(1)*"c"* where a member has selected Option 5 and dies before receiving all guaranteed payments, and the member's designated beneficiary also dies before IPERS makes all guaranteed payments, IPERS pays any remaining guaranteed payments in a commuted lump sum.

**495—14.5(97B) Payment of the death benefit when no designation of beneficiary or an invalid designation of beneficiary form is on file.** When no designation of beneficiary or an invalid designation of beneficiary form is on file with IPERS, payment shall be made as provided in Iowa Code sections 97B.44(4) and 97B.52(7).

**495—14.6(97B) Waiver of beneficiary rights.**

**14.6(1)** A beneficiary's waiver of the rights set forth in Iowa Code section 97B.52(6) must:

*a.* Occur prior to receiving payment from IPERS; and

*b.* Be binding and executed on a form provided by IPERS.

**14.6(2)** The waiver may be general, in which case payment is divided equally among all remaining designated beneficiaries or, if there are none, to the member's estate.

**14.6(3)** The waiver may also expressly be made in favor of one or more of the member's designated beneficiaries or the member's estate as provided in Iowa Code section 97B.52(6).

**14.6(4)** A release that is acceptable to IPERS, indemnifying IPERS from all liability to beneficiaries, heirs, or other claimants for any waiver executed by an executor, administrator, or other fiduciary, must accompany any waiver filed by an executor, administrator, or other fiduciary under this rule and Iowa Code section 97B.52(6).

**495—14.7(97B) Simultaneous deaths.** IPERS applies the provisions of the Uniform Simultaneous Death Act, Iowa Code sections 633.523 et seq., in determining the proper beneficiaries of death benefits in applicable cases.

**495—14.8(97B) Felonious deaths.** IPERS applies the provisions of the Felonious Death Act, Iowa Code sections 633.535 et seq., in determining the proper beneficiaries of death benefits in applicable cases.

**495—14.9(97B) No interest on postretirement death benefits.** Interest accrues as set forth in Iowa Code section 97B.52(4)*"b."* For a retired reemployed member who dies before the member's reemployment first month of entitlement (FME), interest accrues on the retired or retired reemployed member's accumulated contributions.

**495—14.10(97B) Preretirement death benefits.**

**14.10(1)** *Death prior to first month of entitlement.* Where an active member, or an inactive member vested by service, dies prior to the first month of entitlement, the lump sum death benefit is the greater of the amount provided in subrule 14.10(3) or 14.10(4). Sole beneficiaries may elect, in lieu of the lump sum amount, to receive a single life annuity that is the actuarial equivalent of such lump sum amount. Where an inactive member, not vested by service, dies prior to the first month of entitlement, the lump sum death benefit is as provided in subrule 14.10(7).

**14.10(2)** *Death benefits under Iowa Code section 97B.52(1).*

*a. Definitions.*

*"Accrued benefit"* means the monthly amount that would have been payable to the deceased member under IPERS Option 2 at the member's earliest normal retirement age, based on the member's covered wages and service credits at the date of death. If a deceased member's wage record consists of a combination of regular and special service credits, the monthly amount that would have been payable to the deceased member under Option 2 at the member's earliest normal retirement age is determined separately for regular and special service credits, and then combined.

*"Nearest age"* means a member's or beneficiary's age expressed in whole years, after rounding for partial years of age. Ages are rounded down to the nearest whole year if less than six complete months have passed following the month of the member's or beneficiary's last birthday, and are rounded up if six complete months or more have passed following the month of the member's or beneficiary's last birthday.

*b. Process for applying.*

(1) A claim for a single life annuity under Iowa Code section 97B.52(1) must be filed as follows:

1. For a nonspouse beneficiary, within 12 months of the member's death.

2. For a surviving spouse beneficiary, within 12 months of the member's death, or by the date that the member would have attained the age of 72, whichever period is later.

(2) Elections to receive the lump sum amount or single life annuity are irrevocable once the first payment is made.

(3) No further benefits are payable following the death of any beneficiary who qualifies and elects to receive the single life annuity provided under this subrule.

(4) The provisions of this subrule shall not apply to members who died before January 1, 2001.

**14.10(3)** *Accumulated contributions lump sum benefit.* The calculation of the highest year of covered wages under Iowa Code section 97B.52(1)*"a"* uses the highest calendar year of covered wages reported to IPERS.

**14.10(4)** *Present value lump sum.* A lump sum death benefit equal to the present value of the member's accrued benefit is calculated as follows:

*a.* IPERS calculates a member's retirement benefit at earliest normal retirement age under IPERS Option 2, based on the member's covered wages and service credits at the date of death and the retirement benefit formula in effect in the month following the date of death.

*b.* For purposes of determining the "member date of death annuity factor" under the conversion tables supplied by IPERS' actuary, IPERS assumes that "age" means the member's nearest age at the member's date of death.

*c.* For purposes of determining the "member unreduced retirement annuity factor" under the conversion tables supplied by IPERS' actuary, IPERS assumes that "age" means the member's nearest age at the member's earliest normal retirement date. If a member had already attained the member's earliest normal retirement date, IPERS assumes that "age" means the member's nearest age at the date of death.

**14.10(5)** *Single life annuity benefit.* To convert the actuarial equivalent of a lump sum death benefit to a single life annuity, IPERS assumes the following:

*a.* For purposes of determining the "age of beneficiary annuity factor" under the conversion tables supplied by IPERS' actuary, IPERS assumes that "age" means the beneficiary's nearest age as of the beneficiary's first month of entitlement.

*b.* A beneficiary's first month of entitlement is the month after the date of the member's death.

*c.* Effective for claims filed after June 30, 2004, no retroactive payments of the single life annuity are made under this subrule.

*d.* Effective for claims filed after June 30, 2004, the beneficiary whose single life annuity is less than $600 per year receives only the lump sum payment under this rule.

*e.* Any sole beneficiary who is eligible for and elects to receive a single life annuity under this subrule qualifies for the favorable experience dividend (FED) payments authorized under rule 495—15.2(97B), subject to the requirements of that rule.

**14.10(6)** *Retired reemployed members and aged 70 members who retire without terminating employment.* Preretirement death benefits for retired reemployed members and aged 70 members who retire without terminating employment are calculated as follows:

*a.* For beneficiaries of such members who elect IPERS Option 4 or 6 at retirement, IPERS recomputes (for retired reemployed members) or recalculates/recomputes (for aged 70 members who retired without terminating employment) the member's monthly benefits as though the member had elected to terminate employment as of the date of death, to have the member's benefits adjusted for postretirement wages, and then lived into the recomputation or recalculation/recomputation (as applicable) first month of entitlement.

*b.* The recomputation provided under paragraph 14.10(6)*"a"* applies only to beneficiaries of members who elected IPERS Option 4 or 6, where the member's monthly benefit would have been increased by the period of reemployment, and is subject to the limitations of Iowa Code sections 97B.48A, 97B.49A, 97B.49B, 97B.49C, 97B.49D, and 97B.49G. The recalculation/recomputations provided under paragraph 14.10(6)*"a"* apply only to beneficiaries of members who elected IPERS Option 4 or 6, where the member's monthly benefit would have been increased by the period of employment after the initial retirement, and is subject to the limitations of Iowa Code sections 97B.49A, 97B.49B, 97B.49C, 97B.49D, and 97B.49G. In all other cases, including cases where members previously received a lump sum payment under Iowa Code section 97B.48(1) in lieu of a monthly retirement allowance, preretirement death benefits under this paragraph are the lump sum amount equal to the accumulated employee and accumulated employer contributions.

*c.* Beneficiaries of members who had elected IPERS Option 4 or 6 may elect to receive the accumulated employer and accumulated employee contributions described in paragraph 14.10(6)*"b"* instead of the increased monthly annuity amount. Notwithstanding paragraph 14.10(6)*"b,"* if the member elected IPERS Option 5 at retirement, the lump sum amount payable under this paragraph is the greater of the applicable commuted lump sum or the accumulated employee and accumulated employer contributions.

**14.10(7)** *Inactive member, not vested by service death benefit.*

*a.* For deaths occurring after June 30, 2004, and before July 1, 2012, for inactive members, as defined by Iowa Code section 97B.1A(12), who have less than 16 quarters of service credit, preretirement death benefits are provided solely under Iowa Code section 97B.52(1)*"a"* and are only payable in lump sum amounts.

*b.* For deaths occurring after June 30, 2012, preretirement death benefits are provided solely under Iowa Code section 97B.52(1)*"a"* and are only payable in lump sum amounts for inactive members, as defined by Iowa Code section 97B.1A(12), who are not vested by service.

**495—14.11(97B) Procedures for deaths of certain voluntary emergency services personnel occurring in the line of duty.** Effective July 1, 2006, for a member who dies while performing the functions of a voluntary emergency services provider as described under Iowa Code section 85.61 or 147A.1, benefits for deaths occurring in the line of duty are paid pursuant to Iowa Code section 100B.31.

**495—14.12(97B) Rollovers by nonspouse beneficiaries.**

**14.12(1)** Effective January 1, 2007, nonspouse beneficiaries may request a direct rollover of such beneficiaries' death benefit payments to traditional IRA accounts established in accordance with Section 829 of the Pension Protection Act of 2006, as amended to August 1, 2026, and IRS Notice 2007-7. IPERS shall determine the amount eligible for direct rollover under IRC Section 401(a)(9) as amended to August 1, 2026, if any, and the procedural requirements for requesting such rollovers. It is the beneficiaries' responsibility to determine that the recipient IRAs meet the structural and operational requirements of Section 829 and Notice 2007-7. IPERS bears no responsibility for rollovers to IRA accounts that fail to meet such requirements.

**14.12(2)** Effective January 1, 2008, IPERS will also allow rollovers under this rule to Roth IRA accounts established in accordance with the structural and operational requirements of Section 829 and Notice 2007-7.

**495—14.13(97B) Required minimum distribution (RMD) basic calculation.**

**14.13(1)** The RMD for a member who retired under an option with a lump sum death benefit and died after the member's required beginning date (RBD) is calculated as follows:

*a.* Step 1. Determine the number of payments remaining for the calendar year in which the member died. The current month's payment is not used in this calculation.

*b.* Step 2. Multiply the number of remaining payments determined in Step 1 by the gross amount of the member's last monthly payment to get the RMD amount. If the lump sum death benefit is less than the RMD, then the RMD is the lump sum death benefit amount.

*c.* Step 3. Determine the total non-RMD amount by subtracting the RMD as determined in Step 2 from the lump sum death benefit.

*d.* The eligible rollover amount is the total non-RMD amount as determined in Step 3.

**14.13(2)** In order to allocate nontaxable amounts between RMD and non-RMD, the calculation is performed as follows:

*a.* Nontaxable amounts are allocated first to the RMD portion of the lump sum death benefit.

*b.* If the nontaxable amounts are greater than the RMD amount, the remaining nontaxable amounts are allocated to the non-RMD portion of the lump sum amount.

*c.* If the nontaxable amounts are less than the RMD amount, the remaining portion of the RMD amount is composed of taxable amounts.

**495—14.14(97B) Beneficiary revocation pursuant to Iowa Code section 598.20B, dissolution of marriage.** IPERS is not liable for the payment of death benefits to a beneficiary pursuant to a beneficiary designation that has been revoked or reinstated by a divorce, annulment, or remarriage before IPERS receives the written notice set forth in subrule 14.14(1).

**14.14(1)** *Form of notice.*

*a.* The written notice must include the following information:

(1) The name of the deceased member,

(2) The name of the person(s) whose entitlement to IPERS death benefits is being challenged,

(3) The name, address, and telephone number of the person(s) asserting an interest,

(4) A statement that the decedent's divorce, annulment, or remarriage revoked the entitlement of the person(s) whose status is being challenged to the IPERS death benefits in question, and

(5) A copy of the divorce decree upon which the claim is based.

*b.* In addition to the above information, if the person whose entitlement is being challenged is not the former spouse, the written notice must indicate that the person was related to the former spouse, but not the member, by blood, adoption or affinity, and state the nature of the relationship.

**14.14(2)** *Delivery of notice.* Written notice under this rule must be addressed to IPERS General Counsel and mailed to IPERS by registered mail or served upon IPERS in the same manner as a summons in a civil action.

**14.14(3)** *Administration.*

*a.* Upon receipt of written notice that meets the requirements of subrules 14.14(1) and 14.14(2):

(1) IPERS reviews the deceased member's account and determines whether there are moneys left to be distributed from the account.

(2) IPERS pays the amounts owed, if any, to the probate court having jurisdiction over the decedent's estate, if the deceased member has an open estate.

(3) IPERS pays the amounts owed, if any, to the probate court that had or would have had jurisdiction over the decedent's estate, if the deceased member's estate is closed or an estate was not opened.

(4) As IPERS makes applicable payments, a copy of the written notice received by IPERS is filed with the probate court.

*b.* If the probate court charges a filing fee for the deposit of amounts payable hereunder, IPERS deducts such filing fees and other court costs from the amounts payable prior to transfer. The probate court holds the funds and, upon its determination, orders disbursement or transfer in accordance with the determination. Additional filing fees and court costs, if any, are charged upon disbursement either to the recipient or against the funds on deposit with the probate court, in the discretion of the court.

**14.14(4)** *Release of claims.* Payments made to a probate court under this rule discharge IPERS from all claims by all persons for the value of amounts paid the court.

**495—14.15(97B) Procedures for final distribution to heirs who have filed claims.** If a claimant identified other persons in the claimant's group who are entitled to a share of the member's death benefit, but such persons have not filed a claim within five years after the member's death, or by the date required under IRC Section 401(a)(9) as amended to August 1, 2026, if earlier, the provisions of Iowa Code section 97B.52(7) apply and the remainder of the member's death benefit is paid in pro rata shares to the claimants who were previously paid a share of the death benefit. To comply with the applicable IRS limitations, the final payments under this rule are made by December 31 of the fifth year that begins after the member's date of death, or by December 31 of the year that distribution is required under IRC Section 401(a)(9) as amended to August 1, 2026, if earlier. For purposes of Iowa Code section 97B.52(7), the sole recourse of any claimant who is a member of a group receiving payments hereunder or of any lower-numbered group that should have received all of such payments is against the claimants of the group that received death benefit payments.

These rules are intended to implement Iowa Code sections 97B.44 and 97B.52.

**RA 26-215**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 15
"Dividends"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the rule reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15
DIVIDENDS

**495—15.1(97B) Dividend payments for beneficiaries of members retiring prior to July 1, 1990, who chose joint and survivor annuity options.**

**15.1(1)** *General.* The dividend payable to the beneficiary of a pre-July 1, 1990, retired member who selected a joint and survivor annuity option, except for the year of the member's death and the next year, is calculated in the same manner as for retired members. For a member who lives into November of the year in which the member dies, the dividend will be payable to the member's account.

**15.1(2)** *Dividend for the years in which member's death occurs.* For a member who does not live into November of the year in which the member dies, IPERS calculates the dividend payable for the year in which the member dies the same as it would have been calculated for the deceased retired member. The dividend amount that would have been payable to the deceased retired member is then multiplied by the survivor annuity percentage selected for the contingent annuitant (CA) in the member's retirement application.

**15.1(3)** *Dividend for the year following the year of the retired member's death.* For a member who does not live into November of the year in which the member dies, IPERS calculates the dividend payable in the year following the year of the member's death as follows: the sum of the survivor's monthly benefit payments received for the year in which the member's death occurs is divided by the number of survivor benefit payments for that year, and that amount is multiplied by 12. That amount plus the member's survivor's prior dividend is then multiplied by the dividend rate for the year following the year of the member's death, which equals the dividend adjustment for the year following the year of the member's death. This dividend adjustment plus the prior year's dividend produces the dividend amount for the year following the year of the member's death.

**15.1(4)** *Examples.*

*a. Dividend for the year of the member's death.* IPERS assumes the following: the member retired in 1989 and selected a joint and 50 percent to survivor annuity. The retired member received a monthly payment of $1,000, and died in June 2002. The member received $12,000 in monthly benefits for January through December 2001. The member received a dividend of $500 in 2001, and the dividend rate is 3 percent for 2002.

| 2001 total monthly benefits | | 2001 dividend amount | | 2002 dividend rate | | 2002 dividend adjustment | | 2001 dividend amount | | Dividend payable amount | | CA% | | CA 2002 dividend |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| $12,000.00 | + | $500.00 | × | 3% | = | $375.00 | + | $500.00 | = | $875.00 | × | 50% | = | $437.50 |

*b. Dividend for the year following the year of the member's death.* IPERS assumes the following: the member retired in 1989 and selected a joint and 50 percent to survivor annuity. The retired member received a monthly payment of $1,000, and died in June 2002. The survivor received $500 each month for July through December of 2002 for a total of $3,000. The survivor received a dividend of $437.50 in 2002, and the dividend rate is 3 percent for 2003.

| 2002 total monthly benefits for CA | | Total of payments for CA 2002 | | Twelve months for 2002 | | 2002 dividend amount | | 2003 dividend rate | | 2003 dividend adjustment | | 2002 dividend amount | | Dividend payable to CA for 2003 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| $3,000.00 | ÷ | 6 months | × | 12 months | + | $437.50 | × | 3% | = | $193.13 | + | $437.50 | = | $630.63 |

**495—15.2(97B) Favorable experience dividend (FED) under Iowa Code section 97B.49F(2).** For qualified recipients, as defined under Iowa Code section 97B.49F(2)*"a,"* dividends are payable as follows.

**15.2(1)** *Allocation of favorable experience.* IPERS will, following the first annual actuarial evaluation in which IPERS is found to be fully funded, determine by rule the allocation of IPERS' favorable actuarial experience, if any, between the reserve account created under Iowa Code section 97B.49F(2) and the remainder of the retirement fund.

**15.2(2)** *Determination of applicable percentage.* IPERS has sole discretion to determine the applicable percentages used in calculating FEDs payable under this rule, if any, subject to the actuary's certification that the resulting FEDs meet the requirements of Iowa Code section 97B.49F(2)*"d"* and this rule.

*a.* IPERS' annual applicable percentage target for calculating dividends under Iowa Code section 97B.49F(2) is equal to the applicable percentage used in calculating dividends payable to retired members under Iowa Code section 97B.49F(1). Notwithstanding this paragraph, IPERS may set a greater or lesser applicable percentage for calculating dividends under this rule depending on the funding adequacy of the reserve account. The applicable percentage shall not exceed 3 percent.

*b.* IPERS uses at least a rolling five-year period to make its annual applicable percentage decisions.

*c.* For any year IPERS cannot afford an applicable percentage equal to that payable to retired members under Iowa Code section 97B.49F(1), IPERS may use applicable percentages in succeeding years that are higher than those used in calculating dividends for retired members under Iowa Code section 97B.49F(1) (but not in excess of 3 percent).

*d.* An applicable percentage in excess of the applicable percentage declared under Iowa Code section 97B.49F(1) made for catch-up purposes shall not reduce the funding of the reserve account below the amount IPERS' actuary determines is necessary to pay the maximum FED for each of the next five years, based on reasonable actuarial assumptions.

**15.2(3)** *Calculation of FED for qualified recipients.* In determining whether a member has been retired one full year, as required under Iowa Code section 97B.49F(2)*"a,"* IPERS considers the member's first month of entitlement as the first month of the one-year period. The month in which the FED is payable is included in determining whether a member meets the eligibility requirements.

*a.* IPERS calculates an eligible qualified recipient's FED as provided under Iowa Code section 97B.49F(2)*"d."* The number of complete years the member has been retired is determined by rounding down to the nearest whole year.

*b.* For otherwise eligible retired reemployed members who chose to suspend their monthly allowance under 495—paragraph 12.8(2)*"c,"* the suspension has no effect on the calculation of FED.

**15.2(4)** *FED for qualified recipients who die before the January distribution date.*

*a.* If a qualified recipient receiving monthly payments would have been eligible for a FED distribution in the following January but dies prior to the January distribution date, IPERS pays a FED to the qualified recipient's account for the calendar year in which the death occurred. The FED is calculated using the monthly payments received in the calendar year the death occurred. A lump sum death benefit is not a monthly payment for purposes of determining FED eligibility or in making FED calculations.

*b.* The FED percentage applied to the monthly payments received in the calendar year of death is the most recently declared FED percentage in effect at the time of the FED payment to the qualified recipient. This subrule does not permit a FED distribution to a qualified recipient where the total monthly benefits received by the member, counting the month of death, is less than 12, even if a period of 12 months has elapsed between the first payment of monthly benefits to the member and the January distribution date.

*c.* Notwithstanding paragraphs 15.2(4)*"a"* and *"b,"* if IPERS determines in January of a given year that, based on reasonable actuarial assumptions, there is a reasonable likelihood that a FED will not be declared for the next following January, IPERS may defer paying FED distributions under this subrule until the determination is made. If IPERS subsequently determines that no FED will be declared for a given year, no FED will be payable to a person whose death occurs during the applicable calendar year.

*d.* Effective July 1, 2000, a retired qualified recipient eligible for a FED payment must, in addition to all other applicable requirements, be living on January 1 in order to receive a FED payment otherwise payable in that January.

**15.2(5)** *Determination of sufficiency of FED reserve account.* Iowa Code section 97B.49F(2)*"d"* charges IPERS with determining whether the reserve account is sufficiently funded to make a distribution. IPERS makes this determination by:

*a.* Declaring the value of the FED reserve account balance as specified in the Allocation of Net Assets Held in Trust in the financial statements for the fiscal year that ended immediately preceding a January FED payment. The value includes but is not limited to investment income and expenses and certain noninvestment income that are properly recorded for the FED reserve balance based on standard accounting rules used to determine a final balance at the conclusion of a fiscal year;

*b.* Comparing the balance declared in paragraph 15.2(5)*"a"* to the total estimated FED payment for the following January as calculated pursuant to rule 495—15.2(97B) utilizing a 1 percent multiplier; and

*c.* Declaring the reserve account not sufficiently funded when the estimated FED payment as determined in paragraph 15.2(5)*"b"* is equal to or greater than the declared reserve account balance as defined in paragraph 15.2(5)*"a."*

**15.2(6)** *Determination of FED distribution if reserve account is not sufficiently funded.*

*a.* If IPERS determines, pursuant to subrule 15.2(5), that the reserve account is not sufficiently funded, IPERS will use a multiplier in the formula pursuant to rule 495—15.2(97B) that is best estimated to approximate a full distribution of the declared reserve account balance as of the preceding June 30 fiscal year end.

*b.* No investment gains or losses change this balance between July 1 and the FED payment in January of the fiscal year in which the remaining balance of the reserve account is paid by IPERS.

*c.* Any remaining reserve account balance is credited among the membership groups in the net assets held in trust, and the reserve account balance will be zero at the end of the fiscal year in which a FED payment is made pursuant to this subrule.

*d.* Any funds IPERS collects from a FED payment to a member or beneficiary because of an erroneous FED payment made by IPERS is deposited in the IPERS trust fund.

*e.* Payments under this subrule represent a final distribution of the balance of the reserve account as determined in rule 495—15.2(97B) effectively halting any future FED payment, unless and until the reserve account is funded again pursuant to subrule 15.2(1).

*f.* No claim or administrative appeal is allowed under this subrule if made more than 30 calendar days following the date on which IPERS made a FED payment to a member or beneficiary based upon the date of the EFT or the date IPERS mailed a state warrant to the member or beneficiary.

*g.* Payment will not occur after January 31 in the year of the FED payment under this subrule for any adjustment to any previous fiscal years' FED payment to a member or beneficiary.

These rules are intended to implement Iowa Code sections 97B.1A(11A), 97B.49F and 97B.70.

**RA 26-216**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 16
"Domestic Relations Orders and Other Assignments"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16
DOMESTIC RELATIONS ORDERS AND OTHER ASSIGNMENTS

**495—16.1(97B) Garnishments and income withholding orders.**

**16.1(1)** For purposes of this rule, the term "member" includes IPERS members, beneficiaries, contingent annuitants and any other third-party payees to whom IPERS pays a monthly benefit or a lump sum distribution.

**16.1(2)** Only members receiving payment from IPERS, including monthly benefits and lump sum distributions, are subject to garnishment, attachment, or execution against funds that are payable, pursuant to Iowa Code section 97B.39. Such garnishment, attachment, or execution is not valid and enforceable for members who have not applied for and have not been approved to receive funds from IPERS.

**16.1(3)** Upon receipt of an income withholding order, IPERS will send a copy of the withholding order to the member. If a garnishment has been issued by a court, the party pursuing the garnishment sends a notice pursuant to Iowa law to the member against whom the garnishment is issued.

**16.1(4)** IPERS will continue to withhold a portion of the member's monthly benefit as specified in the initial withholding order until the issuing authority instructs IPERS to amend or cease payment. IPERS will continue to withhold a portion of the member's monthly benefit as specified in the garnishment until the garnishment expires or is released.

**16.1(5)** Funds withheld or garnished are taxable to the member. IPERS may assess a fee in accordance with Iowa Code section 252D.18A(2). IPERS deducts the fee from the gross amount, less federal and state income tax, before a distribution is divided.

**16.1(6)** A garnishment, attachment or execution will not be levied upon funds that are already the subject of a levy, including a levy placed upon funds by the United States Internal Revenue Service (IRS), unless the requirements of IRC Section 6334(a)(8) as amended to August 1, 2026, are met. Multiple garnishments, attachments and executions are allowed as long as the amount levied upon does not exceed the limitations prescribed in 15 U.S.C. Section 1673(b) as amended to August 1, 2026.

**16.1(7)** IPERS may release information relating to entitlement to funds to the issuing authority prior to receiving a valid garnishment, attachment, execution, or income withholding order when presented with a written request stating the information requested and reasons for the request. This request must be signed by a magistrate, judge, or child support recovery unit director or the director's designee, including an attorney representing the department of health and human services. In addition, IPERS may release information to the department of health and human services through automated matches.

**495—16.2(97B) Domestic relations orders.** This rule applies only to marital property orders. All support orders are administered under rule 495—16.1(97B).

**16.2(1)** *Definitions.*

*"Alternate payee"* means a member's spouse or former spouse, regardless of gender, who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable by IPERS with respect to such member.

*"Benefits"* means, for purposes of this rule and depending on the context, a refund, monthly allowance (including monthly allowance paid as an actuarial equivalent (AE)), or death benefit payable with respect to a member covered under IPERS. "Benefits" does not include dividends

payable under Iowa Code section 97B.49 or other cost-of-living increases unless specifically provided for in a QDRO.

*"Domestic relations order"* means any judgment, decree, or order that relates to the provision of marital property rights to a member's spouse or former spouse, regardless of gender, and is made pursuant to the domestic relations laws of a state.

*"Member"* means, for purposes of this rule, IPERS members, beneficiaries, and contingent annuitants.

*"Qualified domestic relations order"* or *"QDRO"* means a domestic relations order that divides the marital property of former spouses and assigns to a former spouse alternate payee the right to receive all or a portion of the benefits payable with respect to a member under IPERS and meets the requirements of this rule.

*"Successor alternate payee"* means a person or persons named in a domestic relations order prior to July 1, 2019, to receive the amounts payable to the former spouse alternate payee under the QDRO if the alternate payee dies before the member. Successor alternate payees must be named individuals, not a class of individuals, a trust or an estate.

*"Trigger event"* means a distribution or series of distributions of benefits made with respect to a member.

**16.2(2)** *Requirements.*

*a.* *Mandatory provisions.* A domestic relations order is a QDRO if such order:

(1) Clearly specifies the member's name and last-known mailing address; the member's member identification number or social security number; and the names, last-known mailing addresses, and social security numbers of alternate payees. This information is provided to IPERS on IPERS' Confidential Information form;

(2) Clearly specifies a fixed dollar amount or a percentage, but not both, of the member's benefits to be paid by IPERS to the alternate payee or the manner in which the fixed dollar amount or percentage is to be determined, provided that no such method requires IPERS to perform present value calculations of the member's accrued benefit;

(3) Clearly specifies the period to which such order applies;

(4) Clearly specifies that the order applies to IPERS;

(5) Clearly specifies that the order is for purposes of making a property division;

(6) Conforms IPERS with IRS reporting requirements for distributions to successor alternate payees. Prior to July 1, 2019, the taxable portion and basis are prorated to each respective recipient if the payee is the alternate payee. If the payee is a successor alternate payee, the taxable portion and basis are borne by the member, pursuant to IRC Public Law 99-514, 100 Stat. 2085, enacted October 22, 1986, as amended to August 1, 2026. Effective July 1, 2019, a domestic relations order must conform IPERS with IRS reporting requirements for distributions to alternate payees. The taxable portion and basis are prorated to each respective recipient; and

(7) Is clearly signed by the judge and filed with the clerk of court. IPERS considers an order duly signed if it carries an original signature, a stamp bearing the judge's signature, or an electronic clerk-of-court stamp and judge's signature page via the electronic data management system (EDMS) or if it conforms with local court rules.

*b.* *Prohibited provisions.* A domestic relations order is not a QDRO if such order:

(1) Requires IPERS to provide any type or form of benefit or any option not otherwise provided under Iowa Code chapter 97B;

(2) Requires IPERS to provide increased benefits determined on the basis of actuarial value;

(3) Requires the payment of benefits to an alternate payee that are required to be paid to another alternate payee under another order previously determined by IPERS to be a QDRO;

(4) Requires any IPERS action that is contrary to its governing statutes or plan provisions;

(5) Awards any future benefit increases that the legislature provides, except as provided in subparagraph 16.2(2)*"c"*(2);

(6) Requires the benefits payment to an alternate payee prior to a trigger event; or

(7) Appoints a successor alternate payee after June 30, 2019.

*c. Permitted provisions.* A QDRO may also:

(1) If a trigger event has not occurred as of the date IPERS receives the order, name an alternate payee as a designated beneficiary or contingent annuitant or require the payment of benefits under a particular benefit option, or both.

(2) Specify that the alternate payee is entitled to a fixed dollar amount or percentage of dividend payments, or cost-of-living increase or any other postretirement benefit increase to the member (all known as dividend payments), as follows:

1. If the court order awards the alternate payee a fixed dollar amount of benefits, the court order must state the dollar amount of dividend payments to be added or method for determining the dollar amount, or IPERS will give a dividend payment share award no effect; and

2. If the court order awards the alternate payee a specified percentage of benefits, IPERS will add dividends to the alternate payee's retirement allowance share as necessary to keep the alternate payee's share of payments at the percentage specified in the court order.

(3) Bar a vested member from requesting a refund of the member's accumulated contributions without the alternate payee's written consent. If a member applies for a refund, IPERS will send a consent form to the alternate payee at the address of record at IPERS. IPERS must receive the completed consent form within 60 days of mailing. If the consent form is returned undeliverable or IPERS does not receive a response, the member's portion of the refund amount is payable to the member. If the consent form is returned marked "no consent," the refund is not payable to either the member or alternate payee.

(4) Allow benefits to be paid to an alternate payee based on a period of reemployment for a retired member.

**16.2(3)** *Administrative provisions.*

*a.* IPERS uses the shared payment method for payments under a domestic relations order. IPERS will not create a separate account for the alternate payee or any successor alternate payee(s). Payment to the alternate payee (or successor alternate payee(s)) is in a lump sum if IPERS pays the member's benefits in a lump sum distribution, or as monthly payments if IPERS pays the member's benefits under a retirement option. A member is not able to receive an AE under Iowa Code section 97B.48(1) unless the total benefit payable with respect to that member meets the applicable requirements. All divisions of benefits are based on the gross amount of monthly or lump sum benefits payable. Federal and state income taxes are deducted from the member's and former spouse alternate payee's respective shares and reported under their respective federal tax identification numbers. Unrecovered basis is allocated on a pro rata basis to the member and alternate payee. Federal and state income taxes are deducted from the member's gross payment when a successor alternate payee(s) receives a payment. Federal and state income taxes are reported under the member's federal tax identification number. Unrecovered basis is allocated to the member.

*b.* The alternate payee is not entitled to any share of the member's death benefits unless such entitlement is provided in a QDRO or in a beneficiary designation filed subsequent to the dissolution. IPERS may investigate and invalidate beneficiary designations without waiting for complaints as set forth in Iowa Code section 598.20B.

*c.* A member may submit a new enrollment/beneficiary designation form to IPERS after submitting proof, acceptable to IPERS, that a preretirement divorce is final. However, if IPERS later receives and qualifies a domestic relations order, IPERS will consider the QDRO provisions, except as revoked or modified in a subsequent QDRO, to operate as a beneficiary designation, and give such provisions first priority in the determination and payment of such member's death benefits. Death benefits remaining after IPERS makes QDRO payments, to the extent possible, are then made according to the terms of the member's most recent beneficiary designation. The member may select any option at retirement, including an option that does not provide for payment of postretirement death benefits, if a QDRO does not contain a form of benefit paragraph requiring the member to select a specific IPERS option at retirement. Once a divorce is final postretirement, a member may submit a new enrollment/beneficiary designation form to IPERS if the member has retired under Option 1, 2 or 5 unless otherwise specified in a QDRO.

*d.* If an alternate payee has been awarded a share of the member's benefits and dies before the member, IPERS will restore the alternate payee's entire share to the member unless otherwise specified in the order and in the manner required under this rule. To restore the alternate payee's share to the member, IPERS requires the alternate payee's death certificate. If a death certificate cannot be obtained, IPERS may rely on such resources as it has available, including but not limited to records from the Social Security Administration, records from the bureau of health statistics, IPERS' own internal records, reports derived from other public records, and other departmental or governmental records to which IPERS may have access.

*e.* A named successor alternate payee may waive current or future rights to payments to which the successor alternate payee would have otherwise been entitled. The funds waived by a successor alternate payee revert to the member.

(1) The waiver of rights must:

1. Occur prior to the receipt of any payment from IPERS to the successor alternate payee;

2. Be a filed and signed court order; and

3. Be received by IPERS no later than nine months after the alternate payee's date of death or the date on which the successor alternate payee reaches age 21, whichever occurs later.

(2) The waiver of rights by a successor alternate payee is binding and serves to indemnify IPERS from all liability to beneficiaries, heirs, or other claimants for any waiver executed by a successor alternate payee.

*f.* An alternate payee will not receive a share of dividends or other cost-of-living increases unless so provided in a QDRO.

*g.* The CEO, or CEO's designee, has exclusive authority to determine whether a domestic relations order is a QDRO. A final determination by the CEO, or CEO's designee, may be appealed in the same manner as any other final agency determination under Iowa Code chapter 97B.

*h.* A person who attempts to make IPERS a party or requires IPERS to appear as a witness to a domestic relations action in order to determine an alternate payee's right to receive a portion of the benefits payable to a member is liable to IPERS for its costs and attorney's fees.

*i.* A domestic relations order is not effective until IPERS qualification.

(1) If a member is receiving a retirement allowance at the time IPERS qualifies a domestic relations order, the order is effective only with respect to payments made after the appropriate appeal period has elapsed or been waived by the signature of both parties or their respective counsel. Payment to the alternate payee is withheld from the member's next monthly payment after the date IPERS mails the alternate payee's application.

(2) If the member is not receiving a retirement allowance at the time a domestic relations order is qualified by IPERS and subsequently applies for a refund or monthly allowance, or dies, IPERS will not make distributions until IPERS determines the respective rights of the parties under the domestic relations order. If IPERS has placed a hold on the member's account following written or verbal notification from the member, member's spouse, or either party's respective legal representative, and no further contacts are received from either party or their representatives within the following one-year period, or IPERS has not received and qualified a domestic relations order within that time period, IPERS will release the hold.

*j.* IPERS and its staff are not liable for making or withholding payments in accordance with the provisions of this rule.

*k.* IPERS has no duty or responsibility to search for alternate payees. Alternate payees must notify IPERS of any change in their mailing addresses. Once IPERS receives a completed member's application for distribution, IPERS will mail the alternate payee an application. For monthly benefit applications, the alternate payee is eligible for monthly payments as of the member's first month of entitlement.

*l.* If a QDRO requires the member to select an option with joint and survivor provisions (Option 4 or 6) and name the alternate payee as contingent annuitant, the order must state the percentage in Option 4 or 6 to be payable to the alternate payee as contingent annuitant (the currently available percentages under Option 4 or 6 are 25, 50, 75 and 100 percent). IPERS must receive acceptable birth proof for the alternate payee as the named contingent annuitant, pursuant to 495—subrule 11.1(2), prior to IPERS' approval of the QDRO.

*m.* For both lump sum and monthly payments, IPERS must receive the alternate payee's tax withholding and rollover elections, if eligible, before the first or current month's benefit is certified for payment or IPERS will use the applicable default tax withholding elections.

*n.* If a QDRO divides a member's account using a service factor formula and the member's IPERS benefits are based on a number of quarters less than the member's total covered quarters, notwithstanding any terms of the order to the contrary, IPERS will limit the number of quarters used in the numerator and the denominator of the service fraction to the number of quarters actually used in the calculation of IPERS benefits, not to exceed 120 quarters for special service members and 140 quarters for regular and hybrid members. IPERS will not accept or administer a service factor formula fraction in excess of 1.

*o.* Calculating service factor.

(1) When calculating the service factor pursuant to a domestic relations order:

1. Service credit purchased during the period when the member is married to the alternate payee is added to the numerator and the denominator of the service fraction.

2. Service credit purchased during a period when the member is not married to the alternate payee is only added to the denominator of the service fraction.

(2) The number of quarters in the denominator will never be more than the number of quarters used to calculate the member's benefit.

(3) Service purchase after retirement does not increase or decrease the alternate payee's payment amount that was deducted and was payable at the time of retirement.

*p.* The parties or their attorneys shall submit one copy of the QDRO.

(1) In addition to the QDRO, the parties', or their attorneys', initial submission must include:

1. A completed, signed, and dated Confidential Information (CI) form;

2. A freshly signed and dated Administrative Rule Compliance for QDROs (ARC) form for every draft order submitted for review. Both the member and alternate payee, or their respective counsel, must sign and date the ARC form.

3. Wet signatures on both forms, except for attorneys or pro se filers, who may sign with their electronic (eFile or EDMS) signatures.

(2) A rejection under this paragraph does not preclude IPERS from placing a hold on a member's account until the status of a proposed order as a QDRO is resolved or the hold is released pursuant to the terms of paragraph 16.2(3)*"i."*

*q.* If a member has filed for and is receiving monthly pension benefits, or wishes to file an application for retirement or a refund and has a qualified domestic relations order pending on the member's account, the parties (the member and the alternate payee or their counsel of record) may waive the 30-day appeal period following review and qualification of the member's domestic relations order, using a form approved by the system.

*r.* If a member with an IPERS-approved QDRO is receiving a distribution according to a qualified benefits arrangement (QBA), the alternate payee shares in the distribution to the member unless the order specifically states otherwise.

These rules are intended to implement Iowa Code sections 97B.4, 97B.15, 97B.25, 97B.38 and 97B.39.

**RA 26-217**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 20
"Recognition of Agents"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 20 and adopt the following **new** chapter in lieu thereof:

CHAPTER 20
RECOGNITION OF AGENTS

**495—20.1(97B) Recognition of agents.**

**20.1(1)** *Recognition of agents in general.* IPERS shall accept the agent's signature instead of the principal's signature, provided that the principal submits a power of attorney form or other acceptable legal form that meets the requirements of and does not conflict with Iowa Code chapter 633B, the name of a representative, and the nature of the business the representative is authorized to transact. Other acceptable legal form can be a guardianship or conservatorship as described in Iowa Code chapters 232D and 633, other similar court order that appoints an agent to act upon behalf of a member or beneficiary, or social security representative payee documents for the individual so designated. IPERS may require additional documentation deemed necessary to verify that the document remains in effect. An agent can be an institution or facility acting upon the member's or beneficiary's behalf. Such designation on the part of the member or beneficiary constitutes for IPERS sufficient proof of the acceptability of the individual to serve as the member's or beneficiary's agent.

**20.1(2)** *Payment to members or beneficiaries with a recognized agent.* Such agents have all the rights and obligations delegated under the authority to make the transaction authorized by the agent. Notwithstanding this subrule, no agent has the right to name the agent as the member's or beneficiary's beneficiary unless approved to do so by a court having jurisdiction of the matter, or unless expressly authorized to do so in a power of attorney executed by the member or beneficiary.

**20.1(3)** *Revocation or suspension of power of attorney.* The member may rescind the agency relationship by notifying IPERS in writing. A power of attorney is suspended and given no effect when the system receives written proof of the appointment of a guardian, conservator, or court order that appoints an agent to act upon behalf of the member or beneficiary. The power of attorney will be reinstated when the system receives written proof that a guardianship, conservatorship, or court order appointing an agent no longer exists, has expired, or is invalid.

**20.1(4)** *Revocation of other representative agents.* Any person, institution, or facility serving as an agent under a guardianship or conservatorship will not have its agency relationship revoked unless by court order.

**20.1(5)** *Social security representative payees.* The system shall accept the federal social security administration's appointment of a person, facility, or institution to act upon a member's or beneficiary's behalf only with regard to the deposit of system benefits. The appointment of a person, facility, or institution by the federal social security administration is suspended and given no effect when the system receives written proof of the appointment of a guardian, conservator, or court order that appoints an agent to act upon behalf of the member or beneficiary. A power of attorney or court order will take precedence over the federal social security administration's appointment of a person, facility, or institution to act upon a member's or beneficiary's behalf.

This rule is intended to implement Iowa Code sections 97B.34 and 97B.37.

**RA 26-218**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 21
"Mergers"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

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

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

This proposed rulemaking does not have a cost to the public.

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

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 21 and adopt the following **new** chapter in lieu thereof:

CHAPTER 21
MERGERS

**495—21.1(97B) Procedures for merger of qualified pension plans with IPERS.**

**21.1(1)** The merging plan shall transfer assets to IPERS in an amount equal to the actuarial accrued liability created for IPERS as the result of the transfer of pension obligations owed to active, inactive and retired members of the merging plan. The actuarial accrued liability is determined using the merging plan's membership data, the IPERS benefit structure, and the current IPERS actuarial valuation assumptions as of the date of the transfer.

**21.1(2)** Members of the merging plan system who become members of IPERS under this rule shall have years of service under the merging plan recognized by IPERS for purposes of determining eligibility and vested status and calculating IPERS benefits.

**21.1(3)** All wage records for current active members are summarized on the quarterly basis used by IPERS to determine a member's IPERS benefits. IPERS will not independently verify wage records but will monitor those records to ensure that limits in IRC Section 401(a)(17)(A) and (B) as amended to August 1, 2026, are not exceeded.

**21.1(4)** The merging plan's actuary may determine that the accrued benefit of an active or inactive member of the merging plan exceeds the member's accrued IPERS benefits based on the merging plan's membership data and the IPERS benefit structure. The compensation of such individuals for any difference between the monthly benefit they accrued in the merging plan and the benefit they will have under IPERS is at the merging plan's sole discretion, and IPERS shall have no liability.

**21.1(5)** The same methods of conversion and cash out will be used for terminated vested members with a current plan account in the merging plan and for members, if any, who previously elected to freeze their accounts in the former plan to begin participation in IPERS.

**21.1(6)** The merging plan's retired members are entitled to annuity payments from IPERS in the same forms and amounts as provided in the merging plan, provided those forms of payment are available under IPERS. If any retired member from the merging plan is also receiving a benefit from IPERS and the forms of benefits under the two plans differ, the retired member must agree to have the benefit payable from the merging plan converted and paid in the same form as the benefit under IPERS. Dividends for retired members transferred to IPERS are determined based on the first month of entitlement under the merging plan.

**21.1(7)** The monthly benefit payable to transferred members (excluding retired members) by IPERS may be greater or less than the monthly benefit they would have received under the merging plan. IPERS is not responsible for any difference in the two benefit amounts. The merging plan is solely responsible for ensuring the protection of the accrued benefits of the merging plan's members and beneficiaries.

**21.1(8)** IPERS may agree to accept in-kind transfers of assets in satisfaction of the liabilities created by the merger, but may, in IPERS' sole discretion, decline all in-kind asset transfers and demand cash to fund the merger.

**495—21.2(97B) Mandatory merger criteria.**

**21.2(1)** *General.* Mergers shall meet the following criteria:

*a.* There shall be no actuarial gain or loss to IPERS (defined as a change in the unfunded accrued actuarial liability) as a result of a merger with another pension plan.

*b.* The merging plan shall defend and hold IPERS harmless from any claims by transferred members with respect to employee contribution accounts, cut-back claims, tax issues, and any other cause of action arising hereunder that does not result from IPERS' negligence or misconduct. This indemnification shall also extend to any contractual claims by the merging plan's vendors, pending or threatened lawsuits or regulatory actions against the merging plan, and appeals by members, retired members and beneficiaries of the merging plan.

*c.* Prior to the merger date, the merging plan authority and IPERS shall formally agree on all material terms and conditions of the merger in writing.

*d.* The merging plan authority shall adopt by resolution a proposal to merge the pension plan with and into the IPERS pension plan, with IPERS as the surviving plan, which shall incorporate by reference the details of the merger expressed in the merger agreement between the merging plan and IPERS. The merging plan authority shall secure all other approvals necessary to the merger, and shall certify to IPERS that all necessary authorizations have been received.

*e.* All assets required to fund the transfer of liabilities created under the merger shall be transferred to IPERS within 120 days after the proposed effective date, plus an additional amount representing a 7.5 percent interest rate (or the current rate assumed by IPERS' actuary in valuing assets and liabilities) commencing on the proposed effective date.

*f.* After the merger, the merging plan authority, as a covered employer, shall determine employee classifications and deduct and forward member and employer contributions in the same amount as required for all IPERS covered employment.

*g.* The merging plan authority shall transfer to IPERS in a mutually agreed upon method all employment records for active, inactive, and retired members and beneficiaries, including all tax reporting records. In addition to employment and tax reporting records, transferred electronic files shall include the same enrollment information as required for IPERS covered employers' new employees. Similar demographic information shall be provided to IPERS for spouses and beneficiaries.

*h.* The merging plan shall, prior to merger, in its sole discretion, make such amendments to its plan documents that it deems to be necessary or appropriate to accomplish the merger, provided that no such amendments shall vary the terms of the agreement to merge without the express written consent of IPERS.

*i.* IPERS shall, prior to merger, in its sole discretion, make such amendments to its plan documents that it deems to be necessary or appropriate to accomplish the merger, provided that no such amendments shall vary the terms of the agreement to merge without the express written consent of the merging plan.

*j.* The transferred records of the merging plan shall be treated as confidential records by IPERS as described in Iowa Code section 97B.17.

*k.* The merging plan authority and its legal and actuarial advisors shall determine the excess accruals, if any, owed to any member of the merging plan transferred to IPERS; shall provide such members with the appropriate election forms and related information; and shall take all steps necessary to complete the payment of compensation to such individuals in satisfaction of the obligation to protect accrued benefits under the merging plan as described above.

*l.* Excluding matters relating to the distribution of excess accruals, if any, the merging plan authority, its legal counsel, and IPERS and its legal counsel shall jointly develop all required communications regarding the plan merger. IPERS shall have sole responsibility for providing benefits estimates to the merging plan members, in anticipation of the merger. Following the effective date of the merger, all member services shall be handled by IPERS.

*m.* Following the merger, transferred active, inactive, and retired members and beneficiaries shall be entitled to benefits, including monthly allowances, refunds, actuarial equivalent (AE), death benefits and dividends as other IPERS members having the same demographic, wage and service records.

*n.* The members of the merging plan who currently have binding assignments against their benefits shall continue to have those assignments administered by IPERS as described in 495—Chapter 16 or as otherwise required by law.

*o.* The members of the merging plan currently receiving disability retirement benefits must agree to have their disability retirement benefits administered by IPERS as described under 495—Chapter 13, or those members shall not be transferred.

*p.* The merging plan and IPERS shall jointly agree whether the merger will be submitted to the IRS for approval.

**21.2(2)** Reserved.

These rules are intended to implement Iowa Code section 97B.42C.

**RA 26-219**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 22
"Federal Social Security"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15

State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made editorial updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed rulemaking will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 22 and adopt the following **new** chapter in lieu thereof:

CHAPTER 22
FEDERAL SOCIAL SECURITY

**495—22.1(97C) General.** To extend to the employees of the state of Iowa and its political subdivisions, agencies and instrumentalities the basic protections accorded by the old-age and survivors system embodied in Title II of the federal Social Security Act, on July 1, 1953, the state of Iowa signed a Section 218 Agreement with the Social Security Administration. That Section 218 Agreement, as implemented in Iowa Code chapter 97C, provides Social Security mandates and federal Social Security coverage for most Iowa public employees.

**495—22.2(97C) Pre-January 1, 1987, duties.** Prior to January 1, 1987, the agency had substantial responsibilities for administering withholding, depositing and reporting requirements for Social Security and Medicare taxes, including audit, tax collection, and dispute resolution responsibilities. Effective January 1, 1987, those responsibilities were mostly transferred to the federal Internal Revenue Service. Accordingly, the agency will assist employers with respect to wage reports, tax collections and adjustments only for the period prior to January 1, 1987.

**495—22.3(97C) Post-January 1, 1987, duties.**

**22.3(1)** The agency's responsibilities under the Section 218 Agreement are to administer and maintain the Section 218 Agreement by:

*a.* Maintaining physical custody of the master Section 218 Agreement, modifications, dissolutions, consolidations and intrastate and interstate coverage agreements.

*b.* Preparing Section 218 Agreement modifications to include additional covered employers, following the employer's submission of an IPERS Status Report form indicating the employer should be covered under IPERS.

*c.* Preparing Section 218 Agreement modifications to include additional coverage groups of employees when appropriate.

*d.* Preparing Section 218 Agreement modifications to remove covered employers and coverage groups and to correct errors in prior modifications.

*e.* Providing advice on Section 218 Agreement optional exclusions applicable to Iowa employers and employees and advice on Iowa Code chapter 97C.

*f.* Providing the Social Security Administration with notice and supporting evidence of the legal dissolution or consolidation of covered entities.

*g.* Assisting with referenda for Social Security and Medicare coverage as set forth in Iowa Code chapter 97C.

*h.* Assisting in the resolution of coverage and taxation questions associated with the Section 218 Agreement and modifications.

*i.* Negotiating with the Social Security Administration to resolve contribution payment and wage reporting issues concerning wages paid before January 1, 1987.

*j.* Advising covered employers on Social Security and Medicare tax and withholding issues.

*k.* Serving as a bridge between covered employers and the Social Security Administration and the Internal Revenue Service by obtaining clarifications of laws, regulations and other appropriate information from other State Social Security administrators, the Social Security Administration, and the Internal Revenue Service.

**22.3(2)** IPERS is not responsible for Social Security and Medicare matters involving non-Section 218 Agreement employers and employees.

**495—22.4(97C) Reports.** To assist IPERS in fulfilling its responsibilities hereunder, all covered employers must provide such reports as IPERS may reasonably require. This reporting requirement is in addition to and does not supersede any federal reporting or other obligations imposed on covered employers in order for them to comply with the current and future withholding, reporting and submission of Social Security and Medicare taxes.

**495—22.5(97C) Conflict of laws.** In the event of any conflict between Iowa Code chapter 97C, these rules, and the provisions of the Social Security Act as amended to August 1, 2026, the provisions of the Act control.

These rules are intended to implement Iowa Code chapter 97C.

**RA 26-220**

# IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

**Regulatory Analysis**

Notice of Intended Action to be published: 495—Chapter 32
"Qualified Benefits Arrangement"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 97B.4 and 97B.15
State or federal law(s) implemented by the rulemaking: Executive Order 10 and Iowa Code sections 17A.3, 97B.4, and 97B.15

*Public Hearing*

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

| | |
|---|---|
| August 26, 2026<br>3 to 3:30 p.m. | IPERS Boardroom<br>7401 Register Drive<br>Des Moines, Iowa<br>Via videoconference call:<br>Join online meeting<br>Meeting ID: 275 109 054 101 443<br>Passcode: Uf6u9vH3 |

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Public Employees' Retirement System (IPERS) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Cheryl Vander Hart
Iowa Public Employees' Retirement System
7401 Register Drive
Des Moines, Iowa 50321
Phone: 515.281.7623
Email: cheryl.vanderhart@ipers.org

*Purpose and Summary*

This proposed chapter was reviewed as part of the Red Tape Review process laid out in Executive Order 10. As a result of this review, IPERS removed restricted terms, combined or eliminated duplicative language, and made updates to ensure the chapter reflects current policies and procedures. IPERS is a State retirement system that provides for the payment of annuities, enables employees to care for themselves in retirement, improves public employment within the State, reduces excessive personnel turnover, and offers suitable attraction to public service. IPERS is required to administer the retirement system.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

This proposed rulemaking does not have a cost to the public.
- **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

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

- **Quantitative description of impact:**

This proposed chapter will benefit over 2,000 IPERS-covered employers and over 400,000 IPERS members by removing restrictive terms and reducing duplicative terms found both in rule and in the Iowa Code.

- **Qualitative description of impact:**

This proposed rulemaking will benefit all IPERS members and beneficiaries and IPERS-covered public employers.

3. **Costs to the State:**

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

IPERS has always incurred personnel and other administrative costs associated with implementing the agency's administrative rules while carrying out agency functions. Implementation of this proposed rulemaking adds no additional expense.

- **Anticipated effect on State revenues:**

This proposed rulemaking will not impact State revenues. IPERS is a trust fund, separate and distinct from the General Fund of the State.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

IPERS is required to adopt rules to regulate and provide for the nature and extent of the proofs and evidence, and their method of taking, in order to establish the right to benefits authorized under Iowa Code chapter 97B.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

IPERS has not identified any less costly methods or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking does not create a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 495—Chapter 32 and adopt the following **new** chapter in lieu thereof:

CHAPTER 32
QUALIFIED BENEFITS ARRANGEMENT

**495—32.1(97B) Qualified benefits arrangement.** This rule establishes a separate unfunded qualified benefits arrangement. "QBA" means the qualified benefit arrangement described in Section 415(m) of the Internal Revenue Code and established under Iowa Code section 97B.49I. This arrangement is established solely to enable IPERS to continue to apply the same formula for determining benefits payable to all employees covered by the retirement system created under Iowa Code chapter 97B, including those whose benefits are limited by Section 415 of the Internal Revenue Code.

**32.1(1)** The QBA is administered by IPERS. IPERS has full discretionary authority to interpret, construe, implement, and determine all questions arising in connection with the QBA. Further, IPERS has full authority to modify the benefits payable under the QBA as may be necessary to maintain the QBA's qualification under Section 415(m) of the Internal Revenue Code.

**32.1(2)** All members, retired members, and beneficiaries of IPERS are eligible to participate in the QBA if their benefits would exceed the limitation imposed by Section 415 of the Internal Revenue Code. Participation is determined for each plan year, and participation ceases for any plan year in which the benefit of a retiree or beneficiary is not limited by Section 415 of the Internal Revenue Code.

**32.1(3)** On and after the effective date of the QBA, IPERS shall pay to each eligible retiree and beneficiary a supplemental pension benefit equal to the difference between the retiree's or beneficiary's monthly benefit otherwise payable from IPERS prior to any reduction or limitation because of Section 415 of the Internal Revenue Code and the actual monthly benefit payable from IPERS as limited by Section 415. IPERS shall compute and pay the supplemental pension benefits in the same form, at the same time, and to the same persons as such benefits would have otherwise been paid as a monthly pension under IPERS except for the Internal Revenue Code Section 415 limitations.

**32.1(4)** IPERS determines the amount of benefits that cannot be provided under IPERS because of the limitations of Section 415 of the Internal Revenue Code, and the amount of contributions that must be made to the QBA as a separate fund within the retirement fund created in Iowa Code section 97B.7. If applicable, fees for the actuary's service shall be paid by the applicable employers.

**32.1(5)** Contributions do not accumulate under this QBA to pay future supplemental pension benefits. Instead, each payment of contributions by the applicable employer that would otherwise be made to IPERS are reduced by the amount necessary to pay supplemental pension benefits and administrative expenses of the QBA. The employer shall pay to this QBA the contributions necessary to pay the required supplemental pension payments, and these contributions are deposited in a separate fund that is a portion of the retirement fund established under Iowa Code section 97B.7 and administered by IPERS. This fund is intended to be exempt from federal income tax under Sections 115 and 415(m) of the Internal Revenue Code. IPERS shall pay the required supplemental pension benefits to the member out of the employer contributions so transferred. The employer contributions otherwise required under the terms of Iowa Code sections 97B.11, 97B.49B and 97B.49C are divided into those contributions required to pay supplemental pension benefits hereunder, and those contributions paid into and accumulated in the retirement fund created in Iowa Code section 97B.7 to pay the maximum benefits permitted. Employer contributions made to a separate fund to provide supplemental pension benefits must not be commingled with the contributions paid into and accumulated in the retirement fund created in Iowa Code section 97B.7. The supplemental pension benefit liability is funded on a plan-year-to-plan-year basis. Any assets of the separate QBA fund not used for paying benefits for a current plan year shall be used, as determined by IPERS, for the payment of administrative expenses of the QBA for the plan year.

**32.1(6)** A member cannot elect to defer the receipt of all or any part of the payments due under this QBA.

**32.1(7)** Payments under this rule are exempt from garnishment, assignment, attachment, alienation, judgments, and other legal processes to the same extent as provided under Iowa Code section 97B.39.

**32.1(8)** Nothing in this rule may be construed as providing for assets to be held in trust or escrow or any form of asset segregation for members, retirees, or beneficiaries. To the extent any person acquires the right to receive benefits under this QBA, the right is no greater than the right of any unsecured general creditor of the state of Iowa.

**32.1(9)** This QBA is a portion of a governmental plan as defined in Section 414(d) of the Internal Revenue Code, is intended to meet the requirements of Sections 115 and 415(m) of the Internal Revenue Code, and shall be so interpreted and administered.

**32.1(10)** Amounts deducted from employer contributions and deposited in the separate QBA fund do not reduce the amounts that are to be credited to employer contribution accounts under Iowa Code sections 97B.11, 97B.49B and 97B.49C.

**32.1(11)** All references to the Internal Revenue Code in this rule are to the Internal Revenue Code as amended to August 1, 2026.

This rule is intended to implement Iowa Code section 97B.49I.

**RA 26-203**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 1
"Organization and Operation"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 22.11, 99D.6 through 99D.9, 99E.3 to 99E.5, 99F.4, 99F.4B, 99F.5, 99F.6 through 99F.7A, and 99F.17

State or federal law(s) implemented by the rulemaking: Iowa Code section 22.11 and chapters 99D, 99E, and 99F

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026. The Commission administers and enforces Iowa Code chapters 99D, 99E, and 99F, which authorize certain forms of gambling in Iowa. In addition, the Commission is an agency subject to Iowa Code section 22.11.

Chapter 1 of the Commission's rules contains general organizational and informational rules about the Commission's structure, staffing, and meetings. The chapter also contains license criteria for prospective applicants seeking a license for a racetrack or gambling structure and for existing licensees seeking license renewal.

The proposed rulemaking consolidates or eliminates some rules in accordance with both Executive Order 10 and recent legislation (2026 Iowa Acts, Senate File 2463). In addition, the proposed rulemaking contains language about personally identifiable information stored or maintained by the Commission. Iowa Code section 22.11 requires rules on this subject, the content of which is currently in 491—Chapter 3. However, Senate File 2463 rescinded most of 491—Chapter 3 (excluding the personally identifiable information rule) as of July 1, 2026. The Commission concludes it is not necessary to maintain a standalone 491—Chapter 3 solely for the personally identifiable information rule and therefore proposes to move this content to Chapter 1.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with Chapter 1.

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

The proposed rulemaking will generally benefit the public with streamlined rules and explanations about the Commission's organization, staffing, meetings, and license criteria.

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

- **Quantitative description of impact:**

There is no anticipated change in quantitative impact from the current version of Chapter 1, which predominantly impacts licensees or prospective licensees.

- **Qualitative description of impact:**

The proposed rulemaking streamlines Chapter 1 by eliminating provisions that are either in conflict with statute or were legislatively rescinded under 2026 Iowa Acts, Senate File 2463.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rules are not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
ORGANIZATION AND OPERATION

**491—1.1(99D,99E,99F) Function.** The racing and gaming commission was created by Iowa Code chapter 99D. The commission supervises and has full jurisdiction over all race meetings, gambling operations, sports wagering, and internet fantasy sports contests governed by Iowa Code chapters 99D, 99E, and 99F.

**491—1.2(99D,99E,99F) Organization, meetings, and procedure.**

**1.2(1)** *Organization.*

*a.* The racing and gaming commission is located at 6200 Park Avenue, Suite 100, Des Moines, Iowa 50321; telephone 515.281.7352. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday.

*b.* The commission meets and elects officers, including a chairperson, as set forth in Iowa Code sections 99D.5(1) and 99D.6(1). A chairperson cannot serve more than four consecutive one-year full terms.

*c.* The commission will appoint an administrator who is responsible for the day-to-day administration of the commission's activities.

**1.2(2)** *Meetings, notice, and submission of agenda items.*

*a.* Notice of a meeting is published on the commission's website at irgc.iowa.gov consistent with Iowa Code chapter 21.

*b.* Persons wishing to appear before the commission should submit a written request to the commission office at least ten business days before the upcoming meeting. The administrator or commission may place a time limit on presentations or remarks.

*c.* The commission may utilize a consent agenda to act upon multiple agenda items at once. Placement on a consent agenda is at the administrator's discretion. An item may be removed from the consent agenda at any commissioner's request. To be considered for placement on a consent agenda, a request, including supporting materials, must be submitted to the commission office at least 15 business days before the upcoming meeting.

**1.2(3)** *Procedure.* All meetings are open to the public unless a closed session is voted in accordance with Iowa Code section 21.5. The operation of commission meetings is governed by the following rules of procedure:

*a.* When a quorum is present, a position is carried by an affirmative vote of the majority of the entire membership of the commission.

*b.* A commissioner, who is present at a meeting of the commission when action is taken, is presumed to have assented to the action unless the commissioner's dissent was requested to be entered in the minutes. A roll-call vote on any motion may be recorded in the minutes. Reconsideration of any action may only be initiated by a commissioner who voted with the prevailing side. The motion to reconsider any action may be made and seconded before the conclusion of the meeting when the action was approved, or it may be made in writing and submitted to the commission office within two business days following the meeting. Only the mover has the option to request that the motion be held in abeyance, when the motion to reconsider is offered during the same meeting. Any commissioner is eligible to call up the motion to reconsider at the next meeting of the commission. The official minutes record the offering of any motion to reconsider, whether placed during the meeting or by timely written submission.

*c.* The presiding officer may exclude any person from the meeting for behavior that disrupts or obstructs the meeting.

**491—1.3(99D,99E,99F) Forms.** All forms utilized in the conduct of business with the racing and gaming commission are available from the commission upon request. These forms include but are not limited to:

**1.3(1)** Racing, gambling structure, or excursion gambling boat license application. This form contains at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application; pending legal action, location and infrastructure of the facility; and description of proposed operation. The form may include other information the commission deems necessary to make a decision on the license application. The applicant or applicants also pay or remit the following fees:

*a.* An initial application fee in the amount of $250,000 to the commission to cover the commission's actual expenses incurred in processing and evaluating the application. Actual expenses may include but are not limited to the cost of appropriate meeting space, facilities, and equipment; transportation, lodging, meals, and other travel-related expenses; and any market feasibility studies conducted by the commission or consultants the commission retains. The commission will bill the applicant or licensee for additional expenses beyond the initial application fee as appropriate and will refund any unused portion of the fee within 90 days after the license is denied or within 90 days after operation begins.

*b.* An investigative fee of $50,000 to the department of public safety to complete background investigations. The department of public safety bills the applicant/licensee for additional fees as appropriate and will refund any unused portion of the investigative fee within 90 days after the license is denied or within 90 days after operation begins.

**1.3(2)** Renewal application for racing license. This form contains at a minimum the full name of the applicant, racing dates, simulcast proposal, feasibility of racing facility, distribution to qualified sponsoring organizations, table of organization, management agreement, articles of incorporation and bylaws, lease agreements, financial statements, information on the gambling treatment program, and description of racetrack operations including but not limited to a security plan. The form may include other information the commission deems necessary to make a decision on the license application.

**1.3(3)** Renewal application for excursion gambling boat or gambling structure license and qualified sponsoring organization license. This form contains at a minimum the full name of the applicants, annual fee, distribution to qualified sponsoring organizations, table of organization, operating agreement, hours of operation, casino operations including but not limited to a security plan, Iowa resources, contracts, guarantee bond, notarized certification of truthfulness, and gambling treatment program. The form may include other information the commission deems necessary to make a decision on the license application. The calculation for the annual fee is set forth in Iowa Code section 99F.5(2).

**1.3(4)** Renewal application for racetrack enclosure license. This form contains at a minimum the full name of the applicant, annual fee, casino operations including but not limited to a security plan, Iowa resources, guarantee bond, and notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application. A $1,000 application fee is submitted with the application.

**1.3(5)** Occupational license application. This form contains at a minimum the applicant's full name, social security number, residence, and date of birth and other personal identifying information that the commission deems necessary. A fee set by the commission applies to this application. (491—Chapter 6 contains additional information.)

**1.3(6)** Season approvals. This form contains at a minimum a listing of the department heads and racing officials, minimum purse, purse supplements for Iowa-breds, schedule and wagering format, equipment, certification, and any other information the commission deems necessary for approval. This request is due 45 days before the meet. Any changes to the items approved by the commission must be requested in writing by the licensee and are subject to the written approval of the administrator or designee before the change occurs.

**1.3(7)** Manufacturers and distributors license application. This form contains at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal actions, location of the applicant, and description of proposed operation. The form may include other information the administrator deems necessary to make a decision on the license application. The applicable license fees are set forth in Iowa Code section 99F.17(1). (491—Chapter 11 contains additional information.)

**1.3(8)** Advance deposit wagering license application. This form contains at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal actions, location of the applicant, simulcast agreements involving Iowa entities, and description of proposed operation. The form may include other information the administrator deems necessary to make a decision on the license application. The license fee for this application is $1,000. (491—Chapter 8 contains additional information.)

**1.3(9)** Asset/stock purchase form for commission approval. This form contains at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal actions, location of the applicant, and description of proposed operation. The form may include other information the administrator deems necessary to make a decision.

**1.3(10)** Sports wagering for excursion gambling boat, gambling structure or racetrack enclosure application. This form contains at a minimum the full name of the applicant, disclosure of agreements involving sports wagering, a guarantee bond in an amount as determined by the commission, and a notarized certification of truthfulness. The applicant pays a nonrefundable application fee to the commission under Iowa Code section 99F.7A(1).

**1.3(11)** Renewal application for sports wagering for excursion gambling boat, gambling structure or racetrack enclosure. This form includes at a minimum the full name of the applicant, annual renewal fee set forth in Iowa Code section 99F.7A(1), disclosure of agreements involving sports wagering, sports wagering operations, a guarantee bond in an amount as determined by the commission, a gambling treatment program, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

**1.3(12)** Advance deposit sports wagering operator application. This form includes at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal actions, agreement with licensed facility or description of proposed operation, a gambling treatment program, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

**1.3(13)** Internet fantasy sports contest application. This form includes at a minimum the full name of the applicant, board members, all ownership interests, balance sheets and profit-and-loss statements for the fiscal year immediately preceding the application, pending legal actions, proof of satisfactory segregation of internet fantasy sports contest player contest funds as determined by the commission, a description of the proposed operation, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

**1.3(14)** Alternative simulcast license application. This form includes at a minimum the full name of the applicant, all ownership interests, balance sheets and profit-and-loss statements for three fiscal years immediately preceding the application, pending legal actions, agreement with licensed facility or description of proposed operation, and a notarized certification of truthfulness. The form may include other information the commission deems necessary to make a decision on the license application.

**491—1.4** Reserved.

**491—1.5(99D,99F) Criteria for granting licenses, renewing licenses, and determining race dates.** The commission will consider numerous criteria when deciding whether to issue a license to conduct racing, gaming, or sports wagering in Iowa. The various criteria cannot have the same importance in each instance, and other factors may become apparent during the consideration of a specific application for a license. The criteria are not listed in order of priority. After the initial consideration for issuing a license, applicable criteria need only be considered when an applicant has demonstrated a deficiency.

**1.5(1)** *Compliance.* The commission will consider whether the applicant is and has been in compliance with the terms and conditions specified in Iowa Code chapter 99D or 99F. The commission will also consider whether the applicant or licensee complies with applicable state and local laws regarding fire, health, construction, zoning, and other similar matters.

**1.5(2)** *Gaming integrity.* The commission will consider whether the operation would ensure that gaming and sports wagering are conducted with a high degree of integrity in Iowa and that the officers, directors, partners, or shareholders of the operation are of good repute and moral character. The commission decides what weight and effect evidence about an officer, director, partner, or shareholder should have in determining whether there is substantial evidence that the individual is not of good reputation and character. For this chapter's purposes, "directors" includes managers of limited liability companies and "shareholders" includes members of limited liability companies.

**1.5(3)** *Economic impact and development.* The commission will consider:

*a.* The amount of revenue to be provided by the applicant or licensee to the state and local communities through direct taxation on the operation and through indirect revenues from tourism, ancillary businesses, creation of new industry, and taxes on employees and patrons. The commission may engage an independent firm proficient in market feasibility studies in the industry for specific analysis of any application to determine the potential market of any proposed facility as well as the impact on existing licensees.

*b.* The level of financial and other support the operation will provide to the community in order to improve the quality of life of the residents of the community.

*c.* The viability and overall net benefit of the operation to the state gaming industry, taking into consideration:

(1) Investment versus projected adjusted gross revenue.

(2) Impact on existing operators' adjusted gross revenue versus existing operators' ratio of adjusted gross revenue to investment.

(3) Ratio of equity to total investment and whether the proposed project or ongoing operation is adequately and properly financed.

(4) Percentage of projected adjusted gross revenue from underserved markets.

(5) Percentage of projected adjusted gross revenue from existing Iowa operators.

(6) Stability and reliability of out-of-state market(s).

*d.* The benefits to Iowa tourism.

*e.* The number and quality of employment opportunities for Iowans.

*f.* The development and sale of Iowa products.

*g.* The number and types of developments and amenities associated with the proposed operation in addition to the gaming floor.

**1.5(4)** *Efficient and safe operation.* The commission will consider whether the applicant or licensee plans to conduct business, or conducts business, in a manner that promotes efficient and safe operation of all aspects of the facility, including but not limited to:

*a.* Providing adequate security for employees and patrons.

*b.* Providing adequate employment and staffing to serve patrons' needs.

*c.* Facility scope and design.

*d.* Parking facilities.

*e.* Access to cashier windows.

*f.* Concessions and amenities.

*g.* Restrooms.

**1.5(5)** *Community support.* The commission will consider support for the proposed project within the community in which a facility is, or is to be, located.

**1.5(6)** *Nurture of the racing industry.* The commission will consider whether the proposed racetrack operation would serve to nurture, promote, develop, and improve the racing industry in Iowa and provide high-quality racing in Iowa. The commission will also consider whether the proposed racetrack operation will maximize purses and be beneficial to Iowa breeders.

**1.5(7)** *Other factors.* The commission will consider such other factors as may arise in the circumstances presented by a particular application.

**491—1.6(17A,22) Personally identifiable information.** The commission maintains systems of records that contain personally identifiable information.

**1.6(1)** *Board of stewards or gaming board hearings and contested case records.* Records are maintained in paper and electronic files and contain names and identifying numbers of people involved. Evidence and documents submitted as a result of a hearing are contained in the board of stewards or gaming board hearing or contested case records as well as summary lists of enforcement activities. Records are collected by authority of Iowa Code chapters 99D, 99E and 99F. None of the information stored in a data processing system is compared with information in any other data processing system.

**1.6(2)** *Occupational licensing.* Records associated with occupational licensing conducted under Iowa Code chapters 99D, 99E and 99F are maintained. The licensing system of records includes numerous files and crossfiles that include but are not limited to electronic storage of licensing records and photos, fingerprint cards, and license applications. The records associated with occupational licenses, which contain personally identifiable information, are open for public inspection only upon the approval of the administrator or the administrator's designee. The information stored in a data processing system is not compared with information in any other data processing system.

**1.6(3)** *List of contested cases and stewards' hearings.* The commission may utilize a listing of contested case and stewards' hearings furnished by a national organization and provide individually identifiable information to that organization. The list is used for purposes delineated in Iowa Code chapter 99D.

These rules are intended to implement Iowa Code section 22.11 and chapters 99D and 99F.

**RA 26-204**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 3
"Fair Information Practices"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 22.11
State or federal law(s) implemented by the rulemaking: Iowa Code section 22.11

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: Barb.Blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026. The Commission is an agency subject to Iowa Code section 22.11.

Chapter 3 of the Commission's rules addresses fair information practices as required by Iowa Code section 22.11. However, 2026 Iowa Acts, Senate File 2463, rescinds all but two rules in Chapter 3, effective July 1, 2026. After that date, uniform rules regarding fair information practices promulgated by the Administrative Rules Coordinator apply to the Commission under Iowa Code section 17A.24(2).

Of the two remaining rules in Chapter 3, one is not necessary to maintain and the other can be moved to 495—Chapter 1. Therefore, this proposed rulemaking rescinds Chapter 3 in its entirety.

*Analysis of Impact*

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

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

Rescinding Chapter 3 will not impose additional costs.

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

By rescinding an entire chapter, this proposed rulemaking provides a general benefit of uniformity across agencies by deferring to the Administrative Rules Coordinator's uniform rules.

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

- **Quantitative description of impact:**

Rescinding Chapter 3 is unlikely to have any quantitative impact.

- **Qualitative description of impact:**

Rescinding Chapter 3 is unlikely to have any qualitative impact.

3. **Costs to the State:**

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

Because the entire chapter is proposed for rescission, there are no anticipated implementation or enforcement costs for the agency.

- **Anticipated effect on State revenues:**

Rescinding Chapter 3 is not anticipated to impact State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind and reserve **491—Chapter 3**.

**RA 26-205**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 4
"Contested Cases and Other Proceedings"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A.10A through 17A.18A, 17A.22, 99D.7, 99D.9, 99D.9D, 99E.3, 99E.5, 99F.4, 99F.4B, and 99F.7

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 17A, 99D, 99E, and 99F

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 4 of the Commission's rules sets forth parameters for contested cases and other proceedings occurring before the Commission, the Board of Stewards, and the Gaming Board. Rules 491—4.1(17A) through 491—4.10(99D,99E,99F) set out these Commission-specific proceedings. Rules 491—4.20(17A) through 491—4.48(17A) were rescinded as of July 1, 2026, pursuant to 2026 Iowa Acts, Senate File 2463. Therefore, this proposed rulemaking omits rules 491—4.20(17A) through 491—4.48(17A) while maintaining the Commission-specific rules 491—4.1(17A) through 491—4.10(99D,99E,99F).

*Analysis of Impact*

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

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

The proposed rulemaking is not anticipated to generate additional costs.

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

The proposed rulemaking provides a general benefit of uniformity across agencies by the omission of rules 491—4.20(17A) through 491—4.48(17A) and deferral on those topics to the Administrative Rules Coordinator's uniform rules pursuant to Iowa Code section 17A.24(2).

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

- **Quantitative description of impact:**

There is no anticipated change in quantitative impact.

- **Qualitative description of impact:**

The proposed rulemaking streamlines Chapter 4 by implementing 2026 Iowa Acts, Senate File 2463, and deferring to the Administrative Rules Coordinator's uniform rules in some instances while maintaining those rules that address Commission-specific proceedings not replicated for other agencies.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rules are not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 4 and adopt the following **new** chapter in lieu thereof:

CHAPTER 4
CONTESTED CASES AND OTHER PROCEEDINGS

**491—4.1(17A) Scope and applicability.** This chapter applies to contested case proceedings conducted by the racing and gaming commission that are gaming boards' and board of stewards' proceedings and gaming representatives' or administrator's designees' actions.

**491—4.2(17A) Definitions.** Except where otherwise specifically defined by law:

*"Administrator"* means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

*"Board of stewards"* means a board established by the administrator to review conduct by occupational and pari-mutuel licensees that may constitute violations of the rules and statutes relating to pari-mutuel racing. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

*"Commission representative"* means a gaming representative, a steward, or any person designated by the commission or administrator.

*"Contested case"* means a proceeding defined by Iowa Code section 17A.2(5) and includes any matter defined as a no factual dispute contested case under Iowa Code section 17A.10A.

*"Gaming board"* means a board established by the administrator to review conduct by occupational, excursion gambling boat, gambling structure, sports wagering, fantasy sports contest, and gambling game licensees that may constitute violations of the rules and statutes relating to gaming. The administrator may serve as a board of one or may designate a specifically composed board to review any individual matter.

*"Gaming representative"* means an employee of the commission assigned by the administrator to a licensed pari-mutuel racetrack, excursion gambling boat, or gambling structure to perform the supervisory and regulatory duties of the commission.

*"Issuance"* means the date of mailing of a decision or order, or date of delivery if service is by other means, unless another date is specified in the order.

*"Steward"* means a racing official appointed or approved by the commission to perform supervisory and regulatory duties relating to pari-mutuel racing.

**491—4.3(17A) Time requirements.**

**4.3(1)** All documents or papers filed with the commission should be delivered to the applicable commission office within such time limits as prescribed by law or by rules or orders of the commission. In computing the applicable time period or deadline, the commission follows Iowa Code section 4.1(34).

**4.3(2)** Papers are considered filed only upon receipt by the commission.

**4.3(3)** For good cause, the presiding officer may extend or shorten the time to take any action, except as precluded by statute. Except for good cause stated in the record, before extending or shortening the time to take any action, the presiding officer should afford all parties an opportunity to be heard or to file written arguments.

DIVISION I
GAMING REPRESENTATIVE, GAMING BOARD, AND BOARD OF STEWARDS

**491—4.4(99D,99E,99F) Commission representatives—licensing and regulatory duties.**

**4.4(1)** The commission representative decides whether to approve applications for occupational licenses in accordance with the rules and statutes.

*a.* Each decision denying an occupational license will be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

*b.* The applicant may appeal an occupational license denial and, upon filing a timely appeal, has the right to a contested case proceeding as set forth in these rules.

**4.4(2)** The commission representative monitors, supervises, and regulates the activities of occupational, pari-mutuel racetrack, sports wagering, fantasy sports contest, gambling game, excursion gambling boat, gambling structure, manufacturer, and distributor licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes. A commission representative may refer an investigation to the gaming board or the commission upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

*a.* A referral to the gaming board or the commission is in writing, references applicable rules or statutory provisions, and provides a factual basis supporting the violation.

*b.* The commission representative or the administrator making the referral to the gaming board or commission, or to a designee of the gaming board or the commission, will appear at the hearing to provide any information requested.

**4.4(3)** A commission representative or the administrator will summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the commission representative determines the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D, 99E or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the commission representative will take one of the following courses of action:

*a.* If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the commission representative will reinstate the license.

*b.* If the licensee is convicted of the charges, the commission representative will deny the license.

*c.* If the licensee is convicted of a lesser charge, at the discretion of the commission representative, reinstate or deny the license pursuant to 491—Chapter 6.

**4.4(4)** The commission representative will revoke the license of a person reported to the commission as having refused drug testing or as having a confirmed positive drug test result for a controlled substance or for a drug test conducted pursuant to Iowa Code section 730.5 or 99F.4(20).

**4.4(5)** A commission representative may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The commission representative may provide notice of ejection or exclusion orally or in writing. The commission representative may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The commission representative may exclude the person for a certain or an indefinite period of time.

**4.4(6)** The commission representative may forbid any person from continuing to engage in an activity the representative feels is detrimental to racing or gaming until resolved.

**4.4(7)** The commission representative has other powers and duties set forth in the statutes and rules and as assigned by the administrator.

**4.4(8)** A commission representative may summarily suspend an occupational licensee in accordance with rule 7—2506.31(17A).

**491—4.5(99D,99E,99F) Gaming board—duties.** The gaming board conducts informal hearings whenever the board has reasonable cause to believe that a licensee, an occupational licensee, or other persons have committed an act or engaged in conduct that violates an applicable statute or commission rule. The hearings precede a contested case hearing and are investigative in nature. The following procedures apply:

**4.5(1)** The gaming board consists of three gaming representatives, as assigned by the administrator. The administrator has discretion to create more than one gaming board, to set terms for gaming board members, to assign alternates, and to make any decisions necessary for the efficient and effective operation of the gaming board. A gaming representative who has made a referral to the gaming board cannot sit on the board that makes a decision on the referral.

**4.5(2)** The administrator may designate an employee to act as gaming board coordinator. The gaming board coordinator has the power to assist and advise the gaming board through all aspects and stages of the gaming board hearing process. The gaming board coordinator may review any referral from gaming representatives prior to setting the matter for hearing before the gaming board. The gaming board coordinator, in consultation with the administrator or the administrator's designee, may return the referral to the initiating gaming representative if the information provided appears insufficient to establish a violation.

**4.5(3)** The gaming board, upon receipt of a referral, may review the referral prior to the hearing. The gaming board may return a referral to the initiating gaming representative or the administrator's designee on its own motion prior to hearing if the information provided appears insufficient to establish a violation.

**4.5(4)** Upon finding of reasonable cause, the board schedules a hearing to which the license holder will be summoned for the purpose of investigating suspected or alleged misconduct by the license holder, at which all board members or their appointed representatives will be present in person or by teleconference. The license holder may request a continuance for good cause in writing not less than 24 hours prior to the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

**4.5(5)** The notice of hearing given to the license holder will give adequate notice of the time, place and purpose of the board's hearing and will specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder will be deemed to have waived any right to appear and present evidence to the board.

**4.5(6)** The gaming board has complete and total authority to decide all issues concerning the process of the hearing. The gaming board will recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The gaming board has the right to request witnesses or additional documents that have not been submitted by the initiating gaming representative. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the gaming board.

**4.5(7)** It is the duty and obligation of every licensee to make full disclosure at a hearing before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

**4.5(8)** Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a licensed facility is allegedly undesirable, are subject to the authority of the board and to any penalties, as set forth in rule 491—4.7(99D,99E,99F).

**4.5(9)** The gaming board has the power to interpret the rules and to decide all questions not specifically covered by them. The board has the power to determine all questions arising with reference to the conduct of gaming and sports wagering and fantasy sports contests and the authority to decide any question or dispute relating to racing, gaming, sports wagering or fantasy sports contests in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

**4.5(10)** The gaming board will enter a written decision after each hearing. The decision will find whether there is a violation of the rules or statutes and, if so, will briefly set forth the legal and factual basis for the finding. The decision will also establish a penalty for any violation. The gaming board has the authority to impose any penalty as set forth in these rules.

**4.5(11)** Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

**4.5(12)** Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with a gaming representative or the administrator's designee. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the gaming board. Stipulations are considered final agency action and cannot be appealed.

**491—4.6(99D,99F) Stewards—licensing and regulatory duties.**

**4.6(1)** The stewards decide whether to approve applications for occupational licenses in accordance with the rules and statutes.

*a.* Each decision denying an application for an occupational license will be in writing and contain a brief explanation of the reason for the decision, including a reference to the legal authority serving as the basis for the decision.

*b.* An applicant for an occupational license may appeal a stewards' decision denying the application. An appeal is made in writing to the commission's office. The appeal must be received within 72 hours of service of the decision. The appeal should contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer setting forth relief sought; and signature, name, address, and telephone number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission.

*c.* Upon the filing of a timely and perfected appeal, the applicant has the right to a contested case proceeding as set forth in these rules.

**4.6(2)** The stewards monitor, supervise, and regulate the activities of occupational and pari-mutuel racetrack licensees. A commission representative may investigate any questionable conduct by a licensee for any violation of the rules or statutes and may refer an investigation to the board of stewards upon suspicion that a licensee or nonlicensee has committed a violation of the rules or statutes.

**4.6(3)** A steward will summarily suspend an occupational license when a licensee has been formally arrested or charged with a crime that would disqualify the licensee, if convicted, from holding a license and the steward determines that the licensee poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D or 99F. Upon proof of resolution of a disqualifying criminal charge or formal arrest, regardless of summary suspension of a license, the stewards will take one of the following courses of action:

*a.* If the license was summarily suspended and the charges are dismissed or the licensee is acquitted of the charges, the stewards will reinstate the license.

*b.* If the licensee is convicted of the charges, the stewards will deny the license.

*c.* If the licensee is convicted of a lesser charge, it is at the discretion of the stewards whether to reinstate or deny the license pursuant to 491—Chapter 6.

**4.6(4)** The stewards may summarily suspend an occupational license in accordance with rule 7—2506.31(17A).

**4.6(5)** Hearings before the board of stewards are conducted under the following parameters:

*a.* Upon finding of reasonable cause, the board schedules a hearing to which the license holder is summoned for the purpose of investigating suspected or alleged misconduct by the license holder. The license holder may request a continuance in writing for good cause not less than 24 hours prior to the hearing, except in cases of unanticipated emergencies. The continuance need not necessarily stay any intermediate sanctions.

*b.* The notice of hearing given to the license holder will give adequate notice of the time, place and purpose of the board's hearing and will specify by number the statutes or rules allegedly violated. If a license holder, after receiving adequate notice of a board meeting, fails to appear as summoned, the license holder will be deemed to have waived any right to appear and present evidence to the board.

*c.* The board has complete and total authority to decide the process of the hearing. The administrator may designate an employee to assist and advise the board of stewards through all aspects of the hearing process. The board will recognize witnesses and either question the witnesses or allow them to give a narrative account of the facts relevant to the case. The board may request additional documents or witnesses before making a decision. The licensee has no right to present testimony, cross-examine witnesses, make objections, or present argument unless specifically authorized by the board.

*d.* It is the duty and obligation of every licensee to make full disclosure at a hearing before the board of any knowledge possessed regarding the violation of any rule, regulation or law concerning racing and gaming in Iowa. No person may refuse to testify before the board at any hearing on any relevant matter within the authority of the board, except in the proper exercise of a legal privilege. No person shall falsely testify before the board.

*e.* Persons who are not holders of a license or occupational license and who have allegedly violated commission rules or statute, or whose presence at a track is allegedly undesirable, are subject to the authority of the board and to any penalties as set forth in rule 491—4.7(99D,99E,99F).

*f.* The board of stewards has the power to interpret the rules and to decide all questions not specifically covered by the rules. The board of stewards has the power to determine all questions arising with reference to the conduct of racing, and the authority to decide any question or dispute relating to racing in compliance with rules promulgated by the commission or policies approved for licensees, and persons participating in licensed racing or gaming agree in so doing to recognize and accept that authority. The board may also suspend the license of any license holder when the board has reasonable cause to believe that a violation of law or rule has been committed and that the continued performance of that individual in a licensed capacity would be injurious to the best interests of racing or gaming.

*g.* The board of stewards enters a written decision after each hearing. The decision states whether there is a violation of the rules or statutes and, if so, briefly sets forth the legal and factual basis for the finding. The decision also establishes a penalty for any violation. The board of stewards has the authority to impose any penalty as set forth in these rules.

*h.* Upon the filing of a timely and perfected appeal, the licensee has the right to a contested case proceeding as set forth in these rules.

**4.6(6)** A steward may eject and exclude any person from the premises of a pari-mutuel racetrack, excursion gambling boat, or gambling structure for any reason justified by the rules or statutes. The steward may provide notice of ejection or exclusion orally or in writing. The steward may define the scope of the exclusion to any degree necessary to protect the integrity of racing and gaming in Iowa. The steward may exclude the person for a certain or indefinite period of time.

**4.6(7)** The stewards have other powers and duties set forth in the statutes and rules and as assigned by the administrator.

**4.6(8)** Informal settlements. A licensee may enter into a written stipulation representing an informed mutual consent with the stewards. This stipulation must specifically outline the violation and the penalty imposed. Stipulations must be approved by the board of stewards. Stipulations are considered final agency action and cannot be appealed.

**491—4.7(99D,99E,99F) Penalties (gaming board and board of stewards).** All penalties imposed will be promptly reported to the commission and facility or other licensed entity in writing. The board may impose one or more of the following penalties: eject and exclude an individual from a facility, revoke a license, suspend a license for up to five years from the date of the original suspension, place a license on probation, deny a license, impose a fine, or order a redistribution of a racing purse or the payment of or the withholding of a gaming payout. The board of stewards may impose a fine of up to $1,000, and the gaming board may impose a fine of up to $3,000. The board may set the dates for which the suspension must be served. The board may also suspend the license of any person currently under suspension or in bad standing in any other state or jurisdiction by a state racing or gaming commission. If the punishment so imposed is not sufficient, in the opinion of the board, the board will so report to the commission.

**4.7(1)** Fines are due within ten calendar days of receipt of the ruling, by the end of business hours, at any commission office. Nonpayment or late payment of a fine may result in an immediate license suspension. All fines are to be paid by the individual assessed the fine.

**4.7(2)** If the fine is appealed to the board, the appeals process will not stay the fine. The fine will be due as defined in subrule 4.7(1).

**4.7(3)** If the party is successful in the appeal, the amount of the fine will be refunded to the party's current address on record as soon as possible after the date the decision is rendered.

**4.7(4)** When a racing animal or the holder of an occupational license is suspended by the board at one location, the suspension immediately becomes effective at all other facilities under the jurisdiction of the commission.

**491—4.8(99D,99E,99F) Effect of another jurisdiction's order.** The commission or board may take appropriate action against a license holder or other person who has been excluded from a track or gaming establishment in another jurisdiction to exclude that person from any track or gaming establishment under the commission's jurisdiction. Proceedings occur in the same manner as prescribed by these rules for determining misconduct on Iowa tracks or in gaming establishments and are subject to the same appeal procedures.

The commission and stewards have discretion to honor rulings from other jurisdictions regarding license suspension or revocation or the eligibility of contestants. Whenever the commission decides to honor an order from another jurisdiction, the commission representatives will schedule a hearing at which the licensee is invited to show cause as to why the license should not be suspended or revoked.

**491—4.9(99D,99E,99F) Service of administrative actions.** Any administrative action taken against an applicant or occupational licensee will be served on the applicant or occupational licensee electronically, by personal service, by certified mail with return receipt requested to the last-known address on the application or on file with the commission, or by regular mail.

**4.9(1)** If the applicant or licensee is represented by legal counsel, a copy of the written decision may also be provided to counsel. However, the applicant or licensee will still be served in accordance with this rule.

**4.9(2)** If the administrative action involves an alleged medication violation that could result in disqualification of a contestant, the stewards will provide notice of the hearing and all subsequent rulings to the owner of the contestant.

**491—4.10(99D,99E,99F) Appeals of administrative actions.** A license applicant or an occupational licensee may appeal a denial, suspension or ruling. An appeal is made in writing to the commission office. An appeal may also be filed by electronic mail or any other method as determined by the administrator. The appeal must be received within 72 hours of service of the decision and is not considered filed until received by the commission. For any appeal of a decision rendered pursuant to 491—numbered paragraph 10.4(1)*"d"*(3)"1," the appeal must be received within 72 hours of any such decision and the standard of review will be abuse of discretion. The appeal should contain numbered paragraphs and set forth the name of the person seeking review; the decision to be reviewed; separate assignments of error; clear and concise statement of relevant facts; reference to applicable statutes, rules or other authority; prayer setting forth relief sought; and signature, name, address, and telephone number of the person seeking review or that person's representative, or the appeal may be submitted on a form prescribed by the commission. If a licensee is granted a stay of a suspension pursuant to rule 7—2506.29(17A) and the ruling is upheld in a contested case proceeding, the board of stewards may reassign the dates of suspension so that the suspension dates are served in the state of Iowa.

These rules are intended to implement Iowa Code chapters 17A, 99D and 99F.

**RA 26-206**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 5
"Track, Gambling Structure, and Excursion Gambling Boat Licensees' Responsibilities"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99D.4, 99D.6 through 99D.9, 99D.11, 99D.19, 99D.20, 99F.1, 99F.3, 99F.4, 99F.4B, 99F.4D, 99F.5, 99F.7, 99F.7A, 99F.12, and 99F.13

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 99D and 99F

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 5 of the Commission's rules establishes uniform responsibilities for Iowa casino and racetrack licensees, including physical facility requirements, some personnel requirements, base security requirements, additional details about statutorily required audits, and requirements for submission of contracts to receive Commission approval.

The proposed rulemaking consolidates, reduces, or eliminates some rules in accordance with Executive Order 10. In particular, many provisions (and one entire rule) related to excursion boats have been proposed for removal since there are no remaining excursion boats that embark on cruises. Another example is the proposed removal of a subrule addressing promotional play receipts, which has been superseded by statute.

In addition, the proposed rulemaking reorganizes and renumbers the chapter to include a new rule of definitions and to create a standalone rule for provisions related to Commission approval of licensees' contracts that meet certain criteria. This contract-approval rule is one subrule within a larger one in existing Chapter 5 but is detailed enough to warrant its own rule in proposed Chapter 5. In conjunction with creating a standalone rule, the threshold for submitting contracts to the Commission for approval are proposed for modification from a floor of $100,000 in contract value to a floor of

$150,000. The standalone proposed rule also includes several specific examples of agreements that are not required to be submitted for Commission approval and adds a requirement that licensees seeking approval of an individual debt transaction must submit final transaction documents to the Commission after the transaction closes.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with Chapter 5.

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

Licensees may also benefit from the proposed rulemaking. Several of the proposed repromulgated rules reduce licensees' submission requirements or otherwise make compliance easier. For example, increasing the contract-approval threshold to $150,000 will benefit licensees by requiring them to spend less time preparing paperwork for contract approval submissions when the contract falls beneath the threshold.

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

- **Quantitative description of impact:**

Licensees are currently required to conduct an independent network security risk assessment every other year. The proposed rulemaking would increase that frequency to an annual requirement, which means licensees may incur additional costs to retain a risk assessment testing organization each year.

- **Qualitative description of impact:**

If the proposed rulemaking is adopted, the Commission anticipates it will need to review fewer individual contracts during each meeting, which could shorten the length of meetings.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission. The increased frequency for network security risk assessments is anticipated to be absorbed into Commission staff's regular duties.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
TRACK, GAMBLING STRUCTURE, AND EXCURSION GAMBLING BOAT LICENSEES' RESPONSIBILITIES

**491—5.1(99D,99F) Definitions.**

*"Administrator"* means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

*"Barge"* means any stationary structure approved by the commission, where the entire gaming floor is located on or near a body of water in accordance with Iowa Code section 99F.7(1), and which facility is subject to land-based building codes rather than maritime or Iowa department of natural resources inspection laws and regulations.

*"Excursion boat"* means a subtype of excursion gambling boat defined by Iowa Code section 99F.1(11) that may contain more than one vessel. To be utilized for gaming purposes, the vessel containing the casino must either contain a permanent means of propulsion or have its means of propulsion contained in an attached vessel. If the vessel containing the casino is propelled by a second vessel, the boat will be considered self-propelled only when the vessels are designed, constructed, and operated as a single unit.

*"Excursion gambling boat"* means an excursion boat or moored barge as described in Iowa Code section 99F.1(12) with a minimum passenger capacity of 250.

*"Related party"* means any one of the following having any beneficial interest in any other party with whom a facility is seeking to negotiate an agreement:

1. Any corporate officer or member of a facility's board of directors.
2. Any owner with more than a 5 percent interest in a facility.
3. A member of either the qualified sponsoring organization or the qualifying organization under Iowa Code section 99D.8 associated with a facility.

*"Restricted area"* means any area of a facility to which general public access is not permitted, including but not limited to the barn area, paddock, horse drug testing area, back of house, and designated gaming floor and wagering areas.

**491—5.2(99D,99F) General licensee responsibilities.** The requirements placed upon an applicant become a requirement to the licensee once a license has been granted. Every license is granted upon the condition that the license holder accepts, observes, and enforces the rules and regulations of the commission. It is the affirmative responsibility and continuing duty of each officer, director, and employee of a licensee to comply with the requirements of the application, to comply with the conditions of the license, and to observe and enforce the rules. The holding of a license is a privilege.

The burden of proving qualifications for the privilege to receive any license is on the licensee at all times. A licensee must accept all risks of adverse public notice or public opinion, embarrassment, criticism, or financial loss that may result from action with respect to a license. Licensees further covenant and agree to hold harmless and indemnify the commission from any claim arising from any action of the commission in connection with that license.

**491—5.3(99D,99F) Annual audits.** Licensees submit audits to the commission as required by Iowa Code sections 99D.20 and 99F.13.

**5.3(1)** The audit of financial transactions and condition of a licensee's operation must include:

*a.* An internal control letter;

*b.* Documentation that the audit was conducted by certified public accountants authorized to practice in the state of Iowa under Iowa Code chapter 542;

*c.* A balance sheet; and

*d.* A profit-and-loss statement pertaining to the licensee's activities in the state, including a breakdown of expenditures and subsidies. For licensees that conduct retail sports wagering without the use of a vendor, these breakdowns must include retail sports wagering operations.

**5.3(2)** If the licensee's fiscal year does not correspond to the calendar year, the report must include a supplemental schedule indicating financial activities on a calendar-year basis.

**5.3(3)** In the event of a license termination, change in business entity, or material change in ownership, the administrator may require an interim report as of the date of occurrence of the event. The filing due date is 30 calendar days after notification to the licensee or 30 calendar days after the date of the occurrence of the event, whichever is later. The administrator may grant an extension of the due date if requested by the licensee.

**5.3(4)** An engagement letter for the audit between the licensee and auditing firm must be available upon request. The engagement letter requirement does not apply to the licensed qualified sponsoring organization. Conditions of engagement for the audit must include at a minimum the following:

*a.* The auditing firm must report any material errors, irregularities or illegal acts that come to the firm's attention during the course of an audit to the licensee's audit committee or senior management as required by the rules of professional conduct that apply to the auditing firm. The licensee must report such material errors, irregularities or illegal acts to the commission in a timely manner following reporting to the licensee's audit committee or senior management.

*b.* The auditing firm must inform the commission in writing of matters that come to the firm's attention that represent significant deficiencies in the design or operation of the internal control structure.

*c.* The audit supervisor or an audit staff member conducting the audit must have experience or training in the gaming industry.

*d.* The auditing firm agrees to respond timely to all reasonable requests of successor auditors.

*e.* The auditing firm agrees, if requested by the commission, to provide licensee management and the commission with recommendations designed to help the licensee make improvements in its internal control structure and operation and other matters that are discovered during the audit.

**5.3(5)** For a licensed subsidiary of a parent company, an audit of the parent company may be filed with the following conditions:

*a.* The consolidated financial statements include in the supplemental schedule, or elsewhere as determined by the licensee and auditing firm, the following for each licensee:

(1) Balance sheets.

(2) Statements of operations.

(3) Statements of cash flows.

(4) Schedules of operating expenses.

(5) Schedules of adjusted gross revenue and taxes and fees paid to governmental agencies.

*b.* Any internal audit staff assisting with the audit must report any material errors, irregularities or illegal acts that come to the staff's attention during the course of an audit to the licensee's audit committee or senior management as required by the rules of professional conduct. The licensee will report such material errors, irregularities or illegal acts to the commission in a timely manner following reporting to the licensee's audit committee or senior management.

*c.* All other requirements in this rule are met and included for each entity licensed in Iowa unless the commission or administrator grants an exception in writing.

**5.3(6)** The annual audit report required by Iowa Code section 99D.20 must include a schedule detailing the following information:

*a.* Number of performances.

*b.* Attendance.

*c.* Regulatory fee.

*d.* Total mutuel handle and taxes paid to the state, city, and county.

*e.* Unclaimed winnings.

*f.* Purses paid indicating sources.

*g.* Total breakage and disbursements.

*h.* The disbursements of 1 percent of exotic wagers on three or more horses.

**5.3(7)** The annual audit report required by Iowa Code section 99F.13 must include:

*a.* A schedule detailing a weekly breakdown of adjusted gross revenue; taxes paid to the state, city, county, and county endowment fund; and regulatory fees.

*b.* A report on whether material weaknesses in internal accounting control exist.

**491—5.4(99D,99F) Information reporting and requests.**

**5.4(1)** *Specific commission requests.* The licensee must submit all information specifically requested by the commission or commission representative.

**5.4(2)** *Incident reporting.* The licensee must immediately notify the commission and DCI representatives on duty or, if representatives are not on duty, provide notification in a manner previously agreed upon by the representatives of any incident involving employee theft, criminal activity, Iowa Code chapter 99D or 99F violations, or discrepancies or variances affecting gaming receipts. In addition to immediate notification, the licensee must, within 72 hours, file a written report for any incident in which an employee or patron is detected violating a provision of Iowa Code chapter 99D or 99F, a commission rule or order, or internal controls or is removed for reasons specified under paragraph 5.6(5)*"b."* The written report must contain sufficient details for the commission to evaluate the incident.

**491—5.5(99D,99F) Commission approval of contracts and business arrangements.** All contracts and business arrangements, written or verbal, entered into by a facility that expend, encumber, or loan facility assets or make payments to the facility are subject to approval by the commission.

**5.5(1)** *Qualifying agreements or arrangements.* For this rule's purposes, a qualifying agreement or arrangement is limited to any circumstance where:

*a.* The total value in a calendar year exceeds $150,000, regardless of payment method;

*b.* A related party is involved. Agreements between the facility and a related party must be accompanied by an economic and qualitative justification;

*c.* The term exceeds three years and the overall value exceeds $50,000;

*d.* A previously approved qualifying agreement exceeds the approved amount in a calendar year by the greater of $100,000 or 25 percent;

*e.* The commission's approval date of a previously approved qualifying agreement is more than five years old;

*f.* Regardless of value or term, a third party provides electronic or mechanical access to cash or credit for a patron of the facility; or *g.* The licensee or licensee's parent company is entering a debt transaction involving more than $3 million that assigns an obligation to a licensee, except a debt transaction previously approved under subrule 5.6(19). The request for approval must include:

(1) The name and address of all parties;

(2) The amount and source of funds;

(3) The nature and amount of security and collateral provided;

(4) The specific nature and purpose of the transaction;

(5) The term sheet or executive summary of the transaction; and

(6) An agreement to provide final transaction documents to the commission within ten days of execution.

**5.5(2)** *Exempt agreements or arrangements.* For this rule's purposes, a qualifying agreement does not include:

*a.* Any payment to a unit of government for taxes or fees.

*b.* Any payment to an entity that provides water, sewer, gas, or electric utility services to the facility.

*c.* Disposal of facility assets to a government entity or nonprofit.

*d.* A union or employment contract.

*e.* A settlement agreement.

*f.* Any payment to entities licensed pursuant to 491—Chapter 11 to obtain gambling games and implements of gambling as defined in 491—Chapter 11.

**5.5(3)** *Timing of submission.* A qualifying agreement must be approved by the commission within 60 days of execution if made in Iowa or within 30 days of execution if not made in Iowa. Commission approval must be obtained prior to implementation unless the qualifying agreement contains a written clause stating that the agreement is subject to commission approval and the qualifying agreement is submitted to commission staff prior to implementation. Qualifying agreements need only be submitted on initiation unless:

*a.* There is a material change in terms;

*b.* There is noncompliance with paragraph 5.5(4)*"d"*; or

*c.* An agreement has been previously approved and later becomes subject to paragraph 5.5(1)*"d"* or *"e."*

**5.5(4)** *Purpose of review.* The commission conducts reviews to serve the public interest and ensure that:

*a.* Gaming is free from criminal and corruptive elements.

*b.* Gaming-related funds are directed to the lawful recipient.

*c.* Gaming profits are not improperly distributed.

*d.* Iowa resources, goods, and services are utilized. A facility utilizes a substantial amount of Iowa resources, goods, services, and entertainment in compliance with Iowa Code sections 99D.9 and 99F.7(5) if the facility demonstrates to the commission's satisfaction that preference was given to the extent allowed by law and other competitive factors. Resources, goods, and services are considered to be made in Iowa, be provided by Iowans, or emanate from Iowa if one or more of the following apply:

(1) Goods are manufactured in Iowa.

(2) Goods are distributed through a distributor located in Iowa.

(3) Goods are sold by a retailer or wholesaler located in Iowa.

(4) Resources are produced or processed in Iowa.

(5) Services are provided by a vendor whose headquarters or home office is in Iowa.

(6) Goods, resources, or services are provided by a vendor whose headquarters or home office is located outside Iowa but who has a tangible business location (not simply a post office box) and does business in Iowa.

(7) Services beyond selling are provided by employees who are based in Iowa.

**5.5(5)** *Review criteria.* The commission will approve qualifying agreements that, in the commission's sole opinion, represent a normal business transaction. The commission may impose conditions on approval. The commission may deny approval of any agreement that, in the commission's sole opinion, represents a distribution of profits that differs from commission-approved ownership and beneficial interest. This subrule does not prohibit the commission from changing the approved ownership or beneficial interest.

**491—5.6(99D,99F) Uniform requirements.**

**5.6(1)** *Maintenance of premises and facilities.* Each licensee will at all times maintain its premises and facilities so as to be neat and clean, adequately lit and illuminated, well landscaped, painted and in good repair, handicapped accessible, with special consideration for the comfort and safety of patrons, employees, and other persons whose business requires their attendance. Maintenance of the premises also includes systematic and effective insect, rodent, and pest control for all areas of the premises.

**5.6(2)** *Facilities for commission.* Each licensee must provide reasonable, adequately furnished office space for the exclusive use of commission employees and officials, including utilities, direct long-distance access for voice and data lines, custodial services, and necessary office equipment. The licensee should also make available appropriate parking places for commission staff.

**5.6(3)** *Sanitary facilities for patrons.* Each licensee must, on every day of operation, provide adequate and sanitary toilets and washrooms and furnish free drinking water for patrons and persons having business on the licensee's premises.

**5.6(4)** *First-aid.* During all hours of operation, each licensee must equip and maintain adequate first-aid facilities and have at a minimum one employee certified in cardiopulmonary resuscitation (CPR), first aid, and the use of an automated external defibrillator (AED). Each licensee must have a properly functioning and readily accessible AED at the licensee's facility.

**5.6(5)** *Security.*

*a.* *Security plan.* Each licensee must prepare a security plan that is subject to commission approval. The security plan must include at least the following items, along with other information as the commission may require:

(1) Security department staff minimum qualifications and training.

(2) Security staffing levels and schedule.

(3) Coverage provided by certified peace officers.

(4) Incident reporting procedures.

(5) The facility's emergency preparedness plan.

*b.* *Employ adequate security.* Each licensee must employ sufficient security to remove from the licensed premises a person violating a provision of Iowa Code chapter 99D or 99F, commission rules, or orders; any person deemed to be undesirable by commission officials; or any person engaging in a fraudulent practice. Security must also be provided in and about the premises to secure restricted areas.

*c.* *Ejection or exclusion.*

(1) A licensee may eject or exclude any person, licensed or unlicensed, from the premises or a part thereof of the licensee's facility, solely of the licensee's own volition and without any reason or excuse given, provided ejection or exclusion is not founded on constitutionally protected grounds such as race, creed, color, disability, or national origin.

(2) Reports of all ejections or exclusions for any reason, other than voluntary exclusions, must be made promptly to the commission representative and DCI and state the circumstances of, or reason for, the ejection or exclusion. The name of the person must be reported when the person is ejected or excluded for more than one gaming day.

(3) The commission may exclude any person ejected by a licensee from any or all pari-mutuel facilities, gambling structures, or excursion gambling boats controlled by any licensee upon a finding that attendance of the person would be adverse to the public interest.

**5.6(6)** *Firearms possession within licensed facility.*

*a.* A patron or employee of the licensee, including the security department members, cannot possess or be permitted to possess any pistol or firearm within a licensed facility without the express written approval of the administrator unless the person is a peace officer who is:

(1) On duty, acting in the peace officer's official capacity; or

(2) Possessing a valid peace officer permit to carry weapons, employed by the licensee, and authorized by the administrator to possess such pistol or firearm while acting on behalf of the licensee within that licensed facility.

*b.* Each licensee must post in a conspicuous location at each entrance a sign that may be easily read stating, "Possession of any firearm within the licensed facility without the express written permission of the Iowa racing and gaming commission is prohibited".

**5.6(7)** *Video recording.* Licensees must conduct continuous surveillance with the capability of video recording all on-site gambling activities under applicable administrative rules promulgated by the department of public safety.

*a.* "Gambling activities" means participating in any form of wagering as defined by Iowa Code chapter 99F and approved by the commission; the movement, storage, and handling of uncounted gambling revenues; manual exchange of moneys for forms of wagering credit on the gaming floor; entrance of the public onto the gaming floor; and any other activity as determined by the administrator.

*b.* Commission and DCI representatives must have unrestricted access to and use of, including independent access capabilities, both live and recorded views and images of the surveillance system.

*c.* A commission representative may allow a gambling game to be placed in operation pending approval of surveillance coverage.

*d.* A facility may include capabilities within the surveillance system for video recording of other areas of a facility and grounds, provided that commission and DCI access is unrestricted.

**5.6(8)** *Checks.* All checks accepted must be deposited in a bank by the close of the banking day following acceptance.

**5.6(9)** *Taxes and fees.*

*a.* *Annual taxes and fees.* All taxes and fees, whose collection is authorized under Iowa Code chapters 99D and 99F, must be accounted for on a fiscal year basis, each fiscal year beginning on July 1 and ending on June 30.

*b.* *Submission of gambling game taxes and fees.*

(1) All moneys collected for and owed to the commission or state of Iowa under Iowa Code chapter 99F must be accounted for and itemized on a weekly basis in a format approved by the commission. Each day on the report must be an accurate representation of the gaming activities. A week begins on Monday and ends on Sunday.

(2) The reporting form is due to the commission office by noon on Wednesday following the week's end. The moneys owed, according to the reporting form, must be received in the treasurer's office by 11 a.m. on the Thursday following the week's end.

*c.* *Submission of sports wagering net receipts taxes.*

(1) A tax is imposed on the sports wagering net receipts received each fiscal year from sports wagering, which must be accounted for on a cash accounting basis. Voided and canceled transactions are not considered receipts for the purpose of this calculation.

(2) All moneys collected for and owed to the state of Iowa under Iowa Code chapter 99F for the payment of sports wagering taxes must be accounted for and itemized on a monthly basis, in a format approved by the commission, by noon on Wednesday following a gaming week's end in which the completed gaming week includes the last day of the month. All sports wagering taxes owed must be received in the treasurer's office by 11 a.m. on the Thursday after accounting and itemization is due in the commission office. If sports wagering net receipts for a month are negative, a credit for sports wagering taxes may be given in the subsequent month.

(3) Licensees under Iowa Code section 99F.7 or 99F.7A are responsible for the payment of all sports wagering taxes.

(4) Each licensee must establish controls, subject to approval by the administrator, which easily allow for the designation and recording of sports wagering net receipts to an individual licensee and the redemption of winnings to the respective licensee.

**5.6(10)** *Rate of tax revenue.* Each licensee must prominently display at the licensee's gambling facility the annual percentage rate of state and local tax revenue collected by state and local government from the gambling facility annually.

**5.6(11)** *Responsible gaming, self-exclusion, and problem gambling.*

*a.* A licensee must adopt and implement policies and procedures designed to:

(1) Identify problem gamblers;

(2) Comply with the process established by the commission to allow a person to be voluntarily excluded pursuant to Iowa Code sections 99D.7(23) and 99F.4(22) from all licensed entities and all gambling activities defined in Iowa Code chapters 99D, 99E, and 99F;

(3) Allow persons to be voluntarily excluded for five years or life from all facilities on a form prescribed by the commission. Each facility will disseminate information regarding the exclusion to all other licensees and the commission; and

(4) Identify the availability of technology on a device that provides electronic or mechanical access to cash or credit for a patron of the facility that would allow for a person to voluntarily bar the person's access to receive cash or credit from such devices located on the licensed premises and provide the process for a person to do so. Methods of identification must be prominently displayed and indicate the availability of the process prior to a transaction taking place.

*b.* The policies and procedures must be developed in cooperation with the gambling treatment program and include without limitation the following:

(1) Training of key employees to identify and report suspected problem gamblers;

(2) Procedures for recording and tracking identified problem gamblers;

(3) Policies designed to prevent serving alcohol to intoxicated patrons on the gaming floor or wagering area;

(4) Steps for removing problem gamblers from the gaming floor or wagering area;

(5) Procedures for preventing reentry of problem gamblers;

(6) Procedures to prominently display problem gambling materials produced by the Iowa gambling treatment program throughout the facility with at least one display located in a high-traffic area of patrons; and

(7) Procedures for a licensee's website to include a link to the commission's website for individuals to self-exclude themselves pursuant to Iowa Code sections 99F.4(22) and 99D.7(23).

*c.* A licensee must include information on the availability of the gambling treatment program in a substantial number of its advertisements and printed materials.

*d.* Money forfeited by a voluntarily excluded person pursuant to Iowa Code sections 99D.7(23) and 99F.4(22) must be withheld by the licensee and remitted to the general fund of the state by the licensee under Iowa Code chapters 99D and 99F.

*e.* Facilities are expressly prohibited from permitting persons who are visibly intoxicated to participate in gaming, pari-mutuel wagering, or sports wagering activity. Permitting visibly intoxicated persons to participate in gaming or wagering may subject a facility to administrative action.

**5.6(12)** *Records regarding ownership.*

*a.* In addition to other records and information required by these rules, each licensee must maintain the following records regarding the equity structure and owners:

(1) Corporation licensee:

1. A certified copy of articles of incorporation and any amendments thereto.
2. A copy of bylaws and amendments thereto.
3. A current list of officers and directors.
4. Minutes of all meetings of stockholders and directors.

5. A current list of all stockholders and stockholders of affiliates, including their names and the names of beneficial shareholders.

6. A complete record of all transfers of stock.

7. A record of amounts paid to the corporation for issuance of stock and other capital contributions and dates thereof.

8. A record, by stockholder, of all dividends distributed by the corporation.

9. A record of all salaries, wages, and other remuneration (including perquisites), direct and indirect, paid by the corporation during the calendar or fiscal year to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than 5 percent of the outstanding stock of any class of stock.

(2) Partnership licensee:

1. A schedule showing the amounts and dates of capital contributions, the names and addresses of the contributors, and percentage of interest in net assets, profits, and losses held by each.

2. A record of the withdrawals of partnership funds or assets.

3. A record of salaries, wages, and other remuneration (including perquisites), direct and indirect, paid to each partner during the calendar or fiscal year.

4. A copy of the partnership agreement and certificate of limited partnership, if applicable.

(3) Sole proprietorship licensee:

1. A schedule showing the name and address of the proprietor and the amount and date of the original investment.

2. A record of dates and amounts of subsequent additions to the original investment and withdrawals therefrom.

3. A record of salaries, wages, and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

*b.* All records regarding ownership should be located in a place approved by the commission.

*c.* If the licensee is publicly held, upon the request of the administrator, the licensee must submit to the commission one copy of any report required to be filed by such licensee or affiliates with the Securities and Exchange Commission (SEC) or other domestic or foreign securities regulatory agency. If the licensee is privately held, upon the request of the administrator, the licensee shall submit financial, ownership, or other entity records for an affiliate.

**5.6(13)** *Retention, storage, and destruction of books, records, and documents.*

*a.* Except as otherwise provided, all original books, records, and documents pertaining to the licensee's operations must be:

(1) Prepared and maintained in a complete and accurate form.

(2) Retained at a site approved by the administrator until audited.

(3) Held immediately available for inspection by the commission during business hours of operations.

(4) Organized and indexed in such a manner as to provide immediate accessibility to the commission.

*b.* For the purpose of this subrule, "books, records, and documents" means any book, record, or document pertaining to or prepared or generated by the licensee including but not limited to all forms, reports, accounting records, ledgers, subsidiary records, computer-generated data, internal audit records, correspondence, contracts, and personnel records, including information concerning a refusal to submit to drug testing and test results conducted pursuant to Iowa Code section 730.5.

*c.* All original books, records, and documents of a physical nature may be copied and stored in a suitable electronic media system approved by the administrator, provided that the media system is backed up offsite to preserve the data in the event of a catastrophic onsite occurrence.

*d.* No original book, record, document, or suitable electronic media copy may be destroyed by a licensee, for three years, without the prior approval of the administrator.

*e.* Any licensee that offers electronic wagering accounts, as defined by rule 491—12.1(99F), must prepare a disaster recovery plan that addresses off-site backups or equivalent. All disaster recovery plans must incorporate industry standards for retention and storage of wagering account information and are subject to review as part of the network security risk assessment required by subrule 5.6(20).

**5.6(14)** *Remodeling.* For any construction that changes the specific function of a public space of the facility, the licensee must first submit plans to and receive the approval of the administrator.

**5.6(15)** *Officers, agents, and employees.* Licensees are accountable for the conduct of their officers, agents, and employees. The commission or commission representative reserves the right to impose penalties against the license holder or its officer, agent, employee, or both, as the commission or commission representative determines appropriate. In addition, the licensee is responsible for the conduct of nonlicensed employees and other persons working on behalf of the licensee in public and nonpublic areas of the excursion gambling boat, gambling structure, or racetrack enclosure.

**5.6(16)** *Designated gaming floor.* The designated gaming floor is all areas occupied by or accessible from a gambling game not otherwise obstructed by a wall, door, partition, barrier, or patron entrance. A patron entrance should be identified by a sign visible to patrons approaching the gaming floor. The sign must denote entrance to the gaming floor and specify that the gaming floor is not accessible to persons under the age of 21. A floor plan identifying the area must be filed with the administrator for review and approval. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation.

**5.6(17)** *State fire and building codes.*

*a.* Unless preempted by state or federal law, facilities must comply with the state building code created by Iowa Code chapter 103A if there is no local building code in force in the local jurisdiction in which the facility is located. If a facility is subject to the state building code, a licensee must submit construction documents and plans to the state building code commissioner and receive approval prior to construction.

*b.* If there is no enforcement of fire safety requirements by a local fire department, a licensee must also submit construction plans and documents to the state fire marshal and receive approval prior to construction. The fire marshal may cause a facility subject to this paragraph to be inspected for compliance with fire marshal rules prior to operation of the facility and will notify the commission and the licensee of the results of any such inspection.

*c.* If a proposed new or renovated facility is subject to both paragraphs 5.6(17)*"a"* and *"b,"* a single submission of construction plans and documents to the building code commissioner, with a cover letter stating that review and approval are required with respect to both the state building code and rules of the fire marshal, is sufficient to meet both requirements. Facilities subject to both paragraphs 5.6(17)*"a"* and *"b"* must receive approval from both the fire marshal and the building code commissioner prior to construction.

**5.6(18)** *Gambling setoff.* Each licensee must adopt and implement internal controls designed to detect, verify, and appropriately set off winnings of patrons who have a valid lien established under Iowa Code chapters 99D and 99F.

**5.6(19)** *Shelf application for debt.*

*a.* The commission may grant approval of a shelf application for a period not to exceed three years.

*b.* Licensees whose parent company has issued publicly traded debt or publicly traded securities may apply to the commission for a shelf approval of debt transactions if the parent company has:

(1) A class of securities listed on the New York Stock Exchange, the American Stock Exchange or the National Association of Securities Dealers Automatic Quotation System (NASDAQ) or has stockholders' equity in the amount of $15 million or more as reported in the parent company's most recent report on Form 10-K or Form 10-Q filed with the SEC immediately preceding application; and

(2) Filed all reports required by the SEC.

*c.* The application must be in writing and contain:

(1) Proof of qualification to make the application in accordance with the criteria of this subrule.

(2) A statement of the amount of debt sought to be approved and the intended use of potential proceeds.

(3) Duration sought for the shelf approval.

(4) Financing rate sought during shelf approval.

(5) Evidence of signature by authorized representative of the licensee under oath.

(6) Other supplemental documentation requested by the commission or commission representative following the initial submission.

*d.* Once an application is approved by the commission:

(1) The licensee must notify the commission representative of all debt transactions within ten days of consummation, including subsequent amendments and modifications of debt transactions, and provide executed copies of the documents evidencing the transactions as may be required.

(2) The commission representative may rescind a shelf approval without prior written notice. The rescission will be in writing and set forth the reasons for the rescission, and will remain in effect until lifted by the commission upon the satisfaction of any terms and conditions required by the commission.

**5.6(20)** *Network security.*

*a.* The licensee must annually submit the results of an independent network security risk assessment to the administrator for review, subject to the following requirements:

(1) The testing organization must be independent of the licensee and be qualified by the administrator.

(2) The network security risk assessment must be completed no later than March 31 each year.

(3) Results from the network security risk assessment are due to the administrator no later than April 30 each year. Results must include a remediation plan to address any risks identified during the risk assessment.

(4) The risk assessment must be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

(5) The risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls, and an audit of the licensee processes for compliance with those controls.

(6) For licensees issued a license to conduct sports wagering pursuant to Iowa Code section 99F.7A, a risk assessment required by this subrule includes any on-premises sports wagering authorized by the commission at that licensee's place of business. A supplemental risk assessment for the sports wagering operations may be accepted in lieu of inclusion with the assessment of the licensee's overall operations, at the discretion of the administrator, and providing that the supplemental assessment independently complies with the requirements in subparagraphs 5.6(20)*"a"*(1) through *"a"*(5).

*b.* At the discretion of the administrator, additional network security risk assessments may be required.

**5.6(21)** *Cashless wagering reserves.* A reserve in the form of cash or cash equivalents segregated from operational funds must be maintained by the licensee to cover the entirety of a licensee's electronic wagering account liability. The reserve must equal or exceed the licensee's wagering account liability as of the last day in the previous quarter. If the reserve takes the form of a bond, the bond must be independent of any bond utilized to satisfy the bond requirement set forth in Iowa Code section 99D.10 or 99F.8. An accounting of this reserve must be available for inspection by the commission upon request. The method of reserve should be submitted to and approved by the administrator prior to implementation.

**491—5.7(99D) Pari-mutuel uniform requirements.**

**5.7(1)** *Results boards, totalizators required.* Each licensee must provide and maintain computerized totalizators and electronic boards showing odds, results, and other racing information located in plain view of patrons.

**5.7(2)** *Photo finish camera.* A licensee must provide two electronic photo finish devices with mirror image to photograph the finish of each race and record the time of each racing animal in at least hundredths of a second. The location and operation of the photo finish device must be approved by the commission before its first use in a race. The licensee must promptly post a photograph, on a monitor, of each photo finish for win, place or show, or for fourth place in superfecta races, in an area accessible to the public. The licensee must ensure that the photo finish devices are calibrated before the first day of each race meeting and at other times as required by the commission. On request by the commission, the licensee must provide, without cost, a print of a photo finish to the commission. A photo finish of each race must be maintained by the licensee for not less than six months after the end of the race meeting or such other period as may be requested by the commission.

**5.7(3)** *Electronic timing device.* Any electronic timing device used by the licensee must be tested prior to each race season and any other time requested by the commission.

**5.7(4)** *Official scale.* The licensee must provide and maintain in good working order official scales or other approved weighing devices. The licensee must provide to the stewards certification of the accuracy of the scales at the beginning of each race meeting or more frequently if requested by the stewards.

**5.7(5)** *Lighting.* Each licensee must provide and maintain adequate illumination in the barn area, parking area, and racetrack area.

**5.7(6)** *Fencing.* Stable areas should be properly fenced as defined by the commission and admission permitted only in accord with rules of the commission.

**5.7(7)** *Guest passes.* The licensee must develop a policy to be approved by the stewards for the issuance of guest passes for entrance to the stable area. The guest pass is not an occupational license and does not permit the holder to work in any capacity or in any way confer the benefits of an occupational license to participate in racing. The license holder sponsoring or escorting the guest is responsible for the conduct of the guest pass holder.

**5.7(8)** *Stewards.* The commission may consider for appointment or approval as a steward a person who meets all of the following requirements. The person must have:

*a.* Engaged in pari-mutuel racing in a capacity and for a period satisfactory to the commission.

*b.* Satisfactorily passed an optical examination within one year prior to approval as a steward evidencing corrected 20/20 vision and the ability to distinguish colors correctly.

*c.* Satisfied the commission that income, other than salary as a steward, is independent of and unrelated to patronage of or employment by any occupational licensee under the supervision of the steward so as to avoid the appearance of any conflict of interest or suggestion of preferential treatment of an occupational licensee.

**5.7(9)** *Purse information.* Each licensee must provide to the commission at the close of each racing meet the following purse information:

*a.* The identity of each person or entity to which purse money is paid by the licensee for purses won by racing animals at the facility. This report must include the name, residential or business address and amount paid to that person or entity. The data should be assembled separately for Iowa and non-Iowa addressees, and aggregates should be presented in descending order of magnitude.

*b.* The identity of each person or entity to which purse money is paid by the licensee for purses won by Iowa-bred animals at the facility. This report must include the name, residential or business address and amount paid to that person or entity in supplemental funds for ownership of Iowa-bred animals. The data should be assembled separately for Iowa and non-Iowa addressees, and aggregates should be presented in descending order of magnitude.

**5.7(10)** *Designated pari-mutuel wagering area.* The designated wagering area is designated by a licensee as a wagering area in accordance with Iowa Code section 99D.2(10) and must be approved by the administrator. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation. Exceptions to this rule must be approved in writing by the administrator.

**5.7(11)** *Mobile pari-mutuel wagering.* Pari-mutuel wagering is permitted outside the designated wagering area using mobile pari-mutuel tellers with portable wagering devices and by any other method approved in writing by the administrator.

These rules are intended to implement Iowa Code chapters 99D and 99F.

**RA 26-207**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 6
"Occupational and Vendor Licensing"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99D.2, 99D.7, 99D.8A, 99E.3, 99E.4, 99F.1, 99F.4, 99F.4B, 99F.6, 99F.17, and 99F.17A

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 99D, 99E, and 99F

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 6 of the Commission's rules establishes licensing standards, requirements, and procedures for all types of occupational and vendor licenses the Commission issues. This proposed rulemaking eliminates outdated or obsolete language; reduces or eliminates language that merely duplicates a statute; and reorganizes and renumbers the remaining parts of the chapter. The proposed rulemaking also adds a new provision requiring practicing veterinarians working on the premises of racetrack facilities to maintain a current and unrestricted Controlled Substances Act registration issued by the Board of Pharmacy in addition to a license to practice veterinary science.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or license applicants. These classes of persons are already bearing the costs of compliance with Chapter 6. No change in that allocation of costs is anticipated.

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

Licensees and applicants will also see some conceivable benefit from the revisions. For example, the proposed rulemaking streamlines what must be submitted with a license application (proposed paragraph 6.2(1)"c") and raises the threshold for a disqualifying theft or fraudulent practice conviction from a value of $500 to a value of $750 (proposed subparagraph 6.5(1)"c"(2)).

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

• **Quantitative description of impact:**

It is possible that more applicants will be eligible for licensure under the proposed rulemaking's raised disqualification threshold for a theft or fraudulent practice conviction.

• **Qualitative description of impact:**

The proposed rulemaking's deletion of language relating only to greyhound racing and harness racing will eliminate any uncertainty about whether those activities are ongoing in Iowa under the Commission's direct supervision. The Commission receives information related to Iowa harness racing each year but does not oversee each individual race in the same manner as thoroughbred and quarter horse racing.

In addition, the proposed rulemaking provides greater clarity about an applicant's license status if the applicant faces pending criminal charges but a commission representative determines the applicant does not pose an immediate danger to public health, safety, or welfare while the charges are pending.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

• **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

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

The proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 6 and adopt the following **new** chapter in lieu thereof:

CHAPTER 6
OCCUPATIONAL AND VENDOR LICENSING

**491—6.1(99D,99E,99F) Definitions.** As used in this chapter, unless the context otherwise requires, the following definitions apply:

*"Administrator"* means the administrator of the commission appointed under Iowa Code section 99D.6(2) or the administrator's designee.

*"Beneficial interest"* means any and all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

*"Board"* means either the board of stewards or the gaming board, as appointed by the administrator, whichever is appropriate. The administrator may serve as a board of one.

*"Commission representative"* means a gaming representative, steward, or any person designated by the commission or administrator.

*"Complete criminal record"* means the complaint and judgment of conviction for each offense of which the applicant has been convicted, regardless of whether the offense is categorized as a felony or a misdemeanor and regardless of the jurisdiction in which the offense occurred.

*"Conviction"* means the act or process of judicially finding someone guilty of a crime; the state of a person's having been proved guilty; or the judgment that a person is guilty of a crime or criminal offense, which includes a guilty plea entered in conjunction with a deferred prosecution or deferred judgment and a juvenile who has been adjudicated delinquent. The date of conviction is the date the sentence and judgment is entered.

*"Deceptive practice"* means any deception or misrepresentation made by the person with the knowledge that the deception or misrepresentation could result in some benefit to the person or some other person.

*"Facility"* means an entity licensed by the commission to operate pari-mutuel wagering, gambling games, or retail sports wagering in Iowa.

*"Jockey"* means a person licensed to ride a horse in a race.

*"Licensee"* means a person licensed by the commission to perform an occupation that the commission has identified as requiring a license for a person to work in the pari-mutuel, gambling structure, excursion gambling boat, sports wagering or internet fantasy sports contest industry in Iowa.

*"Occupation"* means a license category listed on the commission's occupational license application form.

*"Owner"* means a person or entity that holds any title, right or interest, whole or partial, in a racing animal.

*"Stable name"* means any type of name other than the legal name(s) used by an owner or lessee and registered with the commission.

*"Theft"* includes but is not limited to:

1. The act of taking possession or control of either facility property or the property of another without the express authorization of the owner;

2. The use, disposition, or destruction of property in a manner that is inconsistent with or contrary to the owner's rights in such property;

3. Misappropriation or misuse of property the person holds in trust for another; or

4. Any act that constitutes theft as defined by Iowa Code chapter 714. No specific intent requirement is imposed by rule 491—6.5(99D,99E,99F), nor is it required that there be any showing that the licensee received personal gain from any act of theft.

*"Year"* means a calendar year.

**491—6.2(99D,99E,99F,252J) Occupational licensing.**

**6.2(1)** Licensee staff engaged in administration, control, conduct of gambling games, racing and sports wagering, and fantasy sports contest board members, with the exception of certified law enforcement officers while they are working for the facility as uniformed officers, must be properly licensed by the commission.

*a.* License applicants may be required to furnish to the commission a set of fingerprints and may be required to be refingerprinted or rephotographed periodically.

*b.* License applicants must supply current photograph identification (photo ID) and proof of their social security number and date of birth.

*c.* License applicants must complete and sign the application form prescribed and published by the commission. An incomplete application will not be processed. The applicant must disclose or provide:

(1) The applicant's complete criminal record.

(2) Military convictions if not otherwise included within the applicant's complete criminal record.

(3) Any overdue income taxes, fines, court-ordered legal obligations, or judgments.

(4) Information required by Iowa Code section 99D.8A(1), 99E.4(1), or 99F.6(1), as applicable, including whether the applicant has self-diagnosed or been diagnosed with any gambling disorder.

(5) If the applicant is not a United States citizen, documentation authorizing the applicant to work in the United States.

*d.* Portions of completed applications may be subject to public inspection under applicable open records laws.

*e.* License applicants for designated positions may be required to complete a division of criminal investigation (DCI) background form.

*f.* Once a license is issued, the fee cannot be refunded. All fees for applications or license renewals, including any applicable fees or costs associated with the search and classification of fingerprints, must be paid by an applicant or licensee before a license will be issued or renewed, or, if the applicant is an employee of a facility, the commission fees will be directly billed to the facility.

*g.* Participation in racing and gaming, sports wagering, and internet fantasy sports contests in the state of Iowa is a privilege and not a right. The burden of proving qualifications to be issued any license is on the applicant at all times. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action, as well as any financial loss that may result from action with respect to an application.

*h.* All licenses are conditional until completion of an initial background investigation including but not limited to fingerprint processing through the DCI and the FBI and review of records on file with national organizations, courts, law enforcement agencies, and the commission.

*i.* Any licensee who allows another person use of the licensee's license badge for the purpose of transferring any of the benefits conferred by the license may be subject to administrative action. Licenses are not transferable.

*j.* It is each applicant and licensee's affirmative responsibility and continuing duty to provide all information, documentation, and assurances pertaining to qualifications required or requested by the commission or commission representatives and to cooperate with commission representatives in the performance of their duties. Refusal to comply with a request for information from a commission representative is a basis for administrative action or disqualification.

*k.* A license will not be issued to applicants who have not previously been licensed in the following occupations, except upon recommendation by the commission representative: trainers, assistant trainers, jockeys, apprentice jockeys, exercise persons, and other occupations the commission may designate. The commission representative may, for the purpose of determining a recommendation under this subrule, consult a representative of the facility, horsemen, or jockeys.

**6.2(2)** All facility qualified sponsoring organization board members and internet fantasy sports contest service provider board members must undergo a background investigation and become licensed immediately upon appointment. For the purposes of this chapter, "board members" includes managers of limited liability companies.

**6.2(3)** Multiple license restrictions.

*a.* A person may work outside the licensed occupation as long as the person is licensed in an equal or higher occupation.

*b.* In horse racing only, the following restrictions apply:

(1) A person licensed as a jockey or veterinarian cannot be licensed in another capacity.

(2) A person cannot be licensed both as an owner and as a jockey agent.

(3) No racing official may serve or act in another capacity at a race meeting at which that person is licensed as an official unless the commission representative determines in writing that there is no conflict of interest or duties.

**6.2(4)** Application endorsements. The responsibility of licensing an employee rests with the employer. Therefore, a license will not be issued to any employee unless the application includes prior endorsement of the facility's authorized representative. All facilities must submit a list of no more than six representatives who are authorized to provide endorsement. The authorization list must be sent to the commission licensing office associated with each facility.

**6.2(5)** An applicant who has not held a license for the previous calendar year is considered a first-time applicant.

**6.2(6)** Interim identification badge.

*a.* All interim identification badges issued by a facility must be recorded and available for inspection by commission or DCI representatives. The records must reflect the following information: date issued, user's name and date of birth (verified by photo ID), occupation, badge number, issuer, time issued, and time returned. Badges must only be issued on a daily basis and must be returned before the employee leaves facility premises. A badge is effective only until the commission licensing office's next day of business and cannot be used to avoid obtaining a duplicate license.

*b.* A badge will only be issued if:

(1) An employee is hired during a time that the commission licensing office is closed; or

(2) An employee is not in possession of the employee's occupational license.

**491—6.3(99D,99E,99F) Waiver of privilege.** An applicant may claim a privilege afforded by the Constitution of the United States or of the state of Iowa in refusing to answer questions of the commission. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial or other administrative action.

**491—6.4(99D,99E,99F) License acceptance.**

**6.4(1)** *Occupational license (license).* A licensee must display the front of the license in a conspicuous manner on the licensee's clothing at all times while the licensee is on duty unless otherwise permitted by the commission representative. A licensee must not deface, alter, or modify a license.

**6.4(2)** *Knowledge of rules.* By accepting a license from the commission, the licensee agrees to follow and comply with the rules of the commission and Iowa statutes pertaining to racing and gaming, to report immediately to the commission representative any known irregularities or wrongdoing involving racing, wagering, or gaming, and to cooperate in subsequent investigations. Commission rules are available on the commission's website at irgc.iowa.gov.

**6.4(3)** *Misuse of license.* No person shall exercise or attempt to exercise any of the powers, privileges, or prerogatives of a license unless and until the appropriate licensing form has been executed and filed with the commission, except under subrule 6.2(6). The commission has the power to regulate the conduct of all persons holding licenses or participating in racing or gaming.

**491—6.5(99D,99E,99F) Grounds for denial, suspension, or revocation of a license or issuance of a fine.** The commission or commission representative will deny an applicant a license or, if a license is already issued, a licensee is subject to probation, fine, suspension, revocation, or other disciplinary measures, if the applicant or licensee:

**6.5(1)** Does not qualify under the following screening policy:

*a.* Applicants must be at least 18 years of age to work in areas where gaming or wagering is conducted.

*b.* Applicants must be at least 16 years of age to be eligible to be licensed to work for a trainer of racing animals.

*c.* A license will be denied if, within the last five years, an applicant has had:

(1) A felony conviction;

(2) A conviction for an offense involving theft or fraudulent practice in excess of $750;

(3) A conviction for an offense involving the use of an alias in connection with fraud; or

(4) A conviction for an offense involving ownership, operation, or an interest in any illegal gambling, bookmaking, or other illegal enterprise or if the applicant is or has been connected with or associated with any illegal enterprise.

If the conviction occurred more than five years before application, a license will not be issued unless the commission representative determines sufficient evidence of rehabilitation exists.

*d.* Unless sufficient evidence of rehabilitation exists, a license will be denied if any applicant has had:

(1) A conviction of a serious or aggravated misdemeanor or the equivalent; or

(2) Multiple convictions of simple misdemeanors.

*e.* A license will be denied or suspended until the outcome of any pending charges is known if conviction would disqualify the applicant and the commission representative determines that the applicant poses an immediate danger to the public health, safety, or welfare of the patrons, participants, or animals associated with a facility licensed under Iowa Code chapter 99D, 99E or 99F. If the commission representative determines the applicant does not pose an immediate danger to public health, safety, or welfare, a probationary license may be issued while the charges remain pending. If the pending charges result in a conviction that disqualifies the applicant, the license will be denied or revoked.

*f.* A license will be denied if the applicant has an addiction to alcohol or a controlled substance without sufficient evidence of rehabilitation, has a history of mental illness without demonstrating successful treatment by a licensed medical physician or physician associate, or has a history of repeated acts of violence without sufficient evidence of rehabilitation.

*g.* A license may be suspended or a probationary license may be issued until outstanding, overdue court-ordered obligations are satisfied. These obligations include but are not limited to criminal or civil fines, state or federal taxes, or conditions imposed upon the applicant by a court of law that the applicant has failed to meet in a timely manner.

*h.* A license may be denied if an applicant is ineligible to participate in gaming in another state and it would not be in the best interest of racing or gaming to license the applicant in Iowa. A license will be denied if an applicant is ineligible to participate in racing in another state whose regulatory agency is recognized by and reciprocates in the actions of this state.

*i.* A license will be denied and not reinstated if an applicant has been denied patron privileges by order of the commission.

*j.* A license will be denied if the applicant falsifies the application form and would be ineligible for licensure under one or more of the provisions set forth in paragraphs 6.5(1)*"a"* through *"i."* In other cases of falsification, a license may be issued and the applicant is subject to a suspension, fine, or both.

*k.* A license will be denied if an applicant is not of good repute or moral character. Any evidence concerning a licensee's current or past conduct, dealings, habits, or associations relevant to that individual's character or reputation may be considered. The commission representative will decide what weight and effect evidence shall have in the determination of whether there is substantial evidence that the individual is not of good reputation or character. Applicants who hold positions of higher responsibility may be held to a more stringent standard of conduct and reputation than others with a less significant interest or role.

*l.* A license will be denied if the applicant is a board member of an internet fantasy sports contest service provider and is under the age of 21.

**6.5(2)** Has not demonstrated financial responsibility or has failed to meet any monetary obligation in the following circumstances connected with racing, gaming, sports wagering, or an internet fantasy sports contest.

*a. Issuance or passing of bad checks.* No person shall write, issue, make, or present any check in payment for any license fee, nomination fee, entry fee, starting fee, or purse payment when that person knows or should reasonably know that the check will be refused for payment by the bank upon which it is written, that the account upon which it is written does not contain sufficient funds for payment of the check, or that the check is written on a closed or nonexistent account.

*b. Judgments.* Whenever any person licensed to engage in racing suffers a final judgment entered against that person in any court of competent jurisdiction within the United States, when that judgment is based wholly, or in part, upon an indebtedness incurred by that person for supplies, equipment, or services furnished in connection with racing, the commission representatives will schedule a hearing at which the licensee is invited to show cause as to why the license should not be suspended.

*c. Timely payment.* Should an owner fail to make timely payment of any jockey fee, nomination fee, entry fee, starting fee, or any other reasonable charge normally payable to the facility, the facility will notify the commission representatives who in turn will give notice to the owner that a hearing will be held where the owner will be invited to show cause why the license should not be suspended for failure to make the required payments.

**6.5(3)** Has been involved in any fraudulent or corrupt practices, including but not limited to:

*a.* Offering, promising, giving, accepting, or soliciting a bribe in any form, directly or indirectly, to or by a person licensed by the commission to violate these rules or the laws of the state related to racing, gaming, sports wagering or internet fantasy sports contests.

*b.* Failing to report any bribe or solicitation as in paragraph 6.5(3)*"a."*

*c.* Soliciting by any licensee, except the facility; licensed advance deposit sports wagering operator; or licensed internet fantasy sports contest service provider of bets by the public.

*d.* Violation of any law of the state or rule of the commission or aiding or abetting any person in the violation of any such law or rule.

*e.* Theft or deceptive practice of any nature on the premises of a facility or in the performance of duties associated with advance deposit sports wagering or internet fantasy sports contests.

*f.* Giving under oath any false statement or refusing to testify, after proper notice, to the commission representative about any matter regulated by the commission, except in the exercise of a lawful legal privilege.

*g.* Failing to comply with any request for information or any order or ruling issued by the commission representative pertaining to a racing, gaming, sports wagering or internet fantasy sports contest matter.

*h.* Disorderly or offensive conduct or use of profane, abusive, or insulting language to, or interference with, commission representatives or racing or gaming officials while they are discharging their duties.

*i.* Conduct in Iowa or elsewhere that has been dishonest, undesirable, or detrimental to, or reflects negatively on, the integrity or best interests of racing, gaming, sports wagering or internet fantasy sports contests.

*j.* Illegal sale, possession, receipt, or use of a controlled substance or drug paraphernalia; intoxication; use of profanity; fighting; making threatening or intimidating statements; engaging in threatening or intimidating behavior; or any conduct of a disorderly nature on facility premises.

*k.* Discontinuance of or ineligibility for activity for which the license was issued.

*l.* Possessing a firearm on facility property without written permission from the commission representative.

*m.* Improperly influencing or attempting to improperly influence the results of a race, a gambling game, a sporting event that is subject to sports wagering, or an internet fantasy sports contest, singularly or in combination with any person.

*n.* Failing to report any attempt to improperly influence the result of a race, a gambling game, a sporting event that is subject to sports wagering, or an internet fantasy sports contest as in paragraph 6.5(3)*"m."*

*o.* Having had two rulings related to attempts to affect a race result or odds (e.g., rulings for electrical devices, serious positives) in a lifetime or one ruling within the last three years. A license may be issued if one ruling has occurred outside of three years if sufficient evidence of rehabilitation exists. A license may be denied if a lengthy record of rulings from other jurisdictions exists.

*p.* Possessing any equipment for hypodermic injection, any substance for hypodermic administration, or any container designed to hold an injectable substance (narcotics, medications, drugs, or substances that could be used to alter the speed of racing animals) by anyone other than a veterinarian licensed by the commission.

(1) Notwithstanding the provisions of this subrule, any person may have possession within any restricted area:

1. Any chemical or biological substance for the person's own treatment, provided that, if the chemical substance is prohibited from being dispensed without a prescription by any federal law or law of this state, the person is in possession of documentary evidence that a valid prescription has been issued to the person.

2. Any hypodermic syringe or needle for the purpose of self-administering to the person a chemical or biological substance, provided that the person has notified the commission representatives of the possession of the device, the size of the device, and the chemical substance to be administered and has obtained written permission for possession and use from the commission representative.

(2) A restricted area is a designated area for sample collection, paddock, racetrack, or any other area where officials carry out the duties of their positions.

*q.* Subjecting an animal to cruel and inhumane treatment by failing to supply it with adequate food, water, medical treatment, exercise, bedding, sanitation, and shelter or by neglect or intentional act causing an animal to suffer unnecessary pain.

*r.* Offering or receiving money or other benefit for withdrawing a racing animal from a race.

*s.* Making a wager for a jockey by any person other than the owner or trainer of the horse ridden by the jockey.

*t.* Making a wager for a jockey on a horse by an owner or trainer other than that ridden by the jockey. This shall not be construed to include bets on another horse in combination with the horse ridden by the jockey in multiple wagering bets.

*u.* Offering or giving a jockey money or other benefit concerning a race, except by the owner or trainer of the horse to be ridden.

*v.* Entering or starting a racing animal known or believed to be ineligible or disqualified.

*w.* Possessing any device designed to increase or decrease the speed of a racing animal during a race other than an ordinary riding whip without written permission from the commission representative.

*x.* Communicating with or contacting a person who is voluntarily excluded pursuant to Iowa Code chapter 99D or 99F for gaming-, wagering-, or internet fantasy sports contest-related activities.

**491—6.6(99D,99E,99F) Applications for license after denial, revocation, or suspension.**

**6.6(1)** Any person whose license was denied or revoked may reapply for a license in accordance with the commission's rules governing applications. However, the applicant must satisfy the following conditions:

*a.* The applicant bears the burden of proof of establishing satisfaction with all license criteria and must provide proof of satisfaction of any terms or conditions imposed as a part of the commission's order denying or revoking the license;

*b.* The applicant must allege facts and circumstances establishing, to the commission's satisfaction, sufficient evidence of rehabilitation and that the basis for the denial or revocation no longer exists;

*c.* The applicant must establish that the public interest and the integrity of racing and gaming would not be adversely affected if a license is granted; and

*d.* If the license was revoked, a new application cannot be filed until five years have elapsed from the date of the order of revocation.

**6.6(2)** Any person whose license was suspended for 365 days or more may file a new application for a license upon the expiration of the period of suspension but must satisfy all of the conditions set forth in paragraphs 6.6(1)*"a," "b,"* and *"c."* If a person's license has not expired after the 365-day suspension, the person must have a hearing before a board to determine if the person has satisfied all of the conditions set forth in paragraphs 6.6(1)*"a," "b,"* and *"c"* prior to that individual's participating in racing or gaming.

**491—6.7(99D,99E,99F) Probationary period placed on a license.** The commission representative or the board may place a probationary period on a license. The terms of the probationary period should include the effective dates, conditions placed on the licensee and any penalty for failure to follow those conditions, including fine, suspension, denial, or revocation.

**491—6.8(99D,99E,99F) Duration of license.** A license issued by the commission is valid for three calendar years. The license expires at the end of the third calendar year unless an extension is granted by the administrator.

**491—6.9(99D,99E,99F) Licensed employees moving from one location to another.**

**6.9(1)** Once an applicant obtains an occupational license from the commission and is in good standing, the applicant is eligible to work at any of the facilities in the state of Iowa.

**6.9(2)** When a facility hires a person who is already in possession of a current occupational license, a list of the person(s) hired must be filed weekly with the local commission office before the person(s) begins working. The list should contain the license number, name, and birth date of each person hired.

**491—6.10(99D,99E,99F) Required report of discharge of licensed employee.** Upon discharge of any licensed employee by any licensed employer for violation of commission rules, state laws, or federal laws, the employer must make a report, in writing and within 72 hours, to the commission.

**6.10(1)** For licensed employers with a local commission office on the premises, the report is made to the local commission office.

**6.10(2)** In the case of discharge of a board member of an internet fantasy sports contest service provider, the report is made to the Des Moines commission office.

**6.10(3)** The report must contain:

*a.* The fact of discharge.
*b.* The reason for discharge.
*c.* The name of the discharged licensee.
*d.* The occupation of the discharged licensee.

**491—6.11(99D,99F,252J) Receipt of certificate of noncompliance from the child support recovery unit.**

**6.11(1)** Upon the commission's receipt of a certificate of noncompliance, a commission representative will initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. A notice of intended action will be served by restricted certified mail, return receipt requested, or by personal service in accordance with Iowa Rule of Civil Procedure 1.305.

**6.11(2)** The effective date of suspension or revocation, or denial of the issuance or renewal of a license, as specified in the notice, is no sooner than 30 days following service of the notice upon the licensee or applicant.

**6.11(3)** The filing of a district court action by a licensee or applicant challenging the issuance of a certificate of noncompliance automatically stays any administrative action. Upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the commission, the intended action will proceed as described in the notice. For purposes of determining the effective date of suspension or revocation, or denial of the issuance or renewal of a license, only the number of days before the action was filed and the number of days after the action was disposed of by the court will be counted.

**6.11(4)** Upon receipt of a withdrawal of a certificate of noncompliance from the child support recovery unit, the commission representative will immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements.

**6.11(5)** All commission fees for applications or license renewals must be paid by licensees or applicants before a license will be issued or renewed.

**491—6.12(99D,99F,272D) Receipt of certificate of noncompliance from the centralized collection unit of the department of revenue.**

**6.12(1)** Upon the commission's receipt of a certificate of noncompliance, a commission representative will initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an individual. A notice of intended action will be served by restricted certified mail, return receipt requested, or by personal service in accordance with Iowa Rule of Civil Procedure 1.305.

**6.12(2)** The effective date of suspension or revocation, or denial of the issuance or renewal of a license, as specified in the notice, is no sooner than 30 days following service of the notice upon the licensee or applicant.

**6.12(3)** The filing of a district court action by a licensee or applicant challenging the issuance of a certificate of noncompliance automatically stays any administrative action. Upon the receipt of a court order lifting the stay, dismissing the action, or otherwise directing the commission, the intended action will proceed as described in the notice. For purposes of determining the effective date of suspension or revocation, or denial of the issuance or renewal of a license, only the number of days before the action was filed and the number of days after the action was disposed of by the court will be counted.

**6.12(4)** Upon receipt of a withdrawal of a certificate of noncompliance from the centralized collection unit, the commission representative will immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements.

**6.12(5)** All commission fees for applications or license renewals must be paid by licensees or applicants before a license will be issued or renewed.

**491—6.13(99D,99F) Vendor's license.**

**6.13(1)** A vendor's license is required of any entity not licensed as a manufacturer or distributor that conducts operations on site at a facility or is a vendor that provides geolocation security services to any licensee.

**6.13(2)** An applicant for a vendor's license must complete the appropriate commission form. An authorized representative from the facility for which the vendor wishes to do continuous business must sign the form. A letter from the facility authorizing the vendor to do business may replace a signature on the application form.

**6.13(3)** Only employees who work for a racing, sports wagering, or simulcast vendor require an occupational license. A vendor license must be issued before a vendor employee can be issued a license to represent that company. The authorized signature on the vendor employee's application must be the signature of the person authorized by the vendor application to sign vendor employee applications.

**491—6.14(99D,99F) Applicability of rules—exceptions.** Rules pertaining to and rulings against licensees apply in like force to the spouse and members of the immediate family or household of the licensee if the continuation of participation in racing or gaming by the affected person circumvents the intent of the rule or affects the ruling by permitting a person under the control or direction of the licensee to serve in essence as a substitute for a suspended licensee or a person ineligible to participate in a particular activity.

**491—6.15(99D) Disclosure of ownership of racing animals.** All entities of ownership (individual, lessee, lessor, general partnership, or corporation) and all trainers are responsible for making full and accurate disclosure of the ownership of all racing animals registered or entered for racing. Disclosures must identify in writing all individuals or entities that, directly or indirectly, through a contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise hold any interest in a racing animal and those individuals or entities who by virtue of any form of interest might exercise control over the racing animal or may benefit from the racing of the animal. The degree and type of ownership held by each individual person must be designated. The transfer of a racing animal to avoid application of a commission rule or ruling is prohibited and constitutes grounds for discipline.

**491—6.16(99D) Owners of racing animals.**

**6.16(1)** Each owner is subject to the laws of Iowa and the rules promulgated by the commission immediately upon acceptance and occupancy of accommodations from or approved by a facility or upon making entry to run on its track. Owners must accept the decision of the commission representative on any and all questions, subject to the owner's right of appeal to the commission.

**6.16(2)** An owner who is under the age of 18 must have a parent or guardian cosign any contractual agreements.

**6.16(3)** No person or entity that is not the owner of record of a properly registered racing animal that is in the care of a licensed trainer may be licensed as an owner.

**491—6.17(99D) Stable name.**

**6.17(1)** Licensed owners and lessees wishing to race under a stable name may do so by applying for a license with the commission on forms furnished by the commission. All stable names must be licensed with the commission on forms furnished by the commission, and in accordance with the requirements of rule 491—6.16(99D).

**6.17(2)** A stable name license is only necessary if the stable name is a name other than the licensed owner's legal name (first and last name), the owner's full name followed by the word "stable," or the name of a licensed partnership or corporation.

**6.17(3)** In applying to race under a stable name, the applicant must disclose the identities behind the name and, if applicable, comply with partnership and corporation rules. The application form must appoint one person to act as the agent for the stable name.

**6.17(4)** Changes in identities involved in a stable name must be reported immediately to and approved by the commission representative.

**6.17(5)** A licensed owner who has registered under a stable name may at any time cancel the stable name after giving written notice to the commission.

**6.17(6)** A stable name may be changed by registering a new name.

**6.17(7)** A licensed owner cannot register a stable name that the commission determines to be either misleading to the public or unbecoming to the sport.

**6.17(8)** Neither sole owners nor partners, after adopting use of a stable name, may use their real names to reflect ownership that is reflected in the stable name.

**6.17(9)** A $10 fee will be assessed for each application for a stable name license.

**6.17(10)** No person may register with any racing authority a stable name that has already been registered by another person, that is the real name of another owner of race horses, that is the real or stable name of any prominent person who does not own race horses, or that is not plainly distinguishable from that of another registered stable name.

**491—6.18(99D) Leases.**

**6.18(1)** No licensee shall lease a racing animal for the purpose of racing at facilities in this state without prior approval of the commission representatives.

**6.18(2)** Both lessor and lessee must be licensed as owners.

**6.18(3)** Each licensee who leases a racing animal must submit a copy of that lease to the commission representatives. The lease must contain the conditions of the lease arrangement and the names of all parties and racing animals related to the lease. Failure to submit accurate and complete information under this rule is a violation of these rules.

**6.18(4)** Both seller and purchaser, or their agents or representatives, of a racing animal that is sold after being registered for racing with a racing association must immediately notify the commission representatives of the sale and transfer. The commission representatives may require a declaration of the facts of the sale and transfer under oath and penalty of perjury.

**491—6.19(99D) Partnerships owning racing animals.**

**6.19(1)** A partnership is a formal or informal arrangement between two or more persons to own a racing animal. All partnerships, excluding spouses, must be licensed with the commission on forms furnished by the commission, and in accordance with the requirements of rule 491—6.16(99D).

**6.19(2)** The managing partner(s) listed on the application and all parties owning 5 percent or more must be licensed as individual owners.

*a.* The commission representative may request a partnership to have on file with the commission an agreement whereby the managing partner(s) is designated to be responsible for each racing animal. This agreement must be notarized and must be signed by all partners. A copy of this agreement must be attached to the registration certificate on file in the racing secretary's office.

*b.* It is the responsibility of the managing partner(s) to make sure that all parties are eligible for licensure. The commission representative will deny, suspend, or revoke the license of any partnership in which a member (either qualified or limited by rights or interests held or controlled by any individual or entity) would be ineligible to be licensed as an owner or to participate in racing.

*c.* Any owner who is a member of a partnership may be required to list all racing animals that the owner intends to race in Iowa in which an interest is owned (either in whole or in part).

*d.* All parties to a partnership are jointly and severally liable for all stakes, forfeits, and other obligations.

*e.* An authorized agent may be appointed to represent the partnership in all matters and be responsible for all stakes, forfeits, entries, scratches, signing of claim slips, and other obligations in lieu of the managing partner(s).

**6.19(3)** A partnership name under which a racing animal races is considered a stable name for purposes of these rules. It is not necessary for the partnership to obtain a separate stable name license.

**6.19(4)** Any partner's share or partial share of a partnership that owns a racing animal cannot be assigned without the written consent of the other partner(s), the commission representative's approval, and filing with the racing secretary. Any alteration in a partnership structure or percentages must be reported promptly in writing, notarized, signed by all members of the partnership, and filed with the commission.

**6.19(5)** The commission representative may review the ownership of each racing animal entered to race and ensure that each registration certificate or eligibility certificate is properly endorsed by the transferor to the present owner(s). The commission representative may determine the validity for racing purposes of all liens, transfers and agreements pertaining to ownership of a racing animal and may call for adequate evidence of ownership at any time. The commission representative may declare any animal ineligible to race if its ownership, or control of its ownership, is in question.

**6.19(6)** A $10 fee will be assessed for each application for a partnership license.

**491—6.20(99D) Corporations owning racing animals.**

**6.20(1)** All corporations must be duly licensed by the commission on forms furnished by the commission and in accordance with the requirements of rule 491—6.16(99D). In addition, any stockholder owning a beneficial interest of 5 percent or more of the corporation must be licensed as an owner. The corporation must submit a complete list of stockholders owning a beneficial interest of 5 percent or more.

**6.20(2)** The corporation stockholders owning less than 5 percent of the stock of a corporation need not be licensed; however, the commission may request a list of these stockholders. The list should include names, percentages owned, addresses, social security numbers, and dates of birth. These stockholders will not have access to the backstretch, to the paddock area, or to the winner's circle other than as guests of a facility, commission representatives, or designated licensees; they may be required to submit additional information as requested by the commission representative, which may include a release for confidential information and submission of fingerprint cards; and the commission may assess costs, as required, for criminal history checks. This information is due to the commission representative within 30 days of the date of the request.

**6.20(3)** Any and all changes in either the corporation structure or the respective interest of stockholders as described above must be notarized and promptly filed with the commission representatives.

**6.20(4)** The corporate name under which the corporation does business in Iowa is considered a stable name for purposes of these rules. It is not necessary for the corporation to obtain a separate stable name license.

**6.20(5)** A corporation, in lieu of an executive officer, may appoint a racing manager or an authorized agent for the purposes of entry, scratches and the signing of claim slips, among other obligations.

**6.20(6)** The commission representative may deny, suspend, or revoke the license of a corporation for which a beneficial interest includes or involves any person or entity that is ineligible (through character, moral fitness or any other criteria employed by the commission) to be licensed as an owner or to participate in racing, regardless of the percentage of ownership interest involved.

**6.20(7)** Any stockholder holding a beneficial interest of 5 percent or more of a corporation must, in addition to being licensed, list any interest owned in all racing animals in which any beneficial interest is owned.

**6.20(8)** The corporation must pay a $10 fee to the commission.

**491—6.21(99D) Authorized agents for owner entities of racing animals.**

**6.21(1)** Any persons represented by a stable name, corporation, partnership, or single person entity may assign an agent for the stable name, corporation, partnership, or single person entity. The assigned agent is then authorized to handle matters pertaining to racing, which may include authorization to collect all purses or other moneys.

**6.21(2)** The application for a license as an authorized agent must be signed by the principal and clearly set forth the powers of the agent, including whether the agent is empowered to collect money from the facility. The application must be notarized and a copy must be filed with the facility.

**6.21(3)** Changes in an agent's powers or revocation of an agent's authority must be in writing, notarized, and filed with the commission's licensing office and the facility.

**6.21(4)** The authorized agent must pay a $10 fee to the commission.

**491—6.22(99D) Trainers and assistant trainers of racing animals.**

**6.22(1)** All trainers and assistant trainers of racing animals and their employees are subject to the laws of Iowa and the rules promulgated by the commission immediately upon acceptance and occupancy of accommodations from or approved by the facility or upon making entry to run on its track. Trainers, assistant trainers, and their employees must accept the decision of the commission representative on any and all questions, subject to their right of appeal to the commission.

**6.22(2)** Trainers and assistant trainers licensing eligibility.

*a.* An applicant must be at least 18 years of age to be licensed by the commission as a trainer or assistant trainer.

*b.* An applicant must be qualified, as determined by the commission representative, by reason of experience, background, and knowledge of racing. A trainer's license from another jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require, and, if an applicant has previously never been licensed as a trainer or assistant trainer, will require, four or more of the following:

(1) Passing a written examination.

(2) Passing an interview or oral examination.

(3) Passing a demonstration of practical skills in a "barn test."

(4) A minimum of two written statements from licensed trainers during the concurrent race meet attesting to the applicant's character and qualifications.

(5) Proof the applicant has held a racing participant license of another type for at least two years prior to application.

*c.* An applicant must have a racing animal eligible to race and registered to race at the current race meeting.

**491—6.23(99D) Jockeys and apprentice jockeys.**

**6.23(1)** *Eligibility.*

*a.* An applicant for a jockey license must be at least 16 years of age, and if under 18 years of age, the applicant must have the written consent of a parent or guardian.

*b.* A jockey must pass a physical examination given within the previous 12 months by a licensed physician or physician associate affirming fitness to participate as a jockey. The commission representative may require that any jockey be reexamined and may refuse to allow any jockey to ride pending completion of such examination.

*c.* An applicant must show competence by prior licensing, demonstration of riding ability, or temporary participation in races. An applicant may participate in a race or races, with the commission representative's prior approval for each race, not to exceed five races.

*d.* A jockey cannot be an owner or trainer of any horse competing at the race meeting where the jockey is riding.

*e.* A person who has never ridden in a race at a recognized meeting will not be granted a license as jockey or apprentice jockey.

**6.23(2)** *Apprentice jockeys.*

*a.* The conditions of an apprentice jockey license do not apply to quarter horse racing. A jockey's performance in quarter horse racing does not apply to the conditions of an apprentice jockey license.

*b.* An applicant with an approved apprentice certificate may be licensed as an apprentice jockey.

*c.* An applicant for an apprentice jockey license must be at least 16 years of age, and if under 18 years of age, the applicant must have written consent of parent or guardian. Before such a license is granted, a commission representative will ascertain that the applicant has suitable qualifications and aptitude to hold an apprentice jockey's license and that the applicant has not been previously licensed as a jockey in any jurisdiction.

**6.23(3)** *Jockeys from foreign countries.* Upon making application for a license in this jurisdiction, jockeys from a foreign country must declare that they are holders of valid licenses in their countries, not under suspension, and bound by the rules and laws of this state. To facilitate this process, the jockey must present a declaration sheet to the commission representative in a language recognized in this jurisdiction.

**491—6.24(99D) Time by which owner, jockey and trainer must be licensed.** The owner (including stable names, partnerships, and corporations), the jockey, and the trainer of a horse entered to race must be licensed by the first post time of the race card for the day in which the horse is entered.

**491—6.25(99D) Jockey agent.** An applicant for a license as a jockey agent must:

**6.25(1)** Provide written proof of agency with at least one jockey licensed by the commission.

**6.25(2)** Be qualified, as determined by the commission representative, by reason of experience, background, and knowledge. A jockey agent's license from another jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one or both of the following:

*a.* A written examination.

*b.* An interview or oral examination.

**6.25(3)** When not previously licensed as a jockey agent, pass a written and oral examination.

**491—6.26(99D) Practicing veterinarians.** Every veterinarian practicing on facility premises must have an unrestricted and current license to practice veterinary science issued by the state of Iowa veterinary regulatory authority, have a current and unrestricted Controlled Substances Act registration issued by the board of pharmacy, and be licensed by the commission in accordance with the commission rules governing occupational licensing.

**6.26(1)** Every veterinarian seeking to be licensed by the commission must submit verification of a current and unrestricted:

*a.* License to practice veterinary science issued by the state of Iowa veterinary regulatory authority.

*b.* Controlled Substances Act registration issued by the board of pharmacy.

**6.26(2)** A veterinarian seeking to be licensed by the commission must disclose in the veterinarian's application to the commission all disciplinary action taken against any professional licenses or registrations held by the applicant.

**491—6.27(99D,99F) Alcohol and drug testing.**

**6.27(1)** *Alcohol prohibition/preliminary breath test.*

*a.* Licensees whose duties require them to be in a restricted area, as defined in paragraph 6.5(3)*"p,"* of a racing facility shall not have present within their systems an amount of alcohol of 0.05 percent or more.

*b.* Acting with reasonable cause, a commission representative may direct the above licensees to submit to a preliminary breath test. A licensee must submit to examination when so directed.

(1) If the results show a reading of 0.05 percent alcohol content or more, the licensee shall not be permitted to continue duties for that day. For a second violation, the licensee shall not be permitted to continue duties for that day and then is subject to fine or suspension by the board or commission representative. For a subsequent violation, the licensee may be subject to procedures following positive chemical analysis (more information is contained in subrule 6.28(3)).

(2) If the results show a reading of 0.10 percent alcohol content or more, the licensee is subject to fine or suspension by the board or commission representative. For a subsequent violation, the licensee may be subject to procedures following positive chemical analysis (more information is contained in subrule 6.28(3)).

**6.27(2)** *Drug prohibition/body fluid test.*

*a.* Licensees whose duties require them to be in a restricted area, as defined in paragraph 6.5(3)*"p,"* of a racing facility shall not have present within their systems any controlled substance that is federally scheduled or is listed in Iowa Code chapter 124 or any prescription drug unless it was obtained directly or pursuant to valid prescription or order from a duly licensed physician or physician associate who is acting in the course of professional practice. Acting with reasonable cause, a commission representative may direct the above licensees to deliver a specimen of urine or subject themselves to the taking of a blood sample or other body fluids at a collection site approved by the commission. In these cases, the commission representative may prohibit the licensee from participating in racing until the licensee evidences a negative test result. Sufficient sample should be collected to ensure a quantity for a split sample when possible. A licensee who refuses to provide the samples herein described is in violation of these rules and may be immediately suspended and subject to disciplinary action by the board or commission representative. All confirmed positive test costs and any related expenses are paid by the licensee. Negative tests are at the expense of the commission.

*b.* With reasonable cause, an on-duty commission representative may direct a licensee to deliver a test. The commission representative will call the approved laboratory or hospital and provide information regarding the person who will be coming; that the licensee will have a photo ID; the name and number to call when the licensee arrives; to whom and where to mail the results; and who should be called with the results. The licensee will be directed to immediately leave the work area and proceed to an approved laboratory or hospital for testing with the following directions:

(1) If the licensee is under impairment, another person will drive the licensee to the laboratory or hospital.

(2) On arrival at the laboratory or hospital, the licensee will show the license to the admitting personnel for verification.

(3) On arrival at the laboratory or hospital, the licensee must sign a consent for the release of information of the results to a commission representative.

**6.27(3)** *Procedures following positive chemical analysis.*

*a.* After professional evaluation, if the licensee's condition proves nonaddictive and not detrimental to the best interest of racing and the licensee can produce a negative test result and agrees to further testing at the discretion of the commission representative to ensure unimpairment, the licensee may be allowed to participate in racing.

*b.* After professional evaluation, should the licensee's condition prove addictive or detrimental to the best interest of racing, the licensee will not be allowed to participate in racing until the licensee can produce a negative test result and show documented proof of successful completion of a certified alcohol/drug rehabilitation program approved by the commission. The licensee must also agree to further testing at the discretion of the commission representative to ensure unimpairment.

*c.* For a second violation, a licensee will be suspended and allowed to enroll in a certified alcohol/drug rehabilitation program approved by the administrator and to apply for reinstatement only at the discretion of the administrator.

These rules are intended to implement Iowa Code chapters 99D and 99F.

**RA 26-208**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 11
"Gambling Games"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99F.1, 99F.4, 99F.4B, 99F.4D, 99F.7, 99F.7A, 99F.17, and 99F.17A

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99F

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 11 of the Commission's rules establishes base requirements for gambling games that are authorized by the Commission. The chapter authorizes some specific gambling games by rule and provides other parameters for promotional tournaments, table games, and slot machines. The chapter also contains licensing standards and parameters for manufacturer and distributor licensees and applicants.

The proposed rulemaking consolidates, reduces, or eliminates some rules in accordance with Executive Order 10. In addition, the proposed rulemaking includes some new or expanded provisions related to game variations, promotional activities, gambling game tournaments, allowable wagers and payout limitations, and progressive jackpot games. Even with these additions, the proposed rulemaking results in a net reduction in both number of rules and overall word count from the current version of Chapter 11.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with Chapter 11.

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

The proposed rulemaking will continue to provide clarity and set expectations both for licensees and their employees and for players or patrons participating in gambling games. In particular, at least one of the proposed rules (e.g., paragraph 11.6(2)"c") will specifically benefit table game players by prohibiting casinos from imposing payout limits that apply notwithstanding the posted and approved pay tables.

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

- **Quantitative description of impact:**

Portions of the proposed rulemaking may impact specific revenue reporting for licensees. For example, proposed subrule 11.4(3) would require licensees to ensure that approved variations of gambling games theoretically pay out between 80 percent and 100 percent. Similarly, proposed subrule 11.5(2) clarifies that licensees hosting gambling game tournaments must include amounts denominated as a house fee, staff fee, or dealer tip as entry fees.

- **Qualitative description of impact:**

Parts of the proposed rulemaking may limit the types of wagers a casino may accept. For example, proposed paragraph 11.6(2)"d" prohibits a practice colloquially known as back betting, described in the proposed rule as wagers "by individuals not participating in the play of the gambling game" or "on the outcome of another player's participation not specifically authorized" by the approved game structure and game rules.

In addition, proposed paragraph 11.6(10)"d" may affect the types of progressive table games a licensee decides to offer or the frequency with which it offers them because the proposed rule places conditions on when a progressive jackpot may be removed from a progressive table game.

However, proposed rule 491—11.9(99F) significantly reduces and streamlines the required specifications for electronic gaming devices and implements of gambling in comparison to current rule 491—11.10(99F). Revising this rule may prevent the rule and its technical specifications from becoming outdated as gaming technology continues to advance.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
GAMBLING GAMES

**491—11.1(99F) Definitions.**

*"Administrator"* means the administrator of the racing and gaming commission or the administrator's designee.

*"Call bets"* means the calling out of bets between the time the dice leave the shooter's hand and the time the dice come to rest, not accompanied by the placement of gaming chips.

*"Coin"* means tokens, nickels, and quarters of legal tender.

*"Currency"* means any coin or paper money of legal tender and paper forms of cashless wagering.

*"Discount rate"* means either the current prime rate or a blended rate computed by obtaining quotes for the purchase of qualified investments at least three times per month.

*"Facility"* means an entity licensed by the commission to conduct gaming operations in Iowa.

*"Facility grounds"* means all real property utilized by the facility in the conduct of its gaming activity, including the grandstand, concession stands, offices, parking lots, and any other areas under the jurisdiction of the commission.

*"Government sponsored enterprise debt instrument"* means a negotiable, senior, noncallable debt obligation issued by an agency of the United States or an entity sponsored by an agency of the United States that on the date of funding possesses an issuer credit rating equivalent to the highest investment grade rating given by Standard & Poor's or Moody's Investment Services.

*"Implement of gambling"* means any device or object determined by the administrator to directly or indirectly influence the outcome of a gambling game, collect wagering information while directly connected to a gambling game, facilitate the operation of an electronic wagering account as defined by rule 491—12.1(99F), or be integral to the conduct of a commission-authorized gambling game.

*"Independent financial institution"* means a bank approved to do business in the state of Iowa or an insurance company admitted to transact insurance in the state of Iowa with an A.M. Best insurance rating of "A" or other equivalent rating.

*"Present value"* means the current value of a future payment or series of payments, discounted using the discount rate.

*"Qualified investment"* means an Iowa state-issued debt instrument, a United States Treasury debt instrument or a government sponsored enterprise debt instrument.

*"Qualified prize"* means any prize or award that is awarded as part of a gambling game authorized by the commission, that does not relate to any past services performed by the recipient and does not require the recipient to perform any substantial future service, and that is payable through a series of periodic payments.

*"Qualified prize option"* means an option that entitles an individual to receive a single cash payment in lieu of receiving a qualified prize, or remaining portion thereof, and that is exercisable not later than 60 days after the individual becomes entitled to the qualified prize.

*"Reserve"* means an account with an independent financial institution or brokerage firm consisting of cash, qualified investments, bond, or other secure funding method approved by the administrator.

*"Slot machine"* means a mechanical or electronic gambling game device into which a player may deposit currency or forms of cashless wagering and from which certain numbers of credits are awarded when a particular configuration of symbols or events is displayed on the machine.

*"Storage media"* means EPROMs, ROMs, flash-ROMs, DVDs, CD-ROMs, compact flashes, hard drives and any other types of program storage device.

**491—11.2(99F) Conduct of all gambling games.**

**11.2(1)** *Commission policy.* All facilities must conduct gambling games in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the state. Responsibility for employing and maintaining suitable methods of operation rests with the facility. Willful or persistent use or toleration of methods of operation deemed unsuitable in the sole discretion of the commission will constitute grounds for disciplinary action, up to and including license revocation.

**11.2(2)** *Activities prohibited.* A facility is expressly prohibited from the following activities:

*a.* Failing to conduct advertising and public relations activities in accordance with decency, dignity, good taste, and honesty.

*b.* Permitting conduct prohibited by Iowa Code section 99F.15.

*c.* Failing to comply with or make provision for compliance with all federal, state, and local laws and rules pertaining to the operation of a facility including but not limited to payment of license fees, withholding payroll taxes, and violations of alcoholic beverage laws or regulations.

*d.* Permitting to remain in or upon the gaming floor or accessible to the gaming public any associated gambling equipment that may have in any manner been marked, tampered with, or otherwise placed in a condition or operated in a manner that might affect the game and its payouts.

*e.* Permitting, if the facility was or should have been aware of, any cheating.

*f.* Possessing or permitting to remain in or upon any facility grounds, if the facility was or should have been aware of, any cheating device whatsoever or conducting, carrying on, operating, or dealing any cheating or thieving game or device on the grounds.

*g.* Possessing or permitting to remain in or upon any facility grounds, if the facility was or should have been aware of, any gambling device that tends to alter the normal random selection of criteria that determines the results of the game or deceives the public in any way.

*h.* Failing to conduct gaming operations in accordance with proper standards of custom, decorum, and decency or permitting any type of conduct that reflects negatively on the state or acts as a detriment to the gaming industry.

*i.* Denying a commissioner or commission representative, upon proper and lawful demand, information or access to inspect any portion of the gaming operation.

**11.2(3)** *Wagers.* Wagers may only be made:

*a.* By a person present at a facility.

*b.* In the form of chips, coins, or other cashless wagering.

*c.* By persons 21 years of age or older.

**491—11.3(99F) Approval for distribution, operation, or movement of gambling games and implements of gambling.**

**11.3(1)** *Approval.* Prior to distribution, a distributor must request that the administrator inspect, investigate, and approve a gambling game or implement of gambling for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. The distributor, at its own expense, must provide the administrator and independent testing laboratory with information and product sufficient to determine the integrity and security of the product, including independent testing conducted by a designated testing laboratory. The commission will designate up to two independent testing laboratories for the purpose of certifying electronic gambling games or implements of gambling.

**11.3(2)** *Trial period.* Prior to or after commission approval and after completing a review of a proposed gambling game, the administrator may require a trial period of up to 180 days to test the gambling game in a facility. During the trial period, minor changes in the operation or design of the gambling game may be made with the administrator's prior approval. During the trial period, a gambling game distributor is not entitled to receive revenue of any kind from the operation of that gambling game.

**11.3(3)** *Gambling game submissions.* Prior to conducting a commission-authorized gambling game or for a trial period, a facility must submit proposals for game rules, procedures, wagers, shuffling procedures, dealing procedures, cutting procedures, and payout odds including any circumstances resulting in changed odds. The gambling game submission, or requests for modification to an approved submission, must be in writing and approved by the administrator or a commission representative prior to implementation.

**11.3(4)** *Public notice.* The public must have access to the rules of play, payout schedules, and permitted wagering amounts. Signage must be conspicuously posted on the gaming floor to direct patrons to the gaming floor area where this information can be viewed. All participants in all licensed gambling games are required to know and follow the rules of play. No forms of cheating will be permitted.

**11.3(5)** *Operation.* Each gambling game must operate and play in accordance with the representation made to the commission and the public at all times. The administrator or commission representative may order the withdrawal of any gambling game suspected of malfunction or misrepresentation, until all deficiencies are corrected. To identify deficiencies to be corrected, the administrator or commission representative may require additional testing by an independent testing laboratory at the expense of the licensee or distributor.

**11.3(6)** *Distribution, movement and disposal.*

*a.* Except as otherwise authorized by the administrator, an emailed notice must be filed with the commission when a gambling game or implement of gambling is shipped, moved or disposed of. The written notice should be provided as follows:

(1) At least five calendar days before arrival of a gambling game or implement of gambling at a licensed facility, by the licensed distributor.

(2) At least 24 hours before a gambling game is removed from or disposed of by a licensed facility, with notice provided by the licensed facility or the owner. All methods of disposal for gambling games or implements of gambling are subject to administrator approval.

*b.* The administrator may approve licensee transfers of gambling games or implements of gambling among subsidiaries of the licensee's parent company.

**491—11.4(99F) Gambling games authorized.** The commission may approve a gambling game by administrative rule, resolution, or motion.

**11.4(1)** Craps, roulette, 21 (blackjack), baccarat, big six and poker are authorized as table games. The administrator may approve multiplayer electronic devices simulating these games, subject to rule 491—11.3(99F) and subrule 11.4(3).

**11.4(2)** Slot machines, video poker, and other video games of chance, both progressive and nonprogressive, are allowed as slot machine games, subject to the administrator's approval of individual slot machine prototypes and game variations.

**11.4(3)** The administrator may approve variations of approved gambling games and bonus features or progressive wagers associated with approved gambling games, subject to rule 491—11.3(99F). Variations of approved gambling games must theoretically pay out at least 80 percent and pay out no more than 100 percent. Features utilizing a controller or a system linked to gambling games that do not require direct monetary consideration and are not otherwise integrated within a slot machine game theme may be allowed as bonus features. Payouts from these bonus features may be included in winnings for the calculation of wagering tax adjusted gross receipts when the following conditions are met:

*a.* The only allowable nonmonetary consideration to be expended by a participant is active participation in a gambling game with a bonus feature or use of a player's club card, or both.

*b.* The actual bonus payout deductible in any month from all qualified system bonuses requiring no additional direct monetary consideration is:

(1) No more than 2 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses exceed 20 percent of the total number of slot machines;

(2) No more than 3 percent of the coin-in for all slot machines linked to any system bonuses for that month if slot machines linked to system bonuses are less than or equal to 20 percent of the total number of slot machines; or

(3) No more than 3 percent of the amount wagered on the qualifying bets for all table games linked to any system bonus for that month.

*c.* The probability of winning a system bonus award must be the same for all persons participating in the bonus feature.

**11.4(4)** Gambling games of chance involving prizes awarded to participants through promotional activities at a facility may be conducted by the licensee providing the following:

*a.* Rules must be made available to participants for review prior to registering. Rules must include at a minimum all conditions registered players must meet to qualify to enter or participate in the event, available prizes or awards, and distribution of prizes or awards based on specific outcomes.

*b.* All gambling games are conducted in a fair and honest manner, and all rules are followed. A licensee cannot make changes to rules after participants have registered.

*c.* Results must be made available for the registered players to review at the same location at which or in the same manner in which players registered. Results include at a minimum name of the event, date of the event, total number of entries, total prize pool, and amount paid for each winning category.

*d.* No entry fees are permitted.

*e.* All employees of the facility are prohibited from participation.

*f.* All monetary payouts for which federal or state tax withholding is required must be treated as W2-G events and are subject to all requirements related to those withholding thresholds.

*g.* There is compliance with all other applicable federal, state and local laws and rules, including those outside of the commission's direct jurisdiction.

*h.* Outcomes for gambling games must be determined on the designated gaming floor approved pursuant to 491—subrule 5.6(16) and outcomes immediately or simultaneously displayed by a device or devices on the designated gaming floor.

*i.* In determining adjusted gross receipts, the facility may consider all nonmonetary consideration expended by a participant, and the nonmonetary consideration must at least equal the value of prizes awarded.

**11.4(5)** Mechanical devices employing kickers or plates to direct coins, tokens or chips to fall over an edge into a payout hopper may be authorized as gambling games, subject to the following conditions:

*a.* All devices are subject to rule 491—11.3(99F).

*b.* Devices must accept no more than one coin, token or chip per play unless otherwise authorized by the administrator.

*c.* Tokens or chips used in devices must have a value defined by the facility. Each assigned value must be displayed on the device. Values are subject to the administrator's approval.

*d.* Merchandise, coins, tokens, chips or other legal tender may be added to the device at the discretion of the facility:

(1) Anything of value added to a device must be in accordance with the approval of the device under rule 491—11.3(99F); and

(2) Anything of value added to a device must be documented and documentation retained in accordance with 491—subrule 5.6(13).

*e.* Any coins, tokens or chips collected by the facility or not returned to individuals wagering on a device must be included as gross receipts for the calculation of wagering tax on adjusted gross receipts:

(1) When a device is removed from play, coins, tokens, chips or other legal tender that were added to the device may be used to offset gross receipts for the calculation of wagering tax on adjusted gross receipts; and

(2) Merchandise or other items of value added to a device cannot be considered in the calculation of wagering tax on adjusted gross receipts.

*f.* Merchandise, coins, tokens, chips or other legal tender cannot be removed from a device while it remains in operation, except as winnings to an individual from a wager or as the result of internal mechanisms of the device for collecting revenue, approved in accordance with rule 491—11.3(99F).

*g.* Anything of value in the machine must not be tampered with or adjusted while a device remains in operation, except as required to return a malfunctioning device to operation.

**491—11.5(99F) Gambling game-based tournaments.**

**11.5(1)** *Proposals.* Proposals for terms, game rules, entry fees, prizes, dates, and procedures must be submitted in writing and approved by a commission representative before a facility conducts any tournament. Any changes to approved tournaments must be submitted to the commission representative for review and approval prior to being implemented. The written proposal or change must be submitted to a commission representative at least 14 days in advance of the planned activity. Rules, fees, and a schedule of prizes must be made available to the player prior to entry.

**11.5(2)** *Limits.* Tournaments must be based on gambling games authorized by the commission. Entry fees, less prizes paid, are subject to the wagering tax under Iowa Code section 99F.11. For this rule's purposes, "entry fees" means any amounts collected from participants to enter the tournament, and specifically includes but is not limited to amounts denominated as a house fee, staff fee, or dealer tip. In determining adjusted gross receipts, to the extent that prizes paid out exceed entry fees received, the facility is deemed to have paid the fees for the participants.

**11.5(3)** *Tournament chips.* Tournament chips used as wagers in table game tournament proposals approved pursuant to this rule must be imprinted with a number representing the value of the chip or must be assigned a value. The assigned value of tournament chips must be conspicuously displayed in the tournament area.

**491—11.6(99F) Table game requirements.**

**11.6(1)** *Devices and software.* Devices that determine or affect the outcome of wagers or are used in the collection of wagers on table games are subject to rule 491—11.3(99F) and subrule 11.4(3). Additionally, software used in the conduct of table games is subject to the following requirements:

*a.* Removable storage media must be sealed with tamper-evident tape by a commission representative prior to implementation.

*b.* Random number generators must conform to the standards established under rule 491—11.9(99F); however, outcomes generated from the random number generator results may be dependent on previous outcomes in the following circumstances:

(1) When simulating live card games where cards used are not reused until the next hand is dealt or until the multiplayer electronic device performs a shuffle of the simulated cards.

(2) When the random number generator is used in the award of a bonus outcome approved in accordance with subrule 11.4(3). Bonus outcomes that are statistically dependent must employ technology solutions to ensure that continuation from the last outcome is maintained in the event of any malfunction.

**11.6(2)** *Wagers and payouts.*

*a.* All wagers at table games are made by placing gaming chips or coins on the appropriate areas of the layout or by making a cashless wager using an approved wagering device.

*b.* Information pertaining to the minimum and maximum allowed at the table must be posted on the game.

*c.* Payouts from table games must be made in accordance with the posted and approved pay tables. Limits on payouts cannot be imposed.

*d.* Wagers by individuals not participating in the play of the gambling game, or wagers on the outcome of another player's participation not specifically authorized as part of the approved gambling game or administratively approved variant, are prohibited.

*e.* Any other fee collected to participate in a table game is subject to the wagering tax under Iowa Code section 99F.11.

**11.6(3)** *Craps.*

*a.* Wagers must be made before the dice are thrown. Call bets are not allowed. A wager made on any bet may be removed or reduced at any time prior to a roll that decides the outcome of such wager unless the wager is a "Pass" or "Come" bet and a point has been established with respect to such bet or the wager is a proposition bet contingent on multiple rolls.

*b.* The shooter must make a "Pass" or "Don't Pass" bet and handle the two selected dice with one hand before throwing the dice in a simultaneous manner.

*c.* Each die used must be transparent.

**11.6(4)** *Twenty-one.*

*a.* Before the first card is dealt for each round of play, each player makes a wager against the dealer. Once the first card of any hand has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager. Once a wager on the insurance line, a wager to double down, or a wager to split pairs has been made and confirmed by the dealer, a player cannot handle, remove, or alter the wagers until a decision has been rendered and implemented with respect to that wager, except as explicitly permitted by the rules of the game. A facility or licensee must not permit any player to engage in conduct that violates this paragraph.

*b.* At the conclusion of a round of play, all cards still remaining on the layout must be picked up by the dealer in a prescribed order and in such a way that they can be readily arranged to indicate each player's hand in case of question or dispute. The dealer must pick up the cards beginning with those of the player to the dealer's far right and moving counterclockwise around the table. The dealer's hand will be the last hand collected. The cards will then be placed on top of the discard pile. A player or spectator cannot remove or alter any cards used to game at 21 or be permitted to do so by a casino employee.

*c.* Each player at the table is responsible for correctly computing the point count of the player's hand. A player should not rely on the point counts announced by the dealer without checking the accuracy of such announcement.

**11.6(5)** *Roulette.*

*a.* No person at a roulette table can be issued or permitted to game with nonvalue gaming chips that are identical in color and design to value gaming chips or to nonvalue gaming chips being used by another person at that same table.

*b.* Each player is responsible for the correct positioning of the player's wager on the roulette layout, regardless of whether the player is assisted by the dealer. Each player must ensure that any instructions the player gives to the dealer regarding the placement of the player's wager are correctly carried out.

*c.* Each wager will be settled strictly in accordance with its position on the layout when the ball falls to rest in a compartment of the wheel.

**11.6(6)** *Big six.*

*a.* Wagers must be made before the spin of the wheel.

*b.* Each player is responsible for the correct positioning of the player's wager on the layout, regardless of whether that player is assisted by the dealer.

*c.* The wheel may be spun in either direction but must complete at least three revolutions to be considered a valid spin.

*d.* Each wager will be settled strictly in accordance with its position on the layout when the wheel stops with the winning indicator in a compartment of the wheel. In accordance with subrule 11.3(3), the rules must include procedures addressing wheel stops that land between two compartments of the wheel. These procedures must be posted at the game.

**11.6(7)** *Poker.*

*a.* When a facility conducts poker with an imprest dealer gaming chip bank, the rules in 491—Chapter 12 for closing and distributing or removing gaming chips to or from gaming tables do not apply. The entire amount of the table rake is subject to the wagering tax under Iowa Code section 99F.11. Proposals for imprest dealer gaming chip banks must be submitted in writing and approved by a commission representative prior to use and must include at a minimum controls to regularly monitor, investigate, and report table bank variances.

*b.* All games must be played according to table stakes game rules as follows:

(1) Only gaming chips or coins on the table at the start of a deal are in play for that pot.

(2) Concealed gaming chips or coins will not play.

(3) A player with gaming chips may add additional gaming chips between deals, provided that the player complies with any minimum buy-in requirement.

(4) A player is never obliged to drop out of contention because of insufficient gaming chips to call the full amount of a bet but may call for the amount of gaming chips the player has on the table. The excess part of the bet made by other players is either returned to the players or used to form a side pot.

*c.* Each player in a poker game is required to act only in the player's own best interest. The facility has the responsibility of ensuring that any behavior designed to assist one player over another is prohibited. The facility may prohibit any two players from playing in the same game.

*d.* Poker games where winning wagers are paid by the facility according to specific payout odds or pay tables are permitted.

*e.* The facility must comply with and receive approval pursuant to subrule 11.3(3) for each type of poker game offered.

*f.* The facility may elect to offer a jackpot award generated from pot contributions at a table or group of tables for predesignated high-value poker hands, subject to the following requirements:

(1) Approval of the jackpot award rules must be obtained from a commission representative prior to play.

(2) Jackpot award rules and jackpot award amounts must be posted in a conspicuous location within the poker room. Jackpot award amounts must be updated no less than once per day.

(3) The facility will divide pot contributions for any single qualifying award circumstance or event into no more than three jackpot award pools.

(4) The jackpot award pool containing the highest monetary value amount must be the amount posted in the poker room and awarded to a qualifying player or players.

(5) If additional jackpot award pools are in use, the award pool containing the highest monetary value must be used to seed the primary jackpot award pool.

(6) All moneys collected as pot contributions to a jackpot award payout must be distributed in their entirety to the players; a facility cannot charge an administration fee for distribution of a jackpot award.

**11.6(8)** *Baccarat.* Before the first card is dealt for each round of play, each player may make a wager on the "Banker's Hand," "Player's Hand," "Tie Bet," and any proposition bet if offered. All wagers are made by placing gaming chips on the appropriate areas of the layout. Once the first card has been dealt by the dealer, a player cannot handle, remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager.

**11.6(9)** *Preverified cards.* Cards that are verified prior to arrival at the facility may be approved by the administrator for use in table games authorized by this rule. Preverified cards may be shuffled or sequenced according to the licensee's specifications. Each manufacturer of preverified cards must request approval of its cards, pursuant to subrule 11.3(1), and is subject to the following additional requirements:

*a.* Each device used to verify or automate the randomization of the cards before they are shipped to a licensee must be certified by a commission-designated independent testing laboratory.

*b.* The manufacturer must develop and submit to the administrator a process for producing, shuffling, and packaging preverified cards that includes the following:

(1) A visual inspection of the back of each card, ensuring the cards are not flawed or marked in any way that might compromise the integrity of the gambling game.

(2) A verification that each package of cards contains the correct number of suits and cards in accordance with the commission-approved rules of the game for which the package of cards is intended for use.

(3) Insertion of the cards in a package with a tamper-evident seal that bears conspicuous indication if the package has been opened. The exterior of the package must indicate:

1. The total number of decks contained within the package.
2. The commission-authorized game for which the cards are intended for use.
3. The color of the cards within the package.

(4) Generation of a receipt in the package or a label on the sealed package to include the following information:

1. The total number of cards and decks contained within the package.
2. The date and time the cards were shuffled, verified and packaged.
3. Information sufficient to determine the specific details regarding any persons or devices involved in the production, verification or packaging of the cards.

**11.6(10)** *Progressive table games.* A progressive table game is a method of offering an optional progressive side bet for table games approved in accordance with this chapter. Multiple progressive tables, levels, and games may be linked together.

*a.* For multi-game links, each linked game must be certified by an independent testing laboratory as having the same probability of winning an offered progressive jackpot.

*b.* Prior to operation, a licensee must submit to a commission representative for review and approval information sufficient to determine the integrity of a progressive system. The information must include but is not limited to:

(1) Rules of the game in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots.

(3) Controls and procedures governing the process to pay the jackpot to the winner(s).

(4) Incrementation rates and contribution rates of the progressives the licensee intends to offer that comply with approved manufacturer rules.

*c.* A meter that shows the amount of the jackpot must be conspicuously displayed at each table game to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to lockups during the processing of an awarded jackpot, but meters must not display an incorrect amount for an awarded jackpot.

*d.* A progressive jackpot may only be removed with the administrator's prior approval and under one of the following circumstances:

(1) Cancelling the progressive upon the next award of the jackpot. Any residual incrementation amounts allocated to reseed all progressive funds must be displayed and awarded at the same time.

(2) Removing the progressive incrementation while awarding the next jackpot award in according with the payout rules the funds were collected under, including reseed amounts.

(3) An accelerated pay table approved by the administrator.

(4) In accordance with a gambling game-based tournament under rule 491—11.5(99F), where unused funds allocated for jackpot payouts are used as winnings for the tournament.

(5) Other circumstances as approved by the administrator.

**11.6(11)** *Wide area progressive table game systems.* A wide area progressive table game system (multilink) is a method of linking table game progressives, approved in accordance with subrule 11.4(3), by a secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot at all participating locations within Iowa or in multiple states. The operation of the multilink is permitted, subject to the following conditions:

*a.* The provider of the multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

*b.* Prior to operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures. Central site facilities must be monitored whenever the multilink is operational at any participatory licensee.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining and updating contribution data from table games on the multilink.

(4) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(5) Jackpot verification procedures.

*c.* Prior to inclusion in a multilink, a licensee must submit to a gaming representative for review and approval information sufficient to determine the integrity of the multilink processes. The information must include but is not limited to the following:

(1) Rules of the game, in accordance with subrule 11.3(3).

(2) Controls and procedures governing the process of determining and verifying jackpots on a multilinked table game.

(3) The process to report jackpots to the multilink provider.

(4) The process to pay the jackpot to the winner(s).

*d.* The provider of the multilink must, upon request, supply reports and information to the administrator detailing the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each table game on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each table game's contribution to the multilink for the period of the invoice, as well as any other details required by the administrator.

*e.* Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner will receive the full amount shown on the system jackpot meter.

*f.* The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

*g.* A meter that shows the amount of the jackpot must be conspicuously displayed at the table games to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters must not display an incorrect amount for an awarded jackpot.

*h.* In calculating adjusted gross receipts, a facility may deduct only its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount wagered in conjunction with the rules for that table game progressive from that facility's table games on the multilink compared to the total amount wagered in conjunction with the rules for that table game progressive on the whole system for the time period between awarded jackpots.

*i.* If a facility ceases operations and a progressive jackpot is awarded after the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

*j.* Any jackpot on the multilink should be paid immediately upon verification of the jackpot. The responsibility for the immediate payment rests with the facility in which the jackpot is awarded, but is subject to reimbursement requirements from the provider, in accordance with the collection procedures agreed to between the provider and the facility.

*k.* A reserve must be established and maintained by the provider in an amount not less than the present value of all multilink jackpots offered by the provider and the present value of one additional reset (start amount) for each multilink jackpot offered by the provider.

(1) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by this paragraph, the provider must immediately notify the administrator.

(2) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves required under this paragraph, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

*l.* Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

**491—11.7(99F) Keno.**

**11.7(1)** Keno must be conducted using an automated ticket writing and redemption system where a game's winning numbers are selected by a random number generator.

**11.7(2)** Each game consists of the selection of 20 numbers out of 80 possible numbers, 1 through 80.

**11.7(3)** For any type of wager offered, the payout must be at least 70 percent.

**11.7(4)** Multigame tickets are limited to 20 games.

**11.7(5)** Writing or voiding tickets for a game after that game has closed is prohibited.

**11.7(6)** All winning tickets are valid up to a maximum of one year from the date of purchase. All expired, unclaimed winning tickets are subject to the requirements in rule 491—12.11(99F).

**11.7(7)** The administrator may determine minimum hardware and software requirements to ensure the integrity of play. An automated keno system must be proven to accurately account for adjusted gross receipts to the satisfaction of the administrator.

**11.7(8)** Adjusted gross receipts from keno games will be the difference between dollar value of tickets written and dollar value of winning tickets as determined from the automated keno system. The wagering tax under Iowa Code section 99F.11 applies to adjusted gross receipts of keno games.

**11.7(9)** An area of a facility cannot be designated as gaming floor for the sole purpose of keno runners who accept patron wagering funds remotely from the keno game location.

**491—11.8(99F) Slot machine requirements.**

**11.8(1)** *Payout percentage.* A slot machine game must meet the following maximum and minimum theoretical percentage payouts during the expected lifetime of the game.

*a.* A slot machine game's theoretical payout must be at least 80 percent and no more than 100 percent of the amount wagered. The theoretical payout percentage is determined using standard methods of probability theory. Slot machine games with a bonus feature that is available with varying payouts based on the player's ability are allowed if the difference between the minimum and maximum payout for all ability-based outcomes does not exceed a 4 percent contribution to the overall theoretical payout of the slot machine game.

*b.* A slot machine game must have a probability of obtaining the highest single advertised payout, which must statistically occur at least once in 50 million games.

**11.8(2)** *Features.* Unless otherwise authorized by the administrator, each slot machine in a casino must have the following features:

*a.* A casino number at least two inches in height permanently imprinted, affixed, or impressed on the outside of the machine.

*b.* A clear description displayed on the slot machine of any merchandise or thing of value offered as a payout including the cash equivalent value of the merchandise or thing of value offered, the dates the merchandise or thing of value will be offered if the facility establishes a time limit upon initially offering the merchandise or thing of value, and the availability or unavailability to the patron of the optional cash equivalent value. A cash equivalent value must be at least 75 percent of the fair market value of the merchandise or thing of value offered.

*c.* Devices, equipment, features, and capabilities, as may be required by the commission, that are specific to each slot machine after the prototype model is approved by the commission.

**11.8(3)** *Storage media.* Hardware media devices that contain game functions or characteristics, including but not limited to pay tables and random number generators, must be approved, verified, and sealed with evidence tape by a commission representative prior to being placed in operation, as determined by the administrator.

**11.8(4)** *Posting of the actual aggregate payout percentage.* The actual aggregate payout percentage to the nearest one-tenth of 1 percent (0.1 percent) of all slot machine games in operation during the preceding three calendar months must be posted at the main casino entrance and cashier cages by the fifteenth day of each calendar month. For this calculation, the actual aggregate payout percentage is the slot revenue reported to the commission during the preceding three calendar months divided by the slot coin-in reported to the commission during the preceding three calendar months subtracted from 100 percent.

**11.8(5)** *Communication equipment.* Equipment must be installed in each slot machine that allows for communication to an online monitoring and control system accessible, with read-only access, to the commission representatives using a communications protocol provided to each licensed manufacturer by the commission for the information and control programs approved by the administrator.

**11.8(6)** *Meter clears.* Before clearing electronic accounting meters, a licensee must notify a commission representative. All meters recorded by a game must be retained according to the requirements in 491—subrule 5.6(13).

**491—11.9(99F) Electronic gaming devices and implements of gambling.**

**11.9(1)** *Base specifications.* Hardware and software for electronic gaming devices and implements of gambling must meet the minimum standards established by the administrator.

**11.9(2)** *Additional specifications.* In addition to the established standards, electronic gaming devices and implements of gambling must adhere to the following:

*a.* Logic boards that contain software that significantly impacts the operation of the device or that presents pay table information to the player must be in a locked compartment within the electronic gaming device. The locked compartment will require a key that is separate from the external doors of the device and is separate from any other keys required by 491—Chapter 11 or 12.

*b.* Access to the currency drop container and the currency storage area within an electronic gaming device must be secured by separate locks that require separate keys from any other key required by 491—Chapter 11 or 12.

**11.9(3)** *Previous slot machine models.* Subject to administrator approval of specific gaming devices, slot machines may be used that do not meet the requirements of this rule but have been certified under previously approved specifications by a commission-designated independent testing laboratory and maintain a current certification.

**491—11.10(99F) Progressive slot machines.**

**11.10(1)** *Meter required.* A progressive machine is a slot machine game with an award amount that increases based on a function of credits bet on the slot machine and that is awarded when a particular configuration of symbols or events is displayed on the slot machine. Random events generating awards independent of the base slot machine game and not dependent on any specific slot machine game are considered bonus features. A progressive slot machine or group of linked progressive slot machines must have a meter showing the progressive jackpot payout.

**11.10(2)** *Progressive controllers.* The reset or base value and the rate of increment of a progressive jackpot game must be filed with a commission representative prior to implementation. A reset or base value must equal or exceed the equivalent nonprogressive jackpot payout.

**11.10(3)** *Limits.* A facility may impose a limit on the progressive jackpot payout of a slot machine if the limit imposed is greater than the progressive jackpot payout at the time the limit is imposed. The facility must prominently display a notice informing the public of the limit. No progressive meter may be turned back to a lesser amount unless one of the following circumstances occurs:

*a.* The amount shown on the progressive meter is paid to a player as a jackpot.

*b.* It is necessary to adjust the progressive meter to prevent it from displaying an amount greater than the limit imposed by the facility.

*c.* It is necessary to change the progressive indicator because of game malfunction.

**11.10(4)** *Transfer of jackpots.* In the event of malfunction, replacement, or other reason approved by the administrator, a progressive jackpot that is removed must be transferred, less the reset value, to other progressive slot machine jackpots of similar progressive wager and probability at the same facility within 30 days from the removal date. If a similar progressive jackpot at the same facility is unavailable, other transfers may be allowed. A commission representative must be notified in writing prior to a removal or transfer.

**11.10(5)** *Records required.* Records must be maintained of the amount shown on a progressive and the amounts allocated as part of the jackpot reset or overflow to the progressive. Supporting documents must be maintained to explain any reduction in the payoff amount from a previous entry.

**11.10(6)** *Transfer of progressive slot machines.* A progressive slot machine, upon permission of the administrator, may be moved to a different facility if a bankruptcy, loss of license, or other good cause warrants.

**11.10(7)** *Linked machines.* Each machine on the link must have the same probability of winning the progressive jackpot, adjusted for the total amount wagered. The probability of winning the progressive jackpot multiplied by the maximum amount wagered must be within the maximum allowable tolerance for all games on the link. For this calculation, the maximum allowable tolerance when linked with any other game is the product of the probability of winning the progressive jackpot, adjusted for amount wagered, multiplied by:

*a.* One percent (0.01) for games where the probability of winning the progressive jackpot is less frequent than or equal to 1 in 100,000; or

*b.* Five percent (0.05) for games where the probability of winning the progressive jackpot is more frequent than 1 in 100,000.

**11.10(8)** *Wide area progressive systems.* A wide area progressive system (multilink) is a method of linking progressive slot machines or electronic gaming machines by secured data communication as part of a network that connects participating facilities. The purpose of a multilink is to offer a common progressive jackpot (system jackpot) at all participating locations within Iowa or in multiple states. The operation of a multilink is permitted, subject to the following conditions:

*a.* The provider of a multilink (provider) must be an entity licensed as a manufacturer, a distributor, or an operator of gambling games within the state of Iowa or be the qualified parent company of an operator of gambling games within the state of Iowa. No entity will be licensed for the sole purpose of providing a multilink.

*b.* Before operation of a multilink, the provider must submit to the administrator for review and approval information sufficient to determine the integrity and security of the multilink. The information must include but is not limited to the following:

(1) Central system site location, specifications, and operational procedures.

(2) Encryption and method of secured communication over the multilink and between facilities.

(3) Method and process for obtaining meter data from slot machines on the multilink.

(4) Disbursement options for jackpot payoffs, including information for periodic payments. Periodic payment information, including number of payments and time between payments must be displayed as part of the slot machine pay table or prominently displayed on the face of the slot machine.

(5) Jackpot contribution rates, including information sufficient to determine contributions to the jackpot are consistent across all entities participating in the multilink. Any subsequent changes to the contribution rate of a multilink jackpot must be submitted to the administrator for review and approval.

(6) Jackpot verification procedures.

(7) Jackpot discontinuation procedures, including procedures for distribution of contributions to another jackpot or return of pro rata shares to participating facilities.

*c.* The provider of the multilink must, upon request, supply reports and information to the administrator that detail the contributions and economic activity of the system, subject to the following requirements:

(1) Aggregate and detail reports show both the economic activity of the entire multilink and details of each machine on the multilink.

(2) Upon invoicing a facility, details are supplied regarding each machine at the facility and each machine's contribution to the multilink for the period of the invoice must be supplied, as well as any other details required by the administrator.

*d.* Concurrent jackpots that occur before the multilink jackpot meters show reset and updated jackpot amounts will be deemed to have occurred simultaneously. Each winner will receive the full amount shown on the system jackpot meter.

*e.* The provider must suspend play on the multilink if a communication failure of the system cannot be corrected within 24 consecutive hours.

*f.* A meter that shows the amount of the system jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. Jackpot meters may show amounts that differ from the actual system jackpot, due to delays in communication between sites and the central system, but meters cannot display an incorrect amount for an awarded jackpot.

*g.* In calculating adjusted gross receipts, a facility may deduct its pro rata share of the present value of any system jackpots awarded. Such deduction must be listed on the detailed accounting records supplied by the provider. A facility's pro rata share is based on the amount of coin-in from that facility's machines on the multilink, compared to the total amount of coin-in on the whole system for the time period between awarded jackpots.

*h.* If a facility ceases operations and a progressive jackpot is awarded subsequent to the last day of the final month of operation, the facility cannot file an amended wagering tax submission or make a claim for a wagering tax refund based on its contributions to that particular progressive prize pool.

*i.* The payment of any system jackpot offered on a multilink must be administered by the provider, and the provider has sole liability for payment of any system jackpot the provider administers.

*j.* The provider must comply with the following:

(1) A reserve must be established and maintained by the provider in an amount of not less than the sum of the following amounts:

1. The present value of the amount currently reflected on the jackpot meters of the multilink.

2. The present value of one additional reset (start amount) of the multilink.

(2) For system jackpots disbursed in periodic payments, a provider must fund the periodic payments within 90 days of the notice of the jackpot award with:

1. Purchase of a qualified investment. A copy of such qualified investment must be provided to the administrator within 30 days of purchase. Any qualified investment must have a surrender value at maturity, excluding any interest paid before the maturity date, equal to or greater than the value of the corresponding periodic jackpot payment and must have a maturity date prior to the date the periodic jackpot payment is required to be made;

2. A surety bond or an irrevocable letter of credit with an independent financial institution that provides periodic payments to a winner should the establishment default for any reason. The written agreement establishing a surety bond or irrevocable letter of credit must be submitted to the administrator within 30 days of purchase;

3. An irrevocable trust with an independent financial institution in accordance with a written trust agreement approved by the administrator that provides periodic payments from an unallocated pool of assets to a group of winners and that must expressly prohibit the winner from encumbering, assigning or otherwise transferring in any way the winner's right to receive the deferred portion of the winnings, except to the winner's estate. The assets of the trust must consist of federal government securities including but not limited to treasury bills, treasury bonds, savings bonds or other federally guaranteed securities in an amount sufficient to meet the periodic payments as required; or

4. Another irrevocable method of providing the periodic payments to a winning player, consistent with the purpose of this subparagraph, that is approved by the administrator prior to implementation.

(3) The provider cannot sell, trade, or otherwise dispose of any periodic payment funding unless approval to do so is first obtained from the administrator.

(4) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement, or in the event of nonpayment of a periodic payment directly by the provider, the provider must immediately notify the administrator. An event of noncompliance includes a nonpayment of a jackpot periodic payment or a circumstance that may cause the provider to be unable to fulfill, or that may otherwise impair the provider's ability to satisfy, the provider's jackpot payment obligations.

(5) On a quarterly basis, the provider must deliver to the administrator a calculation of system reserves, along with a certification of financial compliance signed by a duly authorized financial officer of the provider, on a form prescribed by the administrator, validating the calculation.

(6) On an annual basis, the provider must deliver to the administrator updated information sufficient to determine compliance with the funding requirements of all outstanding periodic payments. This report includes an updated listing of all winners, showing outstanding periodic

payment amounts and any updates to funding documents and agreements, and a certification of compliance signed by a duly authorized financial officer of the provider.

(7) The reserve required under subparagraph 11.10(8)*"j"*(1) must be examined by an independent certified public accountant according to procedures approved by the administrator. Two copies of the report must be submitted to the administrator within 90 days after the conclusion of the provider's fiscal year.

(8) The administrator may require additional information or audits at any time to ensure compliance with this paragraph.

*k.* For system jackpots disbursed in periodic payments, subsequent to the date of the win, a winner may be offered the option to receive, in lieu of periodic payments, a discounted single cash payment in the form of a qualified prize option. The provider must calculate the single cash payment based on the discount rate. Until the new discount rate becomes effective, the discount rate selected by the provider will be used to calculate the single cash payment for all qualified prizes that occur subsequent to the date of the selected discount rate.

*l.* Multilinks to be offered in conjunction with jurisdictions in other states within the United States are permitted. Multistate multilinks are subject to the requirements of this subrule; in addition, any multistate plans or controls are subject to administrator review and approval.

**491—11.11(99F) Licensing of manufacturers and distributors of gambling games or implements of gambling.**

**11.11(1)** *Impact on gambling.* In considering whether a manufacturer or distributor applicant will be licensed or a specific product will be distributed, the administrator will give due consideration to the economic impact of the applicant's product, the willingness of a licensed facility to offer the product to the public, and whether the product's revenue potential warrants the investigative time and effort required to maintain effective control over the product.

**11.11(2)** *Licensing standards.* Standards considered when determining the qualifications of an applicant will include but not be limited to financial stability; business ability and experience; good character and reputation of the applicant as well as all directors, officers, partners, and employees; integrity of financial backers; and any effect on the Iowa economy.

**11.11(3)** *Application procedure.* Application for a manufacturer's or distributor's license is made to the commission for approval by the administrator. In addition to the application, the following must be completed and presented when the application is filed:

*a.* Disclosure of ownership interest, directors, or officers of licensees.

(1) An applicant or licensee must notify the administrator of the identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require.

For purposes of this rule, beneficial interest includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

(2) For ownership interests of less than 5 percent, the administrator may request a list of these interests. The list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subparagraph 11.11(3)*"a"*(1).

*b.* Investigative fees.

(1) Advance payment. The department of public safety may request payment of the investigative fee in advance as a condition to beginning investigation.

(2) Payment required. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

*c.* A bank or cashier's check made payable to the Iowa Racing and Gaming Commission for the annual license fee set forth in Iowa Code section 99F.17(1).

*d.* A copy of each of the following:

(1) Articles of incorporation and certificate of incorporation, if the business entity is a corporation.

(2) Partnership agreement, if the business entity is a partnership.

(3) Trust agreement, if the business entity is a trust.

(4) Joint venture agreement, if the business entity is a joint venture.

(5) List of employees of the aforementioned who may have contact with persons within the state of Iowa.

*e.* A copy of each of the following types of proposed distribution agreements, where applicable:

(1) Purchase agreement(s).

(2) Lease agreement(s).

(3) Bill(s) of sale.

(4) Participation agreement(s).

*f.* Supplementary information. Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may require. Failure to supply the information requested within five days after the request has been received by the applicant is grounds for delaying consideration of the application.

*g.* Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

*h.* The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity that would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

*i.* Disclosure. Disclosure of the full nature and extent of all beneficial interests may be requested by the administrator and must include the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

*j.* Public disclosure. Disclosure is made for the benefit of the public, and all documents pertaining to the ownership filed with the administrator will be available for public inspection.

**11.11(4)** *Temporary license certificates.*

*a.* A temporary license certificate may be issued at the discretion of the administrator and is valid for a maximum of 120 calendar days from the date of issue.

*b.* Failure to obtain a permanent license within the designated time may result in a fine, a suspension, or a revocation of the license eligibility.

**11.11(5)** *Withdrawal of application.* A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. No application can be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

**11.11(6)** *Recordkeeping.*

*a.* *Record storage required.* Distributors and manufacturers must maintain adequate records of business operations and make them available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and any of its customers who are applicants or licensees under Iowa Code chapter 99F.

(3) A personnel file on each employee of the licensee, including sales representatives.

(4) Financial records of all transactions with facilities and all other licensees under these regulations.

*b. Record retention.* The records listed in this subrule must be retained as required by 491—subrule 5.6(13).

**11.11(7)** *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license; fining the licensee; or any combination of the above.

**11.11(8)** *Consent to inspections, searches, and seizures.* Each manufacturer or distributor licensed under this chapter consents to inspections, searches, and seizures deemed necessary by the administrator and authorized by law to enforce licensing requirements.

These rules are intended to implement Iowa Code chapter 99F.

**RA 26-209**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 12
"Accounting and Cash Control"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99D.7, 99D.9, 99D.13, 99F.4, 99F.4A, 99F.4B, 99F.5, and 99F.7

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 99D and 99F

*Public Hearing*

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

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all its rules prior to the agency review date of December 31, 2026.

Chapter 12 of the Commission's rules establishes accounting and cash control standards for facility licensees, including for table and slot drops and for counting the money the casino takes in. Chapter 12 also sets requirements for facilities' internal controls, which are detailed procedures the facility must follow to address any number of scenarios ranging from routine to emergency.

The proposed rulemaking consolidates, reduces, or eliminates some language from the chapter in accordance with Executive Order 10. For example, the proposed rulemaking removes references to hopper fills, which are an outdated procedure involving physical coins or tokens placed inside slot machines to be automatically dispensed when a player wins. Modern slot machines accept paper currency and utilize tickets rather than relying on physical coins or tokens. Therefore, language referring to hopper fills is proposed for removal.

Relatedly, the review under Executive Order 10 revealed that some provisions in Chapter 12 were unintentionally narrow and difficult to comply with. Some of these provisions have been revised to allow easier compliance in areas such as jackpot kiosks and slips stored in secure dispensers. In most instances, the proposed rulemaking allows licensees to seek approval for any individual method of compliance by submitting internal controls that are subject to Commission review.

In addition, the proposed rulemaking includes a few new provisions related to internal controls and other cash control or accounting procedures. For example, the proposed rulemaking includes a provision requiring internal controls to include procedures related to table game tournament chips. A similar rule currently exists in 491—Chapter 11, and the content of that rule is proposed to be moved from there to new Chapter 12.

Even with the new provisions, the proposed rulemaking results in a net reduction in word count and restrictive terms compared to the current version of the chapter.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with Chapter 12.

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

The proposed rulemaking will continue to benefit the public by imposing rigorous standards aimed to maintain integrity in accounting, cash handling, and casino operations. In addition, licensees may benefit from some of the proposed rules relaxing existing standards—such as those authorizing licensees to submit alternative compliance methods for approval (proposed paragraphs 12.7(6)"b" and 12.10(3)"a"), those reducing the retention period for redeemed slot tickets from 90 days to 30 days (proposed paragraph 12.11(2)"a"), and the elimination of an outer garment requirement for personnel removing containers from slot machines (proposed subrule 12.13(3)).

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

- **Quantitative description of impact:**

The proposed rulemaking could affect licensees' quantitative compliance costs in either direction if the licensee identifies and obtains approval for an alternative compliance method detailed in internal controls. For example, an alternative method could be more economically costly but enable other operational efficiencies, or the alternative compliance method could simply be less expensive yet equally secure.

- **Qualitative description of impact:**

If the proposed rulemaking is eventually adopted, licensees may spend additional time developing alternative compliance methods to submit for Commission approval after the rulemaking becomes effective. However, the proposed rulemaking does not require any licensee to develop or submit alternative compliance methods; rather, it merely permits licensees to submit alternative compliance methods if and when they wish to do so. In addition, the proposed rulemaking could mean that licensees would need to update their current internal controls.

3. **Costs to the State:**

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

The proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

The proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 12 and adopt the following **new** chapter in lieu thereof:

CHAPTER 12
ACCOUNTING AND CASH CONTROL

**491—12.1(99F) Definitions.**

*"Casino"* means all areas of a facility where gaming is conducted.

*"Coin"* means tokens, nickels, and quarters of legal tender.

*"Container"* means:

1. A box attached to a gaming table in which shall be deposited all currency in exchange for gaming chips, fill and credit slips, requests for fill forms, and table inventory forms.

2. A canister in a slot machine cabinet in which currency is retained by slot machines and not used to make change or automatic jackpot payouts.

*"Count room"* means an area in the facility where contents of containers are counted and recorded.

*"Currency"* means any coin or paper money of legal tender and paper forms of cashless wagering.

*"Drop"* means removing the containers from the casino to the count room.

*"Electronic wagering account"* means an individual player's account established by an authorized facility into which a player can deposit funds for the purpose of wagering on authorized gambling devices.

*"Facility"* means an entity licensed by the commission to conduct gaming operations in Iowa.

*"Request"* means a request for a credit slip, fill slip, or jackpot payout slip.

*"Slip"* means a credit slip, fill slip, or jackpot payout slip.

*"Slot machine"* means a mechanical or electronic gambling game device into which a player may deposit currency or other forms of cashless wagering and from which certain numbers of credits are

awarded when a particular configuration of symbols or events is displayed on the machine. For the purposes of drop and count requirements, electronic table games are considered slot machines.

**491—12.2(99F) Accounting records.**

**12.2(1)** Each facility must maintain complete and accurate records of all transactions pertaining to revenues and costs.

**12.2(2)** General accounting records must be maintained on a double entry system of accounting with transactions recorded on an accrual basis.

**12.2(3)** Each facility must also maintain detailed, supporting, and subsidiary records, including but not limited to:

*a.* Statistical game records by gaming day to reflect drop and win amounts by table for each game.

*b.* Records of all investments, advances, loans, and receivable balances due the facility.

*c.* Records related to investments in property and equipment.

*d.* Records identifying the handle, payout, win amounts and percentages, theoretical win amounts and percentages; and differences between theoretical and actual win amounts and percentages for each gambling game on a week-to-date, month-to-date, and year-to-date basis.

*e.* Records of all loans and other amounts payable by the facility.

*f.* Records that identify the purchase, receipt, and disposal of gaming chips and tokens. All methods of disposal are subject to administrator approval.

**12.2(4)** Whenever forms or serial numbers are required to be accounted for or copies of forms are required to be compared for agreement and exceptions are noted, irreconcilable gambling revenue exceptions must be reported immediately and in writing to the commission. All other exceptions must be recorded in a log that is accessible to commission representatives and maintained according to the requirements in 491—subrule 5.6(13).

**491—12.3(99F) Facility internal controls.**

**12.3(1)** Each facility must submit a description of internal controls to the commission at least 90 days before gaming operations are to commence unless otherwise directed by the administrator. The submission must include and provide for the following:

*a.* Administrative control that includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's levels of authorization of transactions.

*b.* Accounting control that includes the plan of organization and the procedures and records that are concerned with safeguarding assets and the reliability of financial records. The accounting control must be designed to provide reasonable assurance that:

(1) Transactions are executed in accordance with management's general and specific authorization, consistent with the requirements of this chapter.

(2) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets.

(3) Access to assets is permitted only in accordance with management authorization, consistent with the requirements of this chapter.

(4) The recorded accountability for assets is compared with existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

(5) Only certain positions designated in the internal controls are authorized to enter the cashier's cage and are allowed to possess the combination or keys to the locks securing the entrance to the cage.

*c.* Competent personnel with integrity and an understanding of prescribed internal controls.

*d.* The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of the employee's duties.

*e.* Surveillance internal controls that include:

(1) Surveillance departments operated autonomously as separate and distinct entities from all other departments. A gaming facility's organizational structure should place the director of the surveillance department directly under the span of control and authority of the operator's board of directors or appropriate parent company executive where practical. Under no circumstances will the director of surveillance report to or take direction from any authority at a level below the general manager.

(2) Administration of the network for the purpose of utilizing and transmitting live or recorded views or images of a video surveillance system for asset protection, loss prevention, investigation of tort/liability claims, game protection, employee oversight, resolution of patron disputes, corporate governance, management analysis, or other use consistent with a licensee's statutory responsibilities as approved by the administrator.

(3) A system maintenance and access plan that includes management of:

1. Installations, changes, movements, and malfunctions;

2. A log of available and completed system upgrades, updates, and patches, including descriptions;

3. Universal power supply capability, live video, and recording redundancies;

4. Electrical outages, emergency evacuation, providing alternative coverage of dedicated areas for division of criminal investigation (DCI) approval;

5. Job descriptions and training of employees responsible for system maintenance and any external maintenance agreements; and

6. Access requirements for employees other than surveillance employees who may view recordings and restrictions on who has access to the surveillance monitoring room.

*f.* Game control, including but not limited to procedures for the storage, removal, and record of implements of gambling. The gaming control must be designed to document:

(1) Access to implements of gambling not in use.

(2) The method for removal of implements of gambling from an active gambling game.

(3) Procedures governing the record of total inventory of implements of gambling, documenting both additions to and removal from storage and active use.

(4) Procedures for the reconciliation, handling, and variance documentation of table game tournament chips. The facility must monitor for and investigate tournament chip variances and must report variances to a commission representative.

*g.* Preverified card control, for use with cards approved pursuant to 491—subrule 11.6(9). Controls must be designed to document:

(1) The procedure governing inspection of the packaging when the cards are put into use on a live table game, including verification of the tamper-evident seal and review of the manufacturer-generated receipt for relevant details.

(2) The procedure for employee breaking of the tamper-evident seal to sign the receipt with name, time the package is being placed in use, and specific table where the package is being used.

(3) The procedure and period to retain the receipt and the details of use. The period of retention must correspond with records maintained by the manufacturer of the cards in accordance with the process submitted pursuant to 491—paragraph 11.6(9)*"b."*

(4) Any additional procedures that will be used to verify or randomize preverified cards prior to play.

*h.* Responsible gaming, self-exclusion, and problem gambling control to implement Iowa Code chapters 99D and 99F and 491—subrule 5.6(11).

*i.* Setoff of winnings of customers who have a valid lien established under Iowa Code chapter 99F.

**12.3(2)** A commission representative will review each submitted description of internal controls under subrule 12.3(1), determine whether it conforms to the requirements of Iowa Code chapter 99F and is consistent with the intent of this chapter, and determine whether the internal controls submitted provide adequate and effective control for the facility's operations. If the commission representative finds any insufficiencies, the insufficiencies will be specified in writing to the facility, which must make appropriate alterations. A facility cannot commence gaming operations unless and until the internal controls are approved.

**12.3(3)** Each facility must submit to the commission any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by a commission representative. The changes may be approved or disapproved by the commission representative. A facility cannot alter its internal controls until the changes are approved.

**12.3(4)** It is each occupational licensee's affirmative responsibility and continuing duty to follow and comply with all internal controls.

**491—12.4(99F) Accounting controls within the cashier's cage.**

**12.4(1)** The assets for which the cashiers are responsible must be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift must record on a cashier's count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories, and reconcile the total closing inventory with the total opening inventory.

**12.4(2)** At the conclusion of gaming activity each gaming day, a copy of the cashiers' count sheets and related documentation must be forwarded to the accounting department for agreement of opening and closing inventories; agreement of amounts thereon to other forms, records, and documents required by this chapter; and the recording of all transactions.

**491—12.5(99F) Gaming table container.** Each gaming table in a casino must have attached to it a container.

**12.5(1)** Each container must have:

*a.* A lock securing the contents of the container, the key to which must be logged out by the count team.

*b.* A separate lock securing the container to the gaming table, the key to which must be different from the key in paragraph 12.5(1)*"a"* and must be logged out by the drop team, count team, or emergency drop personnel pursuant to subrule 12.13(1).

*c.* A slot opening through which currency, forms, records, and documents can be inserted.

*d.* A mechanical device that will close and lock the slot opening upon removal of the container from the gaming table.

**12.5(2)** Keys referred to in this rule must be maintained and controlled in a secured area by the security department. The facility must establish a sign-out procedure for all keys removed from the secured area.

**491—12.6(99F) Accepting currency at gaming tables.** Whenever currency is presented by a patron at a gaming table in exchange for gaming chips, the following procedures and requirements apply:

**12.6(1)** The dealer or boxperson accepting the currency must spread the currency on the top of the gaming table.

**12.6(2)** The dealer or boxperson must verbalize the currency value in a tone of voice necessary to be heard by the patron and the casino supervisor assigned to the gaming table.

**12.6(3)** The dealer or boxperson must take the currency from the top of the gaming table and place it into the container immediately after verbalizing the amount.

**491—12.7(99F) Procedures for the movement of gaming chips to and from gaming tables.**

**12.7(1)** *Slips.* Each slip must be sequentially numbered, be simultaneously printed in two or three copies, and discharge in the cashier's cage. Individuals authorized by the internal controls who are not a signatory on or responsible for the transfer of gaming chips in other parts of this rule must input data for each slip, and each prepared copy must contain the following information:

*a.* The type of transfer.

*b.* The sequentially ordered slip number.

*c.* The date and time of preparation.

*d.* The total amount of each denomination.

*e.* The total amount of all denominations.

*f.* The game and table number.

**12.7(2)** *Distribution of chips to a gaming table.* On receipt of a slip in the cashier's cage for distribution of gaming chips to a table, the following procedures apply:

*a.* A cashier must prepare the gaming chips and sign all copies of the slip attesting to the accuracy of the totals.

*b.* A security employee, or other employee authorized by the internal controls, must compare the slip to the gaming chips prepared and sign all copies of the slip attesting to the accuracy. One copy of the slip remains with the cashier, if applicable, while two copies are transported with the gaming chips to the gaming table.

*c.* The dealer or boxperson assigned to the gaming table and the casino supervisor assigned to the gaming table must sign all copies of the slip attesting to the accuracy of the fill.

*d.* Upon verification and placement of the gaming chips, the employee responsible for transporting the chips to the gaming table must observe as the dealer or boxperson places one copy of the slip in the container of the gaming table. The employee then transports the remaining copy of the slip to the cashier's cage to be maintained and controlled by a cashier.

**12.7(3)** *Removal of chips from a gaming table.* On receipt of a slip in the cashier's cage for removal of gaming chips from a table, the following procedures apply:

*a.* A security employee, or other employee authorized by the internal controls, must transfer all copies of the slip to the gaming table.

*b.* The dealer or boxperson assigned to the gaming table and the casino supervisor assigned to the gaming table must prepare the removal and sign all copies of the slip attesting to the accuracy.

*c.* The security employee, or other employee authorized by internal controls, must compare the slip to the gaming chips prepared and sign all copies of the slip attesting to the accuracy.

*d.* One copy of the slip must be immediately placed in the container of the gaming table from which the gaming chips were removed.

*e.* The security employee, or other employee authorized by internal controls, transports the chips and the remaining copy of the slip to the cashier's cage.

*f.* The cashier must compare this copy of the slip to the gaming chips received and sign the copy attesting to the accuracy. This copy of the slip must be maintained and controlled by the cashier.

**12.7(4)** *Slip reconciliation.* At the end of each gaming day, copies of each of the slips maintained by the cashier's cage must be forwarded to the accounting department for agreement with the copies of the slips obtained by the count team from the gaming table containers. Copies must also be compared for agreement with the stored data.

**12.7(5)** *Stored data.* All information required by subrule 12.7(1) must be stored in machine-readable format. The stored data must not be susceptible to change or removal by any personnel after preparation of a slip.

**12.7(6)** *Manual process.* If the online monitoring and control system is unavailable, the facility staff may perform transfers of gaming chips to and from gaming tables using manual requests and slips.

*a.* Requests must be prepared by the casino supervisor or casino clerk. For the distribution of chips to the gaming table, the request must be signed by the security employee, or other employee authorized by the internal controls, and left with the cashier prior to the transfer of gaming chips and slips required by paragraph 12.7(6)*"b."* For the removal of chips from the gaming table, the request must be signed at the gaming table by the security employee, or other employee authorized by the internal controls, prior to the transfer of gaming chips and slips required by paragraph 12.7(6)*"b,"* and placed in the container when the slip signed by the cashier has been returned to the gaming table.

*b.* Slips must be prepared by cashiers in the cage using a three-part serially prenumbered form and a locked dispenser or other secured method consistent with internal controls approved by the commission. The dispenser must retain a copy of the slip that has been filled out and signed by the cashier. The same procedures and set of signatures set forth in subrules 12.7(2) and 12.7(3) apply.

*c.* The copies remaining in the dispenser must be removed each gaming day where a manual process had to be performed for gaming chip movements and to replace the stored data used pursuant to subrule 12.7(4). Access to the locked dispenser must be maintained and controlled by independent employees responsible for accounting for the unused slips, placing slips in the dispensers, and removing slips from the dispensers.

**12.7(7)** *Modifications.* Modifications to the procedures described in subrules 12.7(2), 12.7(3), and 12.7(4) may be substituted as internal controls, subject to the approval process of subrule 12.3(2), if the procedures comply with the intent of this rule.

**12.7(8)** *Voided transactions.* Whenever it becomes necessary to void a slip, all copies must be clearly marked "void" and bear the signature of the preparer. All void slips must be maintained and controlled in conformity with subrules 12.7(2), 12.7(3), and 12.7(5).

**491—12.8(99F) Dropping or opening a gaming table.**

**12.8(1)** The table inventory slips must be a two-part form, a closer and an opener, containing the following:

*a.* The date and time of preparation.

*b.* The game and table number.

*c.* The total value of each denomination of gaming chips.

*d.* The total value of all denominations of gaming chips.

**12.8(2)** Whenever a gaming table is dropped or upon initial opening after a drop, the gaming chips at the gaming table must be counted by the dealer or boxperson assigned to the gaming table while observed by a casino supervisor assigned to the gaming table.

**12.8(3)** Signatures attesting to the accuracy of the information recorded on the table inventory slips at the time of dropping or opening of the gaming tables must be of the dealer or boxperson and the casino supervisor assigned to the gaming table who observed the dealer or boxperson count the contents of the table inventory.

**12.8(4)** Upon meeting the signature requirements described in subrule 12.8(3):

*a.* The closer, at dropping, must be deposited in the container immediately prior to the closing of the table. The opener and the gaming chips remaining at the table must be placed in a secured, locked area on the table.

*b.* The opener, at opening, must be immediately deposited in the container.

**12.8(5)** Upon opening a gaming table, if the totals on the gaming inventory form vary from the opening count, the casino supervisor must fill out an error notification slip. The casino supervisor and dealer or boxperson sign the error notification slip and deposit the slip in the container.

**491—12.9(99F) Slot machine container and key.** Each slot machine must have at least one container that is housed in a locked compartment or compartments separate from any other compartment of the slot machine.

**12.9(1)** Each container must:

*a.* Have a lock securing the contents of the container, the key to which must be logged out by the count team or employees authorized by the internal controls to address container malfunction issues.

*b.* Have a lock to each compartment securing the container to the slot machine, the key to which is different from the key in paragraph 12.9(1)*"a"* and must be logged out by the drop team, employees authorized by the internal controls to address container malfunction issues, or employees transporting container(s) according to rule 491—12.13(99F).

*c.* Be identified at the time of removal by a number corresponding to the number of the slot machine from which the container is removed.

**12.9(2)** Keys referred to in subrule 12.9(1) must be maintained and controlled by the security department in a secured area. The facility must establish a log-out procedure for all keys removed from the secured area.

**12.9(3)** Other keys to each slot machine or any device connected thereto that may affect the operation of the slot machine must be maintained in a secure place and controlled by the slot department.

**491—12.10(99F) Procedures for attendant payouts.**

**12.10(1)** *Slips.* Each slip must be sequentially numbered and two copies simultaneously printed. An employee authorized by the internal controls must input data for each slip, and each prepared copy must contain the following information:

*a.* The type of transaction.

*b.* The sequentially ordered slip number.

*c.* The date and time of preparation.

*d.* For attendant payouts, the amount to be paid and the cage location from which the amount is to be paid.

*e.* For jackpots, the winning combination to be paid.

**12.10(2)** *Attendant payouts.* Whenever a patron wins a jackpot or has accumulated credits not totally and automatically paid directly from a slot machine, a slip must be prepared by a method authorized by the internal controls. On receipt or preparation of a slip for an attendant payout, the following procedures apply:

*a.* The cashier, or other method authorized by the internal controls, upon providing the payment to an employee authorized by the internal controls, must sign all copies of the slip attesting to the accuracy of the amount provided and the information contained on the slip. For other methods of providing the payment to an employee, the internal controls must describe a specific process indicating how the method verifies the accuracy of the amount provided and the information contained on the slip.

*b.* The employee authorized by the internal controls, upon receipt of the payment, must sign all copies of the slip confirming the accuracy of the amount provided and the information contained the slip, and transport the payment and one copy of the slip to the slot machine. The remaining copy of the slip remains with the cashier or is secured through an alternative method described in the internal controls.

*c.* An additional employee authorized by the internal controls, other than the employees listed in paragraphs 12.10(3)*"a"* and *"b,"* must observe the payment of the patron. For jackpots, the employee must verify the symbols on the slot machine. For jackpots in excess of $10,000, the employee must be a supervisor or higher authority. In either case, the employee then signs the copy of the slip at the slot machine, confirming the accuracy of the amount provided to the patron, confirming the verification of symbols on the slot machine if applicable, and confirming the verification of the information contained on the slip.

*d.* Upon completion of the payout, the copy of the slip at the slot machine must be deposited in a secure area controlled by the accounting department.

*e.* For a slot machine jackpot of $100,000 or more, a facility must notify a commission representative in accordance with the immediate notification process established by 491—subrule 5.4(2).

**12.10(3)** *Overrides.* System overrides must be authorized by a slot supervisor or an employee authorized by the internal controls. This employee must not perform the duties and signature requirements of subrules 12.10(2) and 12.10(3) in any transaction where the employee authorizes a system override. In addition to the signature requirements of subrules 12.10(2) and 12.10(3), the signature of the authorizing employee must be on all copies of the slip.

**12.10(4)** *Slip reconciliation.* At the end of each gaming day, copies of the slip retained by the cashier's cage must be forwarded to the accounting department for agreement with the copies of the slips deposited in the area controlled by the accounting department and for recording on the slot win sheet. Copies must also be compared for agreement with the stored data.

**12.10(5)** *Stored data.* All information required by subrule 12.10(1) must be stored in the online monitoring and control system in machine-readable format. The stored data must not be susceptible to change or removal by any personnel after preparation of the slip.

**12.10(6)** *Modifications.* Modifications to the procedures described in subrules 12.10(2) through 12.10(5) may be substituted as internal controls, subject to the approval process of subrule 12.3(2), if the procedures comply with the intent of this rule.

**12.10(7)** *Manual process.* If the online monitoring and control system is unavailable and accumulated credits are unable to be paid directly by the slot machine, the facility staff may perform manual payouts using manual slips. Manual slips are three-part serially prenumbered forms. For use of manual slips, the following apply:

*a.* Slips must be placed in a locked dispenser or secured through an alternative method consistent with internal controls approved by the commission. Once prepared, the dispenser discharges two copies of the slip, while retaining the third copy in a continuous form. They must be prepared in the cashier's cage at the request of an employee authorized by the internal controls. Procedures for the two dispensed copies are subject to subrules 12.10(2) and 12.10(3).

*b.* The copies remaining in the dispenser must be removed each gaming day where a manual process had to be performed and to replace the stored data used pursuant to subrule 12.10(5). Access to the locked dispenser must be maintained and controlled by independent employees responsible for accounting for the unused slips, placing slips in the dispensers, and removing slips from the dispensers.

**12.10(8)** *Voided transactions.* Whenever it becomes necessary to void a slip, all the copies must be clearly marked "void" and bear the signature of the preparer. All void slips must be maintained and controlled in conformity with subrules 12.10(2) through 12.10(5).

**491—12.11(99F) Attendant and ticket payout accounting.**

**12.11(1)** *Unclaimed payouts.* Jackpots and accumulated credits paid by a slip that are unpaid or unclaimed must be handled in one of the following ways:

*a.* At the close of a facility's fiscal year, the unclaimed funds are disallowed as a deduction from gross receipts for the calculation of adjusted gross revenue for the wagering tax. A facility must make this adjustment to revenue within 90 days of the close of the facility's fiscal year; or

*b.* In adherence to the requirements of Iowa Code chapter 556.

**12.11(2)** *Ticket payouts.* Payouts dispensed by a ticket issued directly from a gaming device must have a minimum payout redemption period of 90 days from the date of issuance.

*a.* Notwithstanding 491—subrule 5.6(13), an issued ticket redeemed for cash or deposited in a slot machine for machine credits must be retained for a minimum of 30 days from the redemption date. The ticket may be subsequently destroyed if record of the transaction is retrievable by other means.

*b.* At the close of the facility's fiscal year, tickets issued in previous fiscal years and tickets with expired redemption periods, including abandoned tickets found by the facility, that remain outstanding and unredeemed are subject to the requirements of subrule 12.11(1).

**491—12.12(99F) Computer recording requirements and monitoring of slot machines.**

**12.12(1)** A facility must have an online monitoring and control system connected to each slot machine in the casino to record and monitor the slot machine's activities.

**12.12(2)** The online monitoring and control system must:

*a.* Be designed and operated to automatically perform the functions relating to slot machine meters in the casino to record the following:

(1) The number and total of currency placed in the slot machine for the purpose of activating play.

(2) The number and total of currency in the container(s).

(3) The number and total of currency to be paid manually as the result of a jackpot.

(4) The electronic meter information required by 491—Chapter 11.

*b.* Monitor and detect machine exception codes and error messages as required by 491—Chapter 11.

*c.* Store in machine-readable form all information required by paragraphs 12.12(2)*"a"* and *"b,"* and the stored data must not be susceptible to change or removal.

**12.12(3)** The licensee must maintain a current log, and notify commission representatives, of all changes and updates made to the online monitoring and control system that affect any part of the system's message digest. These changes and updates are subject to approval under 491—subrule 11.3(1).

**491—12.13(99F) Transportation of containers.**

**12.13(1)** Each facility must place on file with a commission representative a schedule setting forth the specific times at which the containers will be brought to or removed from the gaming tables or slot machines for transport to the count room. An emergency drop that deviates from the schedule is permissible for instances of full containers, container malfunctions, or other circumstances set forth in approved internal controls, provided that representatives from the security department and another department conduct the drop and the process is recorded by the surveillance department from the time of machine entry until the container is secured in the count room or other approved secure location. The commission representative must be notified after each occurrence.

**12.13(2)** A security employee must accompany and observe the drop team. For table games, all containers removed from the gaming tables must be transported by a security employee and a table game supervisor.

**12.13(3)** All containers removed from slot machine cabinets must be removed by a drop team wearing uniforms and be replaced immediately with an empty container that is secured in the cabinet.

**12.13(4)** All containers removed must be transported directly to, and secured in, the count room or in a secure area within the facility until the containers can be transferred to the count room.

**12.13(5)** Empty containers not secured to the gaming tables or slot machine compartment must be stored in the count room or an approved secured location. Empty containers may be removed from the count room or secured area for repair or destruction provided that, prior to removal, the surveillance department is notified and the inside of the container is held up to the full view of a surveillance camera that meets the requirements of 661—Chapter 141.

**491—12.14(99F) Count room—characteristics.**

**12.14(1)** Each facility must have a count room that:

*a.* Is designed and constructed to provide maximum security for materials housed within and the activities conducted therein.

*b.* Has an alarm device connected to the entrance of the room that causes a signaling to the monitors of the closed circuit surveillance system and to the commission representative's office whenever the door to the room is opened.

*c.* Has, if currency is counted therein, count surfaces constructed of clear glass or similar material for the emptying, counting, and recording of the contents of containers.

**12.14(2)** All room keys must be maintained and controlled in a secured area by the security department. The facility must establish a sign-out procedure for all keys removed from the secured area.

**491—12.15(99F) Opening, counting, and recording contents of containers in the count room.**

**12.15(1)** Each facility must file with a commission representative the specific times and procedures for opening, counting, and recording the contents of containers.

**12.15(2)** All persons present in the count room during the counting process, unless expressly exempted by a commission representative, must wear a full-length, one-piece, pocketless outer garment with openings only for the arms, feet, and neck that extends over any other garments and covers the tops of any footwear.

**12.15(3)** Persons cannot:

*a.* Carry a pocketbook or other container into the count room unless it is transparent.

*b.* Remove their hands from or return them to a position on or above the count surface unless the backs and palms of the hands are first held straight out and exposed to the view of other members of the count team and the closed circuit surveillance camera.

**12.15(4)** Procedure for conducting the count.

*a.* Immediately before beginning the count, the count team must notify the person assigned to the surveillance room that the count is about to begin, after which the surveillance department will make a video recording of the entire counting process with the time and date inserted thereon.

*b.* Prior to counting the contents of the containers, the doors to the count room must be locked and no person permitted to enter or leave the count room, except during an emergency or on scheduled breaks, until the entire counting, recording, and verification process is completed. During this time, a commission representative must have unrestricted access.

*c.* When a container is placed on a count surface or coin scale, the count team must ensure that the table or machine number associated with a container is identified to the surveillance department.

*d.* A machine may be used to automatically count the contents of a container.

*e.* The contents of each container must be emptied on the count surface or coin scale and either manually counted separately on the count surface or counted in an approved currency counting machine located in a conspicuous location on, near, or adjacent to the count surface or coin scale. These procedures must at all times be conducted in full view of the closed circuit surveillance cameras located in the count room.

*f.* Immediately after the contents of a container are emptied onto the count surface or coin scale, the inside of the container must be held up to the full view of a closed circuit surveillance camera and shown to at least one other count team member to ensure all contents of the container have been removed and, if applicable, the container must then be locked. By the end of the count process, empty containers must be secured in a container cart or an area separate from uncounted containers.

*g.* If the original count is being performed by a machine that automatically counts and records the amounts of the contents of each individual container, an aggregate count may be permitted in substitution of a second container count.

*h.* For manually counted containers:

(1) The count team members must place the contents of each container into separate stacks on the count surface by denomination of currency and by type of form, record, or document, except that a machine may be used to automatically sort currency by denomination.

(2) Each denomination of currency must be counted separately by one count team member who groups currency of the same denomination on the count surface in full view of a closed circuit surveillance camera. The currency must then be counted by a second count team member who is unaware of the result of the original count. The second count team member, after completing this count, must confirm the accuracy of the total, either orally or in writing, with that reached by the first count team member.

**12.15(5)** Table games.

*a.* As the contents of each container from a table game are counted, one count team member must record the following information by game, table number, date, and time on a master game report or supporting documents:

(1) The amount of each denomination of currency.

(2) The amount of all denominations of currency.

(3) The total amounts of currency.

(4) The total amount of gaming chips.

(5) The amount of the opener.
(6) The amount of the closer.
(7) The serial number and amount of each fill.
(8) The amount of all fills.
(9) The serial number and amount of each credit.
(10) The amount of all credits.
(11) The win or loss.

*b.* After the contents of each container are counted and recorded, one member of the count team must record by game on the master game report the total amounts of currency, table inventory slips, fills, credits, and win or loss together with any other required information.

*c.* Notwithstanding the requirements of paragraphs 12.15(5)*"a"* and *"b,"* if the internal controls allow for the recording of fills, credits, and table inventory slips on the master game report or supporting documents prior to commencement of the count, a count team member must compare for agreement the totals of the amounts recorded thereon to the fills, credits, and table inventory slips removed from the containers.

*d.* After preparation of the master game report, each count team member must sign the report attesting to the accuracy of the information contained thereon.

*e.* Currency and gaming chips cannot be removed from the count room after commencement of the count until the total has been verified and accepted by a cashier. At the conclusion of the count, all currency and gaming chips removed from the containers must be counted by a cashier in the presence of a count team member prior to having access to the information recorded on the master game report. The cashier attests to the accuracy of the amount received from the gaming tables by signature on the master game report, after which a count team member must sign the master game report evidencing the fact that both the cashier and count team have agreed on the total counted. The verified funds must then remain in the custody of the cashier.

*f.* After the master game report has been signed, the requests, slips, and table inventory slips removed from the containers must be attached. The report, with attachments, is then transported directly to the accounting department or maintained in locked storage until the master game report can be delivered to the accounting department. Upon meeting the signature requirements described in paragraph 12.15(5)*"e,"* the report must not be available to any cashier's cage personnel.

*g.* Unless the internal controls provide for the forwarding of the original requests and original slips from the cashier's cage directly to the accounting department, the original requests and original slips recorded or to be recorded on the master game report must be transported from the count room directly to the accounting department.

*h.* The originals and copies of the master game report, requests, slips, table inventory slips, and the test receipts from the currency counting equipment must, on a gaming day basis in the accounting department, be:

(1) Compared for agreement with each other on a test basis if the originals are received from the count room by persons with no recording responsibilities and, if applicable, to copies remaining in the dispenser or stored data.
(2) Reviewed for the appropriate number and propriety of signatures on a test basis.
(3) Accounted for by series numbers, if applicable.
(4) Verified for proper calculation, summarization, and recording.
(5) Recorded.
(6) Maintained and controlled by the accounting department as a permanent accounting record.

**12.15(6)** Slot machines.

*a.* Currency cannot be removed from the count room after commencement of the count until the currency total has been verified and accepted by a cashier. At the conclusion of the count, all currency removed from the containers must be counted by a cashier in the presence of a count team member prior to the recording of information on the slot drop sheet. The cashier must attest to the accuracy of the amount of currency received from the slot machines by signature on the slot drop sheet, after which a count team member signs the slot drop sheet evidencing the fact that both the cashier and count team have agreed on the total amount of currency counted. The verified funds must remain in the custody of the cashier.

*b.* The slot drop sheet and supporting documents must be transported directly to the accounting department and must not be available, except for signing, to any cashier's cage or slot personnel. Alternatively, the slot drop sheet and supporting documents may be maintained in locked storage until they can be delivered to the accounting department.

*c.* The preparation of the slot drop sheet must be completed by accounting employees as follows:

(1) Compare the amount of currency counted and the drop meter reading for agreement for each slot machine.

(2) Record for each slot machine the payouts and compare for agreement the payouts to the manual jackpot meter reading recorded on the slot meter sheet.

(3) Calculate and record the win or loss for each slot machine.

(4) Explain and report for corrections of apparent meter malfunctions to the slot department all significant differences between meter readings and amounts recorded.

(5) Calculate statistics by slot machine.

*d.* The slot drop sheet, the slot meter sheet, and payouts must be:

(1) Compared for agreement with each other and to copies or stored data on a test basis.

(2) Reviewed for the appropriate number and propriety of signatures on a test basis.

(3) Accounted for by series numbers, if applicable.

(4) Verified for proper calculation, summarization, and recording.

(5) Recorded.

(6) Maintained and controlled by accounting department employees.

**491—12.16(99F) Electronic wagering accounts.**

**12.16(1)** A facility may be allowed to offer electronic wagering accounts for patrons enrolled at that facility for use on premises at that facility. Prior to offering any electronic wagering accounts, the facility must submit additional internal controls, approved by a commission representative in accordance with rule 491—12.3(99F), that include the following for operation of an account:

*a.* Limit of one active account per individual player.

*b.* Details on how a player will be identified and the methods required to access funds in the account.

*c.* Process to easily and prominently impose limitations for wagering parameters, including but not limited to deposits and wagers. Upon receipt, any self-imposed limitations must be employed correctly and immediately as indicated to the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours. If the wagering account includes access to wagering account information, this process must include the capability to notify the player for self-imposed limitations.

*d.* Process to prohibit wagering by participants of the statewide self-exclusion program. The operator must ensure that newly enrolled participants are paid in full for their account balance within a reasonable time provided that the operator acknowledges that the funds have cleared.

**12.16(2)** The following requirements apply to the maintenance of funds associated with a player account:

*a.* A facility must not have access to funds in a player's account, except to debit the account for a wager made by the player, to remit funds to the player at the player's request, or as otherwise authorized by the commission.

*b.* Methods of transfer or deposit into a player's account must be limited to currency transactions with a casino cashier, or transfers from a participating gaming machine or designated kiosk, unless otherwise approved by the commission. Direct transfers utilizing accounts with outside entities are permitted. Electronic wagering accounts cannot be funded with a credit card.

*c.* Positive player identification, including any personal identification number (PIN) entry or other approved secured methods, must be completed before the withdrawal of any moneys held by the facility.

*d.* It must not be possible to transfer funds between two player accounts.

*e.* A facility must provide a transaction log or account statement history at no cost to players upon request. Information provided should include sufficient information to allow players to reconcile the statement or record against their own financial records and identify any device where a transaction occurred.

*f.* A facility cannot charge any fees for the registration, operation or maintenance of wagering accounts, including but not limited to processing any deposits or withdrawals.

**12.16(3)** Abandoned player accounts under this rule are subject to Iowa Code chapter 556. Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes any deposit or withdrawal, including activity initiated by the player to make a wager on a participating gaming device.

These rules are intended to implement Iowa Code chapter 99F.

**RA 26-210**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 13
"Sports Wagering"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99F.1, 99F.4, 99F.4B, 99F.7A, and 99F.9

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99F

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearings. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 13 of the Commission's rules establishes guidelines and licensing requirements for sports wagering and mobile sports wagering. This proposed rulemaking consolidates, reduces, or eliminates some rule language in accordance with Executive Order 10. In addition, this proposed rulemaking includes some new or expanded provisions related to allowable wagers, the addition of individual taxpayer identification numbers as a substitute for Social Security numbers under appropriate circumstances, account funding and withdrawal, and procedures for market exits when a licensee ends the licensee's Iowa operations.

All references to the rule subparts of 491—Chapter 5 are to those as published herein as **RA 26-206**, IAB 8/5/26.

*Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**
- **Classes of persons that will bear the costs of the proposed rulemaking:**

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with this chapter.

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

Existing operators will benefit from the addition of proposed subrule 13.5(8), addressing market exits, because the proposed subrule provides a clear roadmap for licensees who may elect to end their Iowa operations.

In addition, bettors may benefit from some of the proposed rules, particularly those relating to account funding and withdrawals. For example, proposed paragraph 13.5(4)"h" provides that a sports wagering operator must not charge any fees to a player for the registration, operation, or maintenance of wagering accounts, including processing deposits or withdrawals and any investigations the operator may conduct.

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

- **Quantitative description of impact:**

If any operators are currently assessing fees or costs based on investigations into account activity, proposed paragraph 13.5(4)"h" would eliminate their ability to continue doing so with respect to Iowa accounts.

- **Qualitative description of impact:**

The addition of individual taxpayer identification numbers as an allowable substitute for Social Security numbers will have a positive qualitative impact because it matches a practice several other states with authorized sports wagering are already following.

3. **Costs to the State:**

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

This proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

This proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

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

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

This proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13
SPORTS WAGERING

**491—13.1(99F) Definitions.** As used in these rules, unless the context otherwise requires, the following definitions apply:

*"Administrator"* means the administrator of the racing and gaming commission or the administrator's designee.

*"Designated sports wagering area"* means an area, as designated by a licensee and approved by the commission, in which sports wagering is conducted.

*"Facility"* means an entity licensed by the commission to conduct pari-mutuel wagering, gaming or sports wagering operations in Iowa.

**491—13.2(99F) Conduct of all sports wagering.**

**13.2(1)** *Commission policy.* It is the policy of the commission to require that all industry participants conduct sports wagering in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the state. Responsibility for selecting, implementing, and maintaining suitable methods of operation rests with the facility, vendor, and advance deposit sports wagering operator. Willful or persistent use or toleration of methods of operation deemed unsuitable in the sole discretion of the commission constitute grounds for disciplinary action, up to and including revocation.

**13.2(2)** *Activities prohibited.* A facility, vendor, or advance deposit sports wagering operator is expressly prohibited from the following activities:

*a.* Failing to conduct advertising and public relations activities in accordance with decency, dignity, good taste, and honesty.

*b.* Failing to comply with or make provision for compliance with all federal, state, and local laws and rules pertaining to the operation of a facility or advance deposit sports wagering operation, including but not limited to payment of license fees, withholding payroll taxes, and violations of alcoholic beverage laws or regulations.

*c.* Permitting cheating, failing to discover cheating that should have been discovered with reasonable inquiry, or failing to take action to prevent cheating.

*d.* Failing to conduct sports wagering operations in accordance with proper standards of custom, decorum, and decency; or permitting any type of conduct that reflects negatively on the state or commission or acts as a detriment to the sports wagering industry.

*e.* Performing any type of sports wagering activity, at any time, that is contrary to the representation made to the commission, commission representatives, or the public.

*f.* Denying a commissioner or commission representative, upon proper and lawful demand, information, documents, or access to inspect any portion of the sports wagering operation.

**13.2(3)** *Wagers.* Wagers may only be made by persons 21 years of age or older and on activities authorized pursuant to Iowa Code chapter 99F that are approved by the commission. A licensee cannot offer, accept, or settle wagers exceeding league-specific or event-specific wagering limits the commission may designate.

**13.2(4)** *Public notice.*

*a.* The public must have access to the sports wagering rules, available wagers, odds or payouts, the payout period, and the source of the information used to determine the outcome of a sports wager. All licensees and advance deposit sports wagering operators must require participants to follow the rules of play. The sports wagering rules must be:

(1) Displayed in the licensee's sports wagering area.

(2) Posted on the internet site or mobile application used to conduct advance deposit sports wagering.

(3) Included in any terms and conditions disclosure statements of the advance deposit sports wagering system.

*b.* During account registration and each time the user logs in, advance deposit sports wagering operators must display the following information on any interface that accepts wagers:

(1) Account sharing is prohibited.

(2) Persons under the age of 21 are prohibited from wagering.

(3) Any other disclosures required by the administrator.

**13.2(5)** *Bond.* A licensee must post a bond or irrevocable letter of credit, at an amount determined by the commission, to the state of Iowa to guarantee that the licensee and any vendor or advance deposit sports wagering operator licensed in conjunction with the licensee faithfully makes the payments, keeps its books and records and makes reports, and conducts its gambling games and sports wagering in conformity with Iowa Code chapter 99F and the rules adopted by the commission.

**13.2(6)** *Reserve.* A reserve in the form of cash or cash equivalents segregated from operational funds, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof must be maintained in the amount necessary to cover the outstanding vendor sports wagering liability and advance deposit sports wagering liability. An accounting of this reserve must be available for inspection by the commission upon request.

*a.* The method of reserve must be submitted to and approved by the administrator prior to implementation.

*b.* Reserve calculation includes patron accounts, future wagers liability, unpaid wagers, and pending withdrawals.

*c.* If, at any time, the licensee's total reserve is less than the amount required by the reserve calculation, the licensee must notify the commission of this deficiency within 72 hours.

*d.* On a form provided by the commission, the controller or an employee of higher authority must file a monthly attestation to the commission that the reserve funds have been maintained pursuant to this subrule. The attestation is due to the commission no later than 15 days after the end of each month.

**13.2(7)** *Internal controls.* Licensees and advance deposit sports wagering operators must submit a description of internal controls to the administrator at least 30 days before sports wagering operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of sports operations. After approval, the operator must submit to the administrator any changes to the internal controls at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It is each licensee's and advance deposit sports wagering operator's affirmative responsibility and continuing duty to follow and comply with, and ensure their employees follow and comply with, all internal controls. Internal control submissions must include controls and reasonable methods that indicate how the licensee will:

*a.* Prohibit wagering by the categories of persons set forth in Iowa Code section 99F.7A(4).

*b.* Identify and suspend accounts opened by or on behalf of persons under the age of 21.

*c.* Promptly report to the commission, in a format approved by the administrator, when required by Iowa Code section 99F.12(2)*"b."* Integrity-monitoring procedures must also provide for the sharing of information with other licensees, other governing authorities, and accredited sports governing entities by participating in an integrity-monitoring association or group or by another method approved by the administrator.

*d.* Provide written notification to the commission for any incident where there is a violation involving criminal activity, Iowa Code chapter 99F, a commission rule or order, or an internal control within 72 hours of detection. The licensee or advance deposit sports wagering operator must provide a written report detailing the violation as required by and in a format approved by the administrator.

*e.* Segregate incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of the employee's duties.

*f.* Maintain and enforce user access controls for all sensitive and secure, physical and virtual, areas and systems within a sports wagering operation.

*g.* Recognize and work to reduce or treat problem gambling by:

(1) Identifying problem gamblers.

(2) Complying with the process established by the commission pursuant to Iowa Code section 99F.4(22) and 491—subrule 5.6(11).

(3) Cooperating with the Iowa gambling treatment program in creating and establishing controls.

(4) Including information on the availability of the gambling treatment program in a substantial number of the licensee's advertisements and printed materials.

*h.* Setoff winnings of customers who have a valid lien established under Iowa Code chapter 99F.

**13.2(8)** *Revenue reporting.* Reports generated from the sports wagering system must be made available as determined by the commission. The reporting system should be capable of issuing reports by wagering day, wagering month, and wagering year. Wagering data cannot be purged unless approved by the commission. The reporting system should provide for a mechanism to export the data for the purposes of data analysis and auditing or verification. The reporting system must be able to provide, at a minimum, the following sports wagering information:

*a.* The date and time each event started and ended.

*b.* Total amount of wagers collected.

*c.* Total amount of winnings paid to players.

*d.* Total amount of wagers canceled, voided, and expired.

*e.* Commission or fees collected.

*f.* Total value of promotional play or free play used to purchase or execute a sports wager.

*g.* Event status.

*h.* Total amount held by the operator for the player accounts.

*i.* Total amount of wagers placed on future events.

*j.* Total amount of winnings owed but unpaid by the operator on winning wagers.

*k.* The date, time, stake amount, win amount and individual associated with each event where winnings are required to be reported on Internal Revenue Service form W-2G, as recorded by the reporting system.

**13.2(9)** *Unclaimed winnings and abandoned accounts.* Unclaimed winnings and abandoned accounts are subject to the following requirements:

*a.* Abandoned player accounts under this rule are subject to Iowa Code chapter 556.

*b.* Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes making a wager, making an account deposit, or withdrawing funds.

*c.* A licensee or advance deposit sports wagering operator cannot charge an administration fee or maintenance fee for any inactive player account derived from state of Iowa residents at any time for any reason.

**13.2(10)** *Annual audit.* If a vendor is conducting sports wagering for a casino licensee, an audit of the sports wagering operations for the vendor or parent company of the vendor must be conducted by certified public accountants authorized to practice in the state of Iowa, be provided to the commission within 90 days after the vendor's fiscal year ends, and meet the following conditions:

*a.* Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement including a breakdown of expenditures and subsidiaries of sports wagering activities.

*b.* Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the vendor's fiscal year does not correspond to the calendar year.

*c.* Inclusion of a supplement schedule for all Iowa locations in which the vendor operates.

*d.* Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

*e.* Availability, upon request, of an engagement letter for the audit between the vendor or parent company of the vendor and the auditing firm.

**13.2(11)** *Revenue reports.* Licensees and advance deposit sports wagering operators must provide additional reports, as determined necessary by the administrator, that detail the revenue submission required by 491—paragraph 5.6(9)*"c."* Reports should be provided in a format approved by the administrator. The administrator will provide written notice to any licensee if additional reports are necessary. In addition, the administrator will provide adequate time to any licensee if a report needs to be created to satisfy this subrule.

**13.2(12)** *Ticket payouts.* A method must be available for players to collect at any time during the facility's hours of operation winnings from wagers made in person at a facility. Winnings required to be reported on Internal Revenue Service Form W-2G are exempt from this subrule.

**13.2(13)** *Records.* Licensees must provide all information requested by the commission within seven days or less as ordered or requested by the commission. The licensees must ensure all books and records and the retention of all books and records comply with 491—subrule 5.6(13). All records pertaining to wagers must be available to allow for player complaint resolution. All records pertaining to the accounts of persons who registered or have account activity in Iowa must be available to allow for audits and investigations.

**491—13.3(99F) Approval of sports wagers.**

**13.3(1)** *Approval.* Prior to offering a sports wager, a facility or advance deposit sports wagering operator must request that the administrator investigate and approve the sports wager for compliance with commission rules and any other standards as required by the commission. The administrator may require the facility or advance deposit sports wagering operator, at the facility's or advance deposit sports wagering operator's own expense, to provide additional information as necessary to make a determination. Prior to approval, the administrator may require a trial period of any sports wager offering. Once a sports wager is approved by the administrator, unless it is subsequently disapproved for any reason deemed appropriate by the administrator, the sports wager is available for all operators under the conditions approved and subject to subrule 13.3(2). The commission may maintain and periodically update an approved wager listing.

**13.3(2)** *Sports wager submissions.* Prior to conducting a sports wager approved pursuant to subrule 13.3(1), a licensee or advance deposit sports wagering operator must submit proposals for the wager, including but not limited to wagering rules, payout information, source of the information used to determine the outcome of the sports wager, and any restrictive features of the wager. The sports wager submission, or requests for modification to an approved wager, must be submitted in writing and approved by the administrator prior to implementation.

**13.3(3)** *Sports promotional contests, tournaments, or promotional activities.* Sports promotional contests, tournaments, or promotional activities may be permitted by the licensee, vendor, or advance deposit sports wagering operator providing the following:

*a.* Rules are available to participants for review prior to registering. Rules must include, at a minimum: all conditions registered players must meet to qualify to enter or advance through the event, available prizes or awards, fees, and distribution of prizes or awards based on specific outcomes.

*b.* Rules are followed. Changes to rules cannot be made after participants have registered.

*c.* Results are made available for the registered players to review at the same location at which or in the same manner in which players registered. Results include, at a minimum: name of the event, date of the event, total number of entries, amount of entry fees, total prize pool, and amount paid for each winning category.

*d.* Fees collected, less cash prizes paid, are subject to the wagering taxes pursuant to Iowa Code section 99F.11(4). In determining sports wagering net receipts, to the extent that cash prizes paid out exceed fees collected, the licensee or advance deposit sports wagering operator will be deemed to have paid the fees for the participants.

*e.* Rules include terms and conditions. All emails or digital advertisements promoting contests, tournaments, and promotional activities must include a link or other easily obtainable source that includes rules or terms and conditions.

*f.* There is compliance with all other federal, state, and local laws and rules outside of the commission's jurisdiction.

**491—13.4(99F) Designated sports wagering area.** A floor plan identifying the designated sports wagering area, including the location of any device used to assist in the placement, resolution or collection of any sports wager, must be filed with the administrator for review and approval. Modification to a previously approved plan must be submitted for approval at least ten days prior to implementation. Designated wagering areas must contain conspicuous signage that denotes that an individual must be at least 21 years of age to wager on sports. Exceptions to this rule must be approved in writing by the administrator. The sports wagering area is subject to compliance with 491—subrule 5.6(7).

**491—13.5(99F) Advance deposit sports wagering.**

**13.5(1)** *Authorization to conduct advance deposit sports wagering.* A licensee or advance deposit sports wagering operator must receive specific authorization from the commission to conduct advance deposit sports wagering prior to conducting advance deposit sports wagering. The granting of an advance deposit sports wagering license or approval of any agreements between a licensee and an advance deposit sports wagering operator to conduct advance deposit sports wagering does not constitute authorization. Any entity authorized to conduct advance deposit sports wagering is expected to comply with all requirements of this chapter, except for rule 491—13.4(99F), and all other applicable federal, state, local, and commission requirements.

**13.5(2)** *Account registration.* A person must have an established account in order to place advance deposit sports wagers. The process for establishing an account is subject to the administrator's approval. An account may be established through on-site registration under procedures approved by the administrator or through remote registration. To establish an account, an application for an account must be signed or otherwise authorized in a manner approved by the administrator and include the applicant's full legal name, principal residential address, date of birth, last four digits of the social security number or individual taxpayer identification number, and any other information required by the administrator. The account registration process must also include:

*a.* Age verification to prevent persons under the legal age for sports wagering from establishing an account.

*b.* An applicant verification process that includes an exact match of the following:

(1) Date of birth, including month, date and year of birth.

(2) The last four digits of the social security number or individual taxpayer identification number.

(3) Last name.

*c.* An applicant verification process that permits a flexible match by allowing the following:

(1) First name may include nicknames and abbreviations.

(2) Address may include abbreviations.

*d.* Authentication of identification by:

(1) Answering knowledge-based questions based on the applicant's public or private data; or

(2) Verifying that device ID and phone number match the applicant's publicly known data; or

(3) Comparing of valid government-issued ID to applicant's picture taken at time of account registration; or

(4) Another method as approved by the administrator.

*e.* Verification that the player applicant is not on the statewide self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

*f.* Availability and acceptance of a set of terms and conditions that is also readily accessible to the player before and after registration and noticed when updated. Notices must include, at a minimum, the following:

(1) Explanation of rules in which any unrecoverable malfunctions of hardware/software are addressed, including but not limited to if the unrecoverable malfunction, wagering event cancellation, or other catastrophic malfunction results in the voiding of any wagers.

(2) Procedures to deal with interruptions caused by the suspension of data flow from the network server during an event.

(3) Specifications advising players to keep their account credentials secure.

(4) Statement that no underage individuals are permitted to participate in wagering.

(5) Explanation of conditions under which an account is declared inactive and actions undertaken on the account once this declaration is made.

*g.* Availability and acceptance of a privacy policy that is also readily accessible to the player before and after registration and noticed when updated and that includes, at a minimum, the following:

(1) Statement of information that is collected, the purpose for information collection, and the conditions under which information may be disclosed.

(2) Statement that any information obtained in respect to player registration or account establishment must be done in compliance with the privacy policy.

(3) Requirement that any information about player accounts that is not subject to disclosure pursuant to the privacy policy must be kept confidential, except where the release of that information is required by law.

(4) Requirement that all player information must be securely removed from all storage media and devices, including hard disks, solid state memory, and virtual storage before the device or storage media is removed from use or properly disposed of by the licensee. If erasure is not possible, a storage device must be destroyed.

*h.* If an advance deposit sports wagering operator has an agreement with more than one licensee, the advance deposit sports wagering operator must submit an agreement to the administrator that indicates the manner in which customer net receipts will be assigned with its licensee partners. The agreement must include all partnering licensees and their respective qualified sponsoring organizations, and the net receipts allocated using one of the following methods:

(1) Make available an option for new remotely registered customers to select the licensee at which net receipts are assigned.

(2) Allocate new remotely registered customer net receipts to the licensee that is located nearest to the customer's principal residential address.

(3) Distribute all customer receipts evenly between all licensees for which an agreement exists.

(4) An alternative allocation agreement that complies with local, state and federal law. The agreement must be made available for public inspection.

**13.5(3)** *Operation of an account.* The advance deposit sports wagering operator or a licensee must submit controls, approved by the commission, that include the following for operating an account:

*a.* Specific procedures and technology partners to fulfill the requirements set forth in subrule 13.5(2).

*b.* Location detection procedures to reasonably detect and dynamically monitor the location of a player attempting to place any wager or perform other account activities as identified by the advance deposit sports wagering operator or licensee, related to an Iowa authorized account. Account activity-based location detection controls must be informed by industry best practices and any commission guidelines for the detection of fraud or other unauthorized or illegal activity. The advance deposit sports wagering operator or licensee must utilize and monitor geolocation activity to detect potential fraudulent and suspicious activity, which must be reported in accordance with paragraph 13.2(7)*"d."* A player outside the permitted boundary attempting to make a wager must be rejected and the player notified. The confidence radius must be entirely located within the permitted boundary.

*c.* Specific controls set forth in subrule 13.2(7).

*d.* Limitation of one active account, per individually branded website, at a time unless otherwise authorized by the commission.

*e.* Authentication for login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords must be available, secure, and clearly disclosed to the player. Players must be allowed to change their passwords.

*f.* Immediate notification to the player when changes are made to any account used for financial transactions or to registration information or when financial transactions are made unless other notification preferences are established by the player.

*g.* Process to immediately notify a player following an unusual login attempt. In the event that the unusual login attempt constitutes suspicious activity or if other suspicious activity is detected, an account must be locked and the player notified of the lock. A multifactor authentication process must be employed for the account to be unlocked.

*h.* Process for players to easily impose limitations or notifications for wagering parameters, including but not limited to deposits and wagers. Self-imposed limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

*i.* Process for players to easily self-exclude from wagering for a specified period of time and indefinitely. Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the advance deposit sports wagering operator or licensee must ensure that the player is paid in full for the player's account balance within a reasonable time provided that the advance deposit sports wagering operator or licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

*j.* Process to review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program set forth in Iowa Code section 99F.4(22). The operator must ensure that players are paid in full for their account balance within a reasonable time provided that the operator acknowledges that the funds have cleared.

*k.* Provide for an easy and obvious method for a player to make a complaint and to enable the player to notify the commission if such complaint has not been or cannot be addressed by the advance deposit sports wagering operator or licensee.

*l.* Procedures allowing for a player to close an account and to access the player's account history.

**13.5(4)** *Account funds.* The following requirements apply to the maintenance of funds associated with a player account:

*a.* Positive player identification, including any personal identification number (PIN) entry or other approved secure methods, must be completed before the withdrawal of any moneys held by the advance deposit sports wagering operator or licensee can be made.

*b.* Payments from an account are to be paid directly to an account with a financial institution in the name of the player or made payable to the player and forwarded to the player's address or through another method that is not prohibited by state or federal law.

*c.* A licensee must not have access to funds in a player's account, except to debit the account for a wager made by the player, to remit funds to the player at the player's request, or as otherwise authorized by the commission.

*d.* An advance deposit sports wagering operator or licensee must have in place security or authorization procedures to ensure that only authorized adjustments can be made to player accounts and that changes are auditable.

*e.* It must not be possible to transfer funds between two player accounts.

*f.* An advance deposit sports wagering operator or licensee must provide a transaction log or account statement history at no cost to players upon request. Information provided must include sufficient information to allow players to reconcile the statement or log against their own financial records.

*g.* Players must be allowed to request the withdrawal of funds. An advance deposit sports wagering operator must complete a player request within five business days. A request for withdrawal is considered complete if it is processed by the advance deposit sports wagering operator notwithstanding a delay by a payment processor, card issuer, or the custodian of a financial account. The advance deposit sports wagering operator or licensee may decline the request to withdraw funds only if they believe in good faith that the patron engaged in either fraudulent conduct or other unlawful conduct that would put the advance deposit sports wagering operator in violation of the law or applicable administrative rules. In such cases, the advance deposit sports wagering operator must:

(1) Notify the patron of the investigation of the patron's sports wagering account.

(2) Report the investigation of potentially fraudulent or unlawful activity to the commission in accordance with paragraph 13.2(7)*"d."*

*h.* An advance deposit sports wagering operator or licensee must not charge any fees for the registration, operation, or maintenance of wagering accounts, including but not limited to processing deposits or withdrawals, or investigations into account activity.

*i.* If the method of reserve utilized to comply with subrule 13.2(6) is not in the form of cash or cash equivalents segregated from operational funds, an advance deposit sports wagering operator or licensee must segregate player account funds from operational funds.

**13.5(5)** *Annual audit.* An audit of the advance deposit sports wagering operations for the advance deposit sports wagering operator or licensee or parent company of the advance deposit sports wagering operator or licensee must be conducted by certified public accountants authorized to practice in the state of Iowa, be provided to the commission within 90 days after the licensee's fiscal year ends, and meet the following conditions:

*a.* Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement, including a breakdown of expenditures and subsidiaries of advance deposit sports wagering activities.

*b.* Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the advance deposit sports wagering operator's or licensee's fiscal year does not correspond to the calendar year.

*c.* Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

*d.* Availability, upon request, of an engagement letter for the audit between the advance deposit sports wagering operator or licensee or parent company of the advance deposit sports wagering operator or licensee and the auditing firm.

*e.* Inclusion of a supplemental schedule for Iowa operations that includes a breakdown of advance deposit sports wagering activities by each Iowa casino in which there is an agreement. The supplemental schedule provided to satisfy this requirement may be unaudited; however, the top financial officer of the company must provide a statement attesting to the accuracy of the information provided to the commission.

**13.5(6)** *Wagers.* An advance deposit sports wagering operator must display a player's wagers in a readily accessible manner.

**13.5(7)** *Expiration or termination of an Iowa Code section 99F.7A operating agreement.* In the event an advance deposit sports wagering operating agreement between a licensee under Iowa Code section 99F.7A and another entity expires, terminates, or is no longer valid, notice of termination must be given to the commission and all customers affiliated with the licensee. A customer must be given an opportunity to close an account. If the advance deposit sports wagering operator has an operating agreement with other licensees in the state of Iowa, the customer must have the option to select another partner licensee to which their net receipts will be assigned, or the customer's net receipts may be assigned to any remaining partner licensees in accordance with an agreement submitted to the administrator pursuant to paragraph 13.5(2)*"h."*

**13.5(8)** *Ending operations.* If a licensee intends to end operations in Iowa, the following requirements apply:

*a.* The licensee must notify the commission that it intends to end operations and identify a target exit date.

*b.* The licensee must submit a shutdown plan that includes procedures the licensee will follow as it ends operation in Iowa. The plan must include but is not limited to:

(1) Dates for ending new account registration, ending wagering, and ending withdrawals.

(2) Details for communication with patrons regarding the shutdown, including type of message, frequency of communication, and content of communication.

(3) Details for management of patron funds, including accounts under investigation with frozen funds and dormant or abandoned accounts with a remaining balance.

(4) A method to ensure accessibility of archived data from the system for reports, complaints, or other commission requests after Iowa operations have ended.

(5) Contacts for any inquiries after Iowa operations have ended.

*c.* All required reports, including monthly revenue reports, must continue to be submitted until all wagers have settled.

*d.* A final audit of sports wagering operations that includes figures and findings through the end of Iowa operations and that meets the requirements of subrules 13.2(10) and 13.5(5) is due to the commission within 90 days after Iowa operations have ended.

**491—13.6(99F) Testing.**

**13.6(1)** *Initial testing.* All equipment and systems integral to the conduct of sports wagering and advance deposit sports wagering must be tested and certified for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. Certification and commission approval must be received prior to the use of any equipment or system to conduct sports wagering. The commission may designate more than one independent testing laboratory.

**13.6(2)** *Change control.* Licensees and advance deposit sports wagering operators must submit change control processes that detail evaluation procedures for all updates and changes to equipment and systems to the administrator for approval at least 30 days prior to operation. These processes must include, at a minimum, descriptions of the following areas of licensee operations:

*a.* Process to classify all changes according to organizational risk.

*b.* Process to designate whether changes must be submitted to an independent testing laboratory for review and certification.

*c.* Process for emergency change determination and implementation.

*d.* Process to log or note changes. Must include the details logged for each change, including but not limited to the following areas:

(1) Date and time of change or proposed date and time of change.

(2) Basic description of changes to be implemented.

(3) Change classification of change or changes, determined in accordance with the process established by paragraph 13.6(2)*"a."* If emergency designation is separate from other change classifications, this must also be included in the log or note.

(4) Identification of whether a change was submitted to an independent testing laboratory, and the certification report number of any testing.

*e.* Process to maintain logs or notify the commission of changes.

**13.6(3)** *Annual testing.*

*a.* A system integrity and security risk assessment must be performed annually on the advance deposit sports wagering system.

(1) The testing organization must be independent of the licensee and be qualified by the administrator.

(2) The system integrity and security risk assessment must be completed no later than March 31 of each year.

(3) Results from the system integrity and security risk assessment must be submitted to the administrator no later than April 30 of each year. Results must include a remediation plan to address any risks identified during the system integrity and security risk assessment.

(4) The system integrity and security risk assessment must be conducted in accordance with current and accepted industry standard review requirements for system integrity and security risk assessments.

(5) The system integrity and security risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls and an audit of the licensee processes for compliance with those controls.

*b.* A geolocation system and integrity test must be performed annually on the advance deposit sports wagering system.

(1) The testing organization must be independent of the licensee and the licensed geolocation vendor and be qualified by the administrator.

(2) The geolocation system and integrity test must be completed and the results submitted no later than March 31 of each year.

(3) Geolocation system and integrity testing must review existing licensee procedures for detecting and reporting fraudulent activity associated with any account activity detected by the geolocation system.

*c.* At the discretion of the administrator, additional assessments or specific testing criteria may be required.

**491—13.7(99F) Licensing.**

**13.7(1)** *Application and payment of fee.* The commission will, upon compliance with Iowa Code section 99F.6, issue a license to conduct sports wagering to a facility.

**13.7(2)** *Application procedure for a facility.* Application for a license for a facility to conduct sports wagering is made to the commission. In addition to the application, the following must be completed and presented when the application is filed:

*a.* Name of the entity to be licensed by the commission to conduct sports wagering operations in Iowa.

*b.* Disclosure of agreements with entities to manage or operate sports wagering with or on behalf of the facility.

*c.* Disclosure of operating agreements for up to two, or three if authorized by the commission, individually branded internet sites to conduct advance deposit wagering for the facility.

*d.* Compliance with Iowa Code section 99F.6(4)*"a"*(2) and *"a"*(3) requirements for qualified sponsoring organizations or horse racing purses.

*e.* A bond or irrevocable letter of credit on behalf of the facility in an amount to be determined by the commission.

*f.* A bank check, cashier's check, or wire transfer made payable to Iowa Racing and Gaming Commission in the amount of the applicable initial or renewal license fee.

**13.7(3)** *Application procedure for an advance deposit sports wagering operator.* Application for a license for an advance deposit sports wagering operator with an agreement with a facility is made to the commission for approval by the administrator. In addition to the application, the following must be completed and presented when the application is filed:

*a.* Disclosure of ownership interest, directors, or officers of applicant.

(1) An applicant or licensee must notify the administrator of the identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require.

For purposes of this rule, the term "beneficial interest" includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

(2) For ownership interests of less than 5 percent, the administrator may request a list of these interests. The list must include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subparagraph 13.7(3)*"a"*(1).

*b.* Investigative fees.

(1) Advance payment. The department of public safety may request payment of the investigative fee in advance as a condition to beginning investigation.

(2) Payment required. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

*c.* A copy of each of the following:

(1) List of employees of the aforementioned who may have contact with persons within the state of Iowa.

(2) Agreement with facility to operate or manage the advance deposit sports wagering operation.

*d.* Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

*e.* The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity which would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, or professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

*f.* Disclosure of the full nature and extent of all beneficial interests may be requested by the administrator and must include the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

*g.* Public disclosure is made for the benefit of the public, and documents pertaining to the ownership filed with the administrator will be available for public inspection in accordance with 7—Chapter 2505.

**13.7(4)** *Supplementary information.* Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may request. Failure to supply the requested information within five days after the request has been received by the applicant constitutes grounds for delaying consideration of the application.

**13.7(5)** *Temporary license certificates.* A temporary license certificate may be issued at the discretion of the administrator for up to 120 calendar days. Failure to obtain a permanent license within the designated time may result in revocation of license eligibility, fine, or suspension.

**13.7(6)** *Withdrawal of application.* A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. An application cannot be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

**13.7(7)** *Recordkeeping.*

*a.* Record storage required. Licensees and advance deposit sports wagering operators must maintain adequate records of business operations that are available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and advance deposit sports wagering operators and any of their customers who are applicants or licensees under Iowa Code chapter 99F.

(3) A personnel file on each employee of the licensee and advance deposit sports wagering operator, including sales representatives.

(4) Financial records of all transactions with facilities and all other licensees and advance deposit sports wagering operators under these rules.

*b.* Record retention. Records other than those listed in subrule 13.2(8) must be retained as required by 491—subrule 5.6(13).

**13.7(8)** *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license, or fining the licensee or advance deposit sports wagering operator, or any combination of the above. The commission has the discretion to suspend mobile gaming operations of its licensees by written order if necessary.

These rules are intended to implement Iowa Code chapters 99D and 99F.

**RA 26-211**

# RACING AND GAMING COMMISSION[491]

**Regulatory Analysis**

Notice of Intended Action to be published: 491—Chapter 14
"Fantasy Sports Contests"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 99E.3 through 99E.5, 99E.8, and 99E.9

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 99E

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9 a.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |
| August 25, 2026<br>2 p.m. | 6200 Park Avenue, Suite 100<br>Des Moines, Iowa |

*Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Iowa Racing and Gaming Commission (Commission) no later than 4:30 p.m. on the date of the public hearings. Comments should be directed to:

Barb Blake
Iowa Racing and Gaming Commission
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Email: barb.blake@iowa.gov

*Purpose and Summary*

In accordance with Executive Order 10, the Commission is reviewing all of its rules prior to the agency review date of December 31, 2026.

Chapter 14 of the Commission's rules establish guidelines and licensing requirements for internet fantasy sports contest operators. This proposed rulemaking consolidates, reduces, or eliminates some rule language in accordance with Executive Order 10 and otherwise repromulgates the chapter. This proposed rulemaking also adds individual taxpayer identification numbers (ITINs) as an allowable substitute for social security numbers under appropriate circumstances.

All references to 491—Chapters 4 through 6 and rule subparts therein are to those as published herein as **RA 26-205**, **RA 26-206**, and **RA 26-207**, respectively, IAB 8/5/26.

*Analysis of Impact*

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

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

The costs of compliance will be borne by licensees or prospective licensees. These classes of persons are already bearing the costs of compliance with this chapter.

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

There are few substantive changes in the proposed rulemaking. However, one substantive change is the express recognition of an ITIN as an acceptable substitute for a Social Security number under certain circumstances. This change will benefit operators who may have questioned whether they could register an account without a Social Security number and will benefit persons wishing to create an account who do not have a Social Security number but do have an ITIN.

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

- **Quantitative description of impact:**

This proposed rulemaking is not expected to have a quantitative impact.

- **Qualitative description of impact:**

Proposed paragraph 14.6(5)"d" will positively impact fantasy sports operators because it revises potentially outdated language focused solely on physical storage media and instead recognizes that many operators utilize virtual storage. This change will have a positive qualitative impact because it avoids implying that physical storage media is required in all circumstances.

3. **Costs to the State:**

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

This proposed rulemaking is not anticipated to increase implementation and enforcement costs for the Commission.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not anticipated to affect State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

This proposed rulemaking is required under Executive Order 10.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

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

Not applicable.

*Small Business Impact*

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

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

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

This proposed rulemaking is not anticipated to have a substantial impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 491—Chapter 14 and adopt the following **new** chapter in lieu thereof:

CHAPTER 14
FANTASY SPORTS CONTESTS

**491—14.1(99E) Definitions.** As used in these rules, unless the context otherwise requires, the following definitions apply:

*"Administrator"* means the administrator of the racing and gaming commission or the administrator's designee.

*"Entry fee"* means cash or cash equivalent that is required to be paid by an internet fantasy sports contest player to an internet fantasy sports contest service provider in order to participate in a fantasy sports contest.

*"Fantasy sports contest service provider"* means a person, including a licensee under Iowa Code chapter 99D, 99E or 99F, who conducts an internet fantasy sports contest as authorized by this chapter.

*"Highly experienced player"* means a person who has entered more than 1,000 contests conducted by a single fantasy sports contest service provider or has won more than three fantasy sports contest prizes of $1,000 or more from a single fantasy sports contest service provider. A fantasy sports contest provider may declare other players a "highly experienced player" so long as the provider's criteria for declaration would include players previously declared a "highly experienced player" by the provider.

*"Internal controls"* means the fantasy sports contest service provider's system of internal controls.

*"Net revenue"* means an amount equal to the total entry and administrative fees collected from all participants entering fantasy sports contests less winnings paid to participants in the contest, multiplied by the location percentage.

*"Player"* or *"customer"* means a person who is at least 21 years of age and participates in an internet fantasy sports contest operated by an internet fantasy sports contest service provider.

*"Prize"* means anything of value, including cash or a cash equivalent, contest credits, merchandise or entry to another contest in which a prize may be awarded.

*"Script"* means a list of commands that a fantasy sports-related computer program can execute and is created by fantasy sports players, or by third parties for the use of all players, to automate processes on a fantasy sports contest internet platform.

**491—14.2(99E) Application for fantasy sports contest service provider license and licensing.** A fantasy sports contest service provider must be licensed by the commission to offer an internet fantasy sports contest under Iowa Code chapter 99E. Any individuals who are required to be occupationally licensed must comply with the license requirements of Iowa Code section 99E.5 and rules 491—6.2(99D,99E,99F,252J) through 491—6.12(99D,99F,272D). Occupational licensees are also subject to 491—Chapter 4 and 7—Chapter 2506.

**14.2(1)** *Licensing standards.* Standards considered when determining the qualifications of an applicant include but are not limited to financial stability; business ability and experience; good character and reputation of the applicant as well as all directors, officers, partners, and employees; and integrity of financial backers. The commission will not grant a license to an applicant if any of the conditions set forth in Iowa Code section 99E.4(5) are met.

**14.2(2)** *Application procedure.* Application for an internet fantasy sports contest service provider license is made to the commission on the form prescribed and published by the commission. In addition to the application, the following must be completed and presented when the application is filed:

*a.* Disclosure of ownership interest, directors, or officers of applicant.

*b.* The identity and date of birth of each member of the board of directors or other governing body of the applicant.

*c.* The identity of each director, corporate officer, owner, partner, joint venture participant, trustee, or any other person who has any beneficial interest of 5 percent or more, direct or indirect, in the business entity. For any of the above, as required by the administrator, the applicant or licensee must submit background information on forms supplied by the division of criminal investigation and any other information the administrator may require. For purposes of this rule, the term "beneficial interest" includes all direct and indirect forms of ownership or control, voting power, or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship (including family relationship), present or reversionary right, title or interest, or otherwise.

*d.* For ownership interests of less than 5 percent, the administrator may request a list of these interests. At a minimum, the list should include names, percentages owned, addresses, social security numbers, and dates of birth. The administrator may request the same information required of those individuals in subrule 14.2(1).

*e.* A list of employees who may be conducting business directly or indirectly on behalf of the applicant in the state of Iowa.

*f.* A bond or irrevocable letter of credit on behalf of the applicant or other satisfactory evidence, as determined by the commission, of a safe and reliable means of fulfilling the applicant's obligations to customers and the state of Iowa in an amount determined by the commission.

**14.2(3)** *Fees.*

*a.* Investigative fee. The department of public safety may request payment of the investigative fee in advance as a condition to beginning the investigation. The administrator may withhold final action with respect to any application until all investigative fees have been paid in full.

*b.* Initial license fee. A payment in the amount of the initial license fee under Iowa Code section 99E.5(1) must be directed or made payable to Iowa Racing and Gaming Commission.

*c.* Annual license fee. After the initial licensing period, the annual license fee is set forth in Iowa Code section 99E.5(3). The administrator will set the time period for determining a licensee's adjusted gross revenue. Licenses must be renewed annually in a manner established by the commission.

**14.2(4)** *Reporting of changes.* Any and all changes in the applicant's legal structure, directors, officers, or the respective ownership interests must be promptly filed with the administrator.

**14.2(5)** *Ineligibility.* The administrator may deny, suspend, or revoke the license of an applicant or licensee in which a director, corporate officer, or holder of a beneficial interest includes or involves any person or entity which would be, or is, ineligible in any respect, such as through want of character, moral fitness, financial responsibility, or professional qualifications, or due to failure to meet other criteria employed by the administrator, to participate in gaming regardless of the percentage of ownership interest involved. The administrator may order the ineligible person or entity to terminate all relationships with the licensee or applicant, including divestiture of any ownership interest or beneficial interest at acquisition cost.

**14.2(6)** *Disclosure.* The administrator may request disclosure of the full nature and extent of all beneficial interests, including the names of individuals and entities, the nature of their relationships, and the exact nature of their beneficial interest.

**14.2(7)** *Public disclosure.* Disclosure is made for the benefit of the public, and all documents pertaining to the ownership filed with the administrator will be available for public inspection.

**14.2(8)** *Supplementary information.* Each applicant must promptly furnish the administrator with all additional information pertaining to the application or the applicant that the administrator may require. Failure to supply the requested information within five days after the request has been received by the applicant constitutes grounds for delaying consideration of the application.

**14.2(9)** *Requirements placed upon applicants and licensees.* For purposes of this chapter, the requirements placed upon an applicant become a requirement to the licensee once a license has been granted. Every license is granted upon the condition that the license holder accepts, observes, and enforces the rules and regulations of the commission. It is the affirmative responsibility and continuing duty of each officer, director, and employee of any license holder to comply with the requirements of the application and conditions of license and to observe and enforce the rules. Holding a license is a privilege. The burden of proving qualifications for the privilege to receive any license is on the licensee at all times. A licensee must accept all risks of adverse public notice or public opinion, embarrassment, criticism, or financial loss that may result from action with respect to a license. Licensees further covenant and agree to hold harmless and indemnify the Iowa racing and gaming commission from any claim arising from any action of the commission in connection with that license.

**491—14.3(99E) Temporary license certificates.** A temporary license certificate may be issued at the discretion of the administrator and is valid for a maximum of 120 calendar days from the date of issue. Failure to obtain a permanent license within the designated time may result in revocation of license eligibility, fine, or suspension.

**491—14.4(99E) Withdrawal of application.** A written notice of withdrawal of application may be filed by an applicant at any time prior to final action. No application can be withdrawn unless the administrator determines the withdrawal to be in the public interest. No fee or other payment relating to any application will become refundable if the application is withdrawn.

**491—14.5(99E) Taxes.**

**14.5(1)** The licensee must pay a tax rate pursuant to Iowa Code section 99E.6 on adjusted revenue from fantasy sports contests. Charges and fees returned to participants due to a participant withdrawing the participant's entry from a fantasy sports contest cannot be considered when calculating the adjusted revenue. Contests resulting in negative adjusted revenue will be considered promotional in nature and cannot be used to offset taxes owed pursuant to Iowa Code section 99E.6.

**14.5(2)** Voided and canceled transactions are not considered receipts for the purpose of this calculation.

**14.5(3)** Any offering used to directly participate in a contest is considered a receipt for the purpose of this calculation.

**14.5(4)** Any other fee collected to participate in a fantasy sports contest is subject to the wagering tax pursuant to Iowa Code section 99E.6.

**14.5(5)** All moneys collected for and owed to the state of Iowa under Iowa Code chapter 99E for the payment of fantasy sports contests must be accounted for and itemized on a monthly basis, in a format approved by the commission, by noon on Wednesday following a gaming week's end as defined by 491—subparagraph 5.6(9)*"b"*(1) in which the completed gaming week includes the last day of the month. All fantasy sports contest fees owed must be received in the treasurer's office by 11 a.m. on the Thursday after accounting and itemization is due in the commission office.

**14.5(6)** Fantasy sports operators must provide additional reports, as determined necessary by the administrator, that detail the taxes collected in accordance with this rule. Reports must be provided to the commission in a format approved by the administrator. The administrator will provide written notice to any licensee if additional reports are determined necessary. In addition, the administrator will provide adequate time to any licensee if a report needs to be created to satisfy this requirement.

**491—14.6(99E) Account registration.** A person must have an established account to participate in fantasy sports contests. To establish an account, an application for an account must be authorized in a manner approved by the administrator and include the applicant's full legal name, principal residential address, date of birth, last four digits of the applicant's social security number or individual taxpayer identification number, and any other information required by the commission. The account registration process must also include:

**14.6(1)** Age verification to prevent persons under the legal age from participating in fantasy sports contests and establishing an account.

**14.6(2)** Customer verification.

*a.* A customer verification process must include an exact match of the following:

(1) The customer's date of birth, including month, date and year of birth.

(2) The last four digits of the customer's social security number or individual taxpayer identification number.

(3) The customer's last name.

*b.* A customer verification process must permit a flexible match by allowing the following:

(1) The customer's first name, which may include nicknames and abbreviations.

(2) The customer's address, which may include abbreviations.

*c.* A customer verification process must authenticate identification by the following:

(1) Answering knowledge-based questions based on the customer's public or private data; or

(2) Verifying that device ID and phone number match the customer's publicly known data; or

(3) Comparing a valid government-issued ID to a photo of the customer taken at the time of account registration; or

(4) Another method as approved by the administrator.

**14.6(3)** Verification that the customer is not on the statewide self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

**14.6(4)** Availability and acceptance of terms and conditions that are also readily accessible to the customer before and after registration and noticed when updated. Notices must include, at a minimum, the following:

*a.* Explanation of rules in which any unrecoverable malfunctions of hardware/software are addressed including but not limited to if the unrecoverable malfunction, fantasy sports event cancellation, or any other catastrophic malfunction results in the voiding of any contests.

*b.* Procedures addressing interruptions caused by the suspension of data flow from the network server during a contest.

*c.* Specifications advising customers to keep their account credentials secure.

*d.* Statement that no underage individuals are permitted to participate in contests.

**14.6(5)** Availability and acceptance of a privacy policy that is also readily accessible to the customer before and after registration and noticed when updated that includes, at a minimum, the following:

*a.* Statement of information that is collected, the purpose for information collection and the conditions under which information may be disclosed.

*b.* Statement that any information obtained during customer registration or account establishment must be done in compliance with the privacy policy.

*c.* Requirement that any information about customer accounts which is not subject to disclosure pursuant to the privacy policy must be kept confidential, except where the release of that information is required by law.

*d.* Requirement that all customer information must be securely removed from all storage media and devices, including hard disks, solid state memory, and virtual storage, before the device or storage media is removed from use or properly disposed of by the licensee. If erasure is not possible, a storage device must be destroyed.

**491—14.7(99E) Fantasy sports contest service provider requirements.**

**14.7(1)** *Internal controls.* Licensees must submit a description of internal controls to the administrator at least 30 days before fantasy sports contest operations are to commence unless otherwise approved by the administrator. All internal controls must be approved by the administrator prior to commencement of contest operations. The fantasy sports contest service provider must submit to the administrator any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by the administrator. It is each licensee and licensee employee's affirmative responsibility and continuing duty to follow and comply with all internal controls. Internal control submissions must include controls and reasonable methods that comply with and provide for:

*a.* Prevention of employees of the internet fantasy sports contest service provider and relatives living in the same household of such employees from competing in any internet fantasy sports contest on the service provider's digital platform in which the service provider offers a prize to the public.

*b.* Verification that any fantasy sports contest player is 21 years of age or older.

*c.* Restriction of entries from coaches, officials, athletes, contestants, or other individuals who participate in a game or contest that is the subject of an Internet fantasy sports contest in which the outcome is determined, in whole or in part, by the accumulated statistical results of a team of individuals in the game or contest in which they participate.

*d.* An easy and obvious method for a player to make a complaint and to enable the player to notify the commission if such complaint has not been or cannot be resolved by the licensee.

*e.* Measures used to determine the true identity, date of birth, and address of each player seeking to open an account.

*f.* Standards and procedures used to monitor fantasy sports contests to detect the use of unauthorized scripts and restrict players found to have used such scripts from further fantasy sports contests.

*g.* Prevention of unauthorized withdrawals from a registered player's account by the service provider or others.

*h.* How the service provider will accept wagers within the permitted boundary.

*i.* How the service provider will segregate fantasy sports contest player funds from operational funds.

*j.* Protection of a fantasy sports contestant's personal and private information.

**14.7(2)** *Records.* Licensees must provide all information requested by the commission within seven days or less as ordered or requested by the commission. The licensees must ensure all books and records and the retention of all books and records comply with 491—subrule 5.6(13). All records pertaining to contests must be available to allow for player complaint resolution. All records pertaining to the accounts of persons who registered or have account activity in Iowa must be available to allow for audits and investigations.

**14.7(3)** *Reporting.* The licensee must provide prompt notification of any facts that the licensee has reasonable grounds to believe indicate a violation of law or commission rule committed by licensees, the licensee's key persons, or the licensee's employees, including without limitation the performance of licensed activities different from those permitted under the licensee's license. The licensee is also required to provide a detailed written report within seven business days, or a time frame otherwise approved by the administrator, from the discovery of any of the circumstances set forth in Iowa Code section 99E.8(2)*"b."*

**14.7(4)** *Technical and testing requirements.*

*a.* *Initial testing.* All equipment and systems integral to the conduct of fantasy sports contests must be tested and certified for compliance with commission rules and the standards required by a commission-designated independent testing laboratory. Certification and commission approval must be received prior to the use of any equipment or system to conduct a fantasy sports contest. The commission may designate more than one independent testing laboratory.

*b.* *Change control.* The fantasy sports contest service providers must submit change control processes that detail evaluation procedures for all updates and changes to equipment and systems to the administrator for approval. These processes must include details for identifying criticality of updates and determining the submission of updates to an independent testing laboratory for review and certification.

*c.* *Annual testing.*

(1) A system integrity and security risk assessment must be performed annually on the fantasy sports contest system.

1. The testing organization must be independent of the licensee and qualified by the administrator.

2. The system integrity and security risk assessment must be completed no later than March 31 of each year. Results must include a remediation plan to address any risks identified during the system integrity and security risk assessment.

3. Results from the system integrity and security risk assessment must be submitted to the administrator no later than April 30 each year.

4. The system integrity and security risk assessment must be conducted in accordance with current and accepted industry standard review requirements for risk assessments.

5. The system integrity and security risk assessment must include a review of licensee controls. Review of controls must include but not be limited to a comparison of licensee controls to industry standard and best practice controls and an audit of the licensee processes for compliance with those controls.

(2) At the discretion of the administrator, additional assessments or specific testing criteria may be required.

*d. Limit on number of websites and platforms.* A fantasy sports contest service provider is authorized to conduct no more than two websites or platforms maintained and operated by the service provider.

**14.7(5)** *Operating requirements.* A fantasy sports contest service provider must ensure the following:

*a.* Players winning fantasy sports contests will have winning funds deposited into their player account or be paid by other means approved by the administrator within 48 hours from the end of the contest. Players must have a fee-free method to deposit or withdraw funds from their player account. If funds are unable to be placed in a player's account, the fantasy sports contest service provider must mail the funds to the player's address on file within ten days.

*b.* Player withdrawal of funds maintained in the player account must be completed within five business days of the request unless the licensed fantasy sports contest service provider believes, in good faith, that the player engaged in fraud or other illegal activity pursuant to Iowa Code chapter 99D, 99E or 99F.

*c.* Procedures allow for a player to close an account and to access the player's history, including all fantasy sports contests in which the player participated.

*d.* Employees of the licensee are prohibited from participation in any fantasy sports contest offered by the licensee in which a cash prize is offered to the public. This includes prohibiting relatives living in the same household as such employees from competing in any fantasy sports contests offered by any licensee.

*e.* The sharing of confidential information that could affect fantasy sports contest play with third parties until the information is made publicly available is prohibited.

*f.* Players are allowed to voluntarily self-exclude in compliance with Iowa Code section 99F.4(22), and a fantasy sports contest service provider must follow all resolutions associated with the process.

*g.* Procedures allow for authentication for login using a multifactor authentication process or other secure alternative means as authorized by the commission. After successful login, multifactor authentication will need to be performed at least every 14 days for each unique device. Processes for retrieving lost usernames and passwords must be available, secure, and clearly disclosed to the player. Players must be allowed to change their passwords.

*h.* During account registration and each time the customer logs in, fantasy sports contest service providers must display the following information on any interface that accepts fantasy sports contest entries:

(1) Account sharing is prohibited.

(2) Persons under the age of 21 are prohibited from entering fantasy sports contests.

(3) Any other disclosures required by the administrator.

**491—14.8(99E) Contest rules.**

**14.8(1)** Prior to conducting a new type of fantasy sports contest, a fantasy sports contest service provider must submit proposed contest rules to the administrator. The contest submission must be in writing and approved by the administrator prior to implementation. The administrator will approve, deny, or request further information within three business days of submission. If the administrator takes no action within that period, the fantasy sports contest service provider may offer the requested contest unless the administrator issues a subsequent disapproval. Once a contest is approved, the contest is available for all fantasy sports contest service providers unless the contest format is subsequently disapproved by the administrator for any reason the commission deems appropriate. Fantasy sports contest service providers may offer minor variations of an approved contest type without seeking administrator approval. Minor variations include:

*a.* Offering the contest format for any sport, league, association or organization previously approved by the administrator for any fantasy sports contest type;

*b.* The size of the contest and number of entries permitted;

*c.* Nonmaterial changes to entry fee and prize structure;

*d.* The number of athletes that a contestant selects to fill a roster when completing an entry;

*e.* The positions that must be filled when completing an entry;

*f.* Adjustments to the scoring system; and

*g.* Adjustments to a salary cap.

**14.8(2)** Licensees must comply with and ensure the following:

*a.* Advertisements for contests and prizes offered by a licensee must not target prohibited participants, underage persons, or self-excluded persons.

*b.* The values of all prizes and awards offered to winning players must be established and made known to the players in advance of the contest.

*c.* Introductory procedures for players are prominently displayed on the main page of the licensee’s platform to explain contest play and how to identify a highly experienced player.

*d.* Identification of all highly experienced players in every fantasy sports contest by a symbol attached to the players’ usernames, or by other easily visible means, on all platforms supported by the licensee.

*e.* Contests are not offered based on the performance of participants in high school or youth sports events.

*f.* Representations or implications about average winnings from contests must not be unfair or misleading.

*g.* Prohibition of the use of unauthorized third-party scripts or unauthorized scripting programs for any contest and ensure that measures are in place to deter, detect, and prevent cheating to the extent reasonably possible. “Cheating” includes collusion and the use of cheating devices, including the use of software programs that submit entry fees or adjust the athletes selected by a player.

*h.* Prominent display of information about the maximum number of entries that may be submitted for that contest for all advertised fantasy sports contests.

*i.* Disclosure of the number of entries that a player may submit to each fantasy sports contest and provide reasonable steps to prevent players from submitting more than the allowable number.

*j.* Opportunity for players to file a patron dispute.

*k.* Conspicuously disclose the source of the data utilized in any results.

**491—14.9(99E) Segregation account requirements and financial reserves.**

**14.9(1)** *Segregation.* Fantasy sports contest service providers must segregate all fantasy sports contest player funds from operational funds.

**14.9(2)** *Financial reserves.* For the protection of the funds of players held in paid fantasy sports accounts, the fantasy sports contest service provider must maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, payment processor reserves and receivables, a bond, or a combination thereof in the amount of the deposits in internet fantasy sports contest player accounts.

*a.* The method of reserve must be submitted and approved by the commission prior to implementation.

*b.* The amount of the reserve must be equal to, at a minimum, the sum of all registered players' funds held in player accounts originating in Iowa.

*c.* If, at any time, the licensee's total reserve is less than the amount required by the reserve calculation, the licensee must notify the commission of this deficiency within 72 hours.

*d.* Each licensee must continuously monitor and maintain a record of all player deposits and the licensee's cash reserves to ensure compliance with the cash reserves requirement.

*e.* The licensee must provide the commission with documentation, including the amount of deposits in players' accounts and the amount in cash reserves as of the last day of each month. The information is due by the fifteenth day of the month for the preceding month.

**491—14.10(99E) Annual audit.** An audit of the fantasy sports contest operations for the licensee or parent company of the licensee must be conducted by certified public accountants authorized to practice in the state of Iowa, be provided to the commission within 180 days after the licensee's fiscal year ends, and meet the following conditions:

**14.10(1)** Inclusion of an internal control letter, audited balance sheet, and audited profit-and-loss statement including a breakdown of expenditures and subsidiaries of fantasy sports contest activities.

**14.10(2)** Inclusion of a supplemental schedule indicating financial activities on a calendar-year basis if the licensee's fiscal year does not correspond to the calendar year.

**14.10(3)** Report of any material errors, irregularities that may be discovered during the audit, or notice of any audit adjustments.

**14.10(4)** Availability, upon request, of an engagement letter for the audit between the licensee or parent company of the licensee and the auditing firm.

**491—14.11(99E) Abandoned accounts.**

**14.11(1)** Abandoned player accounts under this rule are subject to Iowa Code chapter 556. Player accounts are considered abandoned if no activity by the account holder has occurred for three years. Player activity includes entering a contest, making an account deposit, or withdrawing funds.

**14.11(2)** An internet fantasy sports contest service provider cannot charge an administration fee or maintenance fee for any inactive player account derived from state of Iowa residents at any time for any reason.

**491—14.12(99E) Problem gambling.**

**14.12(1)** The licensee must adopt and implement:

*a.* Policies and procedures designed to identify compulsive play.

*b.* Policies and procedures designed to comply with the process established by the commission pursuant to Iowa Code section 99F.4(22).

*c.* Policies and procedures designed to cooperate with the Iowa gambling treatment program in creating and establishing controls.

*d.* Policies and procedures designed to make information available to customers concerning assistance for compulsive play in Iowa, including websites or toll-free numbers directing customers to reputable resources containing further information, which must be free of charge.

*e.* A process for players to easily impose limitations or notifications for deposits and monetary participation in a contest. Limitations must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made reducing the severity of the self-imposed limitations for at least 24 hours.

*f.* A process for players to easily self-exclude for a specified period of time and indefinitely. Self-exclusions must be applied automatically, take effect immediately, and be implemented as indicated by the player. No changes can be made to reduce the severity of the self-exclusion limitations for at least 24 hours. In the event of indefinite self-exclusion, the licensee must ensure that the player is paid in full for the player's account balance within a reasonable time provided that the licensee acknowledges that the funds have cleared. Players must be easily and obviously directed via a link to exclude themselves pursuant to Iowa Code section 99F.4(22). This control does not supersede the requirements set forth in Iowa Code section 99F.4(22).

*g.* A process to review and deactivate accounts of newly enrolled participants of the statewide self-exclusion program set forth in Iowa Code section 99F.4(22). The licensee must ensure that the player is paid in full for the player's account balance provided that the licensee acknowledges that the funds have cleared.

**14.12(2)** The licensee must also include on the internet site or mobile application the statewide telephone number of the Iowa department of health and human services to provide problem gambling information and extensive responsible gaming features in addition to those described in Iowa Code section 99F.4(22).

**14.12(3)** Money forfeited by a voluntarily excluded person pursuant to Iowa Code section 99F.4(22) must be withheld by the licensee and remitted to the general fund of the state by the licensee.

**491—14.13(99E) Licensing of internet fantasy sports contest service providers.**

**14.13(1)** *Operation.* The internet fantasy sports contest service provider must submit the following for commission approval:

*a.* Internal controls for the operation of the account.

*b.* A detailed description and certification of systems and procedures used by the internet fantasy sports contest service provider to validate the identity, age and location of licensee account holders and to validate the legality of wagers accepted.

*c.* Certification of secure retention of all records related to internet fantasy sports contests and accounts for a period of not less than three years or such longer period as specified by the commission.

*d.* Certification of prompt commission access to all records relating to account holder identity, age and location in hard-copy or standard electronic format acceptable to the commission.

*e.* Verification that the player is not on the statewide voluntary self-exclusion list set forth in Iowa Code section 99F.4(22) prior to establishing an account.

**14.13(2)** *Recordkeeping.*

*a.* Record storage required. Internet fantasy sports contest service providers must maintain adequate records of business operations that are available to the administrator upon request. These records must include:

(1) All correspondence with the administrator and other governmental agencies on the local, state, and federal level.

(2) All correspondence between the licensee and any of its customers who are applicants or licensees under Iowa Code chapter 99E.

(3) Financial records of all transactions with players and all other licensees under these regulations.

*b.* Record retention. The records listed in paragraph 14.13(2)*"a"* must be retained as required by 491—subrule 5.6(13).

**14.13(3)** *Violation of laws or regulations.* Violation of any provision of any laws of the state or of the United States of America or of any rules of the commission may constitute an unsuitable method of operation, subjecting the licensee to limiting, conditioning, restricting, revoking or suspending the license, or fining the licensee, or any combination of the above. The commission has the discretion to suspend fantasy sports contest operations of its licensees by written order if necessary.

These rules are intended to implement Iowa Code chapters 99D, 99E and 99F.

**ARC 0456D**

# HUMAN SERVICES DEPARTMENT[441]

**Notice of Intended Action**

**Proposing rulemaking related to the state training school and providing an opportunity for public comment**

The Department of Health and Human Services hereby proposes to rescind Chapter 103, "State Training School," Iowa Administrative Code, and to adopt a new Chapter 103 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 218.4.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 218.

*Purpose and Summary*

This proposed rulemaking sets a framework for the State Training School (STS), which provides a continuum of supervision and rehabilitation programs that meet the needs of males adjudicated delinquent in a manner consistent with public safety. These services and programs individualize treatment and control the offender for his own benefit and the protection of society.

This proposed chapter was reviewed pursuant to Executive Order 10. As a result of the review, the Department reduced the number of restrictive terms, as appropriate; referred some items back to the facility manual of policies and procedures; updated terminology; and standardized the use of definitions.

*Regulatory Analysis*

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on June 24, 2026. A public hearing was held on the following date(s):

- July 14, 2026

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on August 25, 2026. Comments should be directed to:

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street

Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>10 to 10:30 a.m. | Microsoft Teams<br>Meeting ID: 263 183 115 478 438<br>Passcode: RG9AC95E |
| August 25, 2026<br>2 to 2:30 p.m. | Microsoft Teams<br>Meeting ID: 282 238 448 125 09<br>Passcode: yz99kk3b |

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 441—Chapter 103 and adopt the following **new** chapter in lieu thereof:

*CHILDREN'S INSTITUTIONS*

TITLE XI

CHAPTER 103

STATE TRAINING SCHOOL

**441—103.1(218) Definitions.**

*"Child"* means a person under the age of 18 years.

*"Contraband"* means weapons; ammunition; tobacco; alcohol; drugs; money; altered authorized property; mood-altering plant material; obscene material as defined in Iowa Code section 728.1(5); explosives; material that can be used in the manufacture of explosives; or material advocating disruption of or injury to students, employees, programs, or physical facilities. "Contraband" includes anything that is illegal to possess under federal or state law and materials that are used in the production of drugs or alcohol or used in conjunction with the taking of illicit drugs. "Contraband" also includes anything determined to be banned from individual possession by published facility rules.

*"Division director"* means the administrator of the division of state-operated specialty care within the department.

*"Facility"* means the state training school.

*"Family"* means spouse, child, parent, sibling, or grandparent.

*"Gift or bequest"* means anything of value that a facility receives that is intended for use directly by the employees of the facility. Items intended for public distribution, such as clothes or furniture, do not constitute a gift to the facility.

*"Grievance"* means a written or oral complaint by or on behalf of a student that involves:

1. A rights violation or unfairness to the student, or
2. Any aspect of the student's life with which the student does not agree.

*"Iowa sex offender registry"* means a central registry of sex offenders established under Iowa Code chapter 692A that is maintained by the department of public safety.

*"Juvenile court officer"* means the same as defined in Iowa Code section 232.2(35).

*"Juvenile offender"* means a juvenile who is required to be registered with the Iowa sex offender registry and with the sheriff of the juvenile's county of residence.

*"Legal representative"* means a person, including an attorney, who is authorized by law to act on behalf of a student.

*"Money"* means all forms of currency, checks, money orders, stocks, bonds, and any other item that can be used as a medium of exchange for payment for goods or services.

*"Parent"* means a natural or adoptive mother or father of a child but does not include a mother or father whose parental rights have been terminated.

*"Registration"* means the submission of registration forms to the Iowa sex offender registry and to the sheriff of the person's county of residence.

*"Rights"* means the human, civil, and constitutional liberties an individual possesses through federal and state constitutions and laws.

*"State training school"* means the same as defined in Iowa Code section 233A.1(3).

*"Student,"* as used in this chapter, means any child who is committed to the director and is admitted to and receives services from the state training school. The terms "resident," "juvenile," and "youth" are synonymous with the term "student." For purposes of the state training school, the term also includes a person whose stay is extended beyond the age of 18 under the provisions of Iowa Code section 232.53(2) and 232.53(4).

*"Superintendent"* means the same as defined in Iowa Code section 233A.1(3).

*"Tobacco"* means all forms of tobacco.

*"Weapon"* means any gun, knife, tool, object, or chemical that can be used to inflict harm on oneself or another.

This rule is intended to implement Iowa Code section 218.4.

**441—103.2(218) Admission.**

**103.2(1)** *Population guidelines.* The facility population level will be based on the population guidelines that the judicial branch, in consultation with the department, develops on the number of students who may be placed at a juvenile facility at any one time. Pursuant to those guidelines and the responsibility of the superintendent for admission of students, the superintendent and the chief juvenile court officers will allocate to each judicial district the number of children from each district who may be placed in the facility for diagnosis and evaluation and for treatment.

**103.2(2)** *Acceptance of child.* A certified copy of the court order that complies with Iowa Code chapter 232 shall accompany the child to the facility, along with the relevant petitions.

*a.* A child will be accepted for evaluation as specified in the court order only when a diagnostic bed is available.

*b.* A child will be accepted into the regular program as specified in the court order only when a treatment bed is available.

*c.* A child adjudicated as a child in need of assistance shall not be admitted to the state training school, except:

(1) For diagnosis and evaluation and then only when a current petition is on file that alleges the child to have committed a delinquent act, or

(2) When the child is also adjudicated delinquent and meets admission criteria for the state training school as a delinquent.

*d.* The superintendent or chief juvenile court officer shall notify the court when the appropriate space, service, or program is not available so that admission can be ordered when the facility can meet the child's needs.

**103.2(3)** *Time of admission.* When a child is to be admitted to the facility, arrangements will be agreed to by the facility for the date and time of the actual admission.

This rule is intended to implement Iowa Code section 218.4.

**441—103.3(218) Plan of care.**

**103.3(1)** *Individual care plan conference.* The facility will schedule an individual care plan conference and provide prior notice to:

*a.* The student;

*b.* The student's parents or guardians;

*c.* The student's legal representative;

*d.* The student's juvenile court officer; and

*e.* The court.

**103.3(2)** *Prerelease conference.* A prerelease conference will be held 30 days before any anticipated release of a student from the regular program. The facility will provide written notice of the time, date, and purpose of the conference to:

*a.* The student;

*b.* The student's parents or guardians;

*c.* The student's legal representative;

*d.* The student's juvenile court officer; and

*e.* The court.

This rule is intended to implement Iowa Code section 218.4.

**441—103.4(218) Communication with students.**

**103.4(1)** *Incoming telephone calls.* The superintendent or superintendent's designee must approve all incoming telephone calls for a student before the conversation occurs. An authorized employee will verify the identity of the caller before approval is given. Approved telephone calls will not be monitored.

**103.4(2)** *Mail and packages.*

*a.* The facility will maintain policies and procedures for outgoing or incoming letters and packages, including the facility's ability to search for and seize contraband by:

(1) Opening, but not reading, incoming and outgoing letters and packages in the presence of the student to whom the letters and packages belong; or

(2) Requiring that the student open the letters and packages in an employee's presence and disclose the contents.

*b.* Letters or packages found to contain contraband will be confiscated. Both the sender and the intended receiver of the confiscated letters and packages will be notified and given reasons for the action.

*c.* The superintendent or superintendent's designee may terminate correspondence between a student and another person when the student's treatment team has determined that the correspondence is not in the student's best interest and is detrimental to the student's treatment plan. Termination will be based on the circumstances of each case.

(1) The superintendent or superintendent's designee will provide justification to terminate the correspondence in a written notice to the correspondents.

(2) Correspondents may file a grievance concerning the termination.

**103.4(3)** *Visits.* The facility will maintain policies and procedures to allow for reasonable visitation. Visits by a student's family or legal representative will be encouraged. Flexibility in the hours and days of visitation will be considered as necessary.

*a.* *Applicability.* Other than a family member or legal representative, a person who wants to visit a student shall obtain prior approval from the student's juvenile court officer and the superintendent or superintendent's designee before visiting. Visitation rights will be denied to:

(1) A former facility resident unless the former resident is a family member or has prior approval of the superintendent or superintendent's designee;

(2) A parent whose parental rights have been terminated or limited by court order;

(3) A person who is restricted by court order from contact with the student;

(4) A visitor who refuses to cooperate with the rules of the facility;

(5) A visitor who creates a disturbance or is hostile to the point of being disruptive;

(6) A visitor who passes or attempts to pass contraband to a student or who aids in an escape or attempted escape;

(7) A visitor who is under the influence of or has been partaking of drugs or alcoholic beverages; and

(8) Any other person who, based on reasonable cause, is believed to pose a risk to the student's treatment or to the safety or security of the facility.

*b. Limitations.*

(1) A student shall not be permitted to visit with the family of another student unless the student's juvenile court officer and the superintendent or superintendent's designee have given prior approval. A student shall have written authorization of the student's juvenile court officer and the superintendent or superintendent's designee before accompanying the parents of another student off grounds on a visit.

(2) The superintendent reserves the right to limit or terminate visiting in all cases when doing so is in the best interests of the student's personal and therapeutic needs. When limitation or termination of visiting rights occurs, the superintendent or superintendent's designee will:

1. Immediately notify persons involved why the action was taken; and
2. Document the action in the student's file.

**103.4(4)** *Attorney contacts.* A student's attorney shall have the right to visit or have telephone contact with the student at any reasonable time.

*a.* A student shall have the right to contact the student's attorney during normal business hours and at other times with prior approval of the attorney. Responsibility for payment for the cost of the contact shall be determined before the contact is made.

*b.* A student who does not have an attorney will be referred to the committing court for an attorney to be appointed.

**103.4(5)** *Interviews and statements.*

*a. Request.* Requests to interview a student made by media (newspapers, television stations, radio stations, etc.), groups, or persons not related to the student shall be made through the superintendent's office.

(1) The superintendent or superintendent's designee will inform the student of the request and of the student's right to agree to participate in the interview or to remain silent and not participate.

(2) If an interview may have an impact on the student's legal status, the superintendent or superintendent's designee will contact the student's attorney to determine if the attorney has any objection to the student's participation.

*b. Decision.* When a student agrees to participate, the interview will be granted at the discretion of the superintendent. The superintendent may deny an interview in situations deemed detrimental to the student. The person requesting the interview may appeal the superintendent's decision to the division director or division director's designee.

*c. Procedure.*

(1) Whenever an interview is granted, at least one facility employee will be present for the entirety of the interview and will have the authority to terminate the interview anytime the employee believes the best interests of the student are not being served. Exceptions to this requirement will be made when the student's interview is with the student's own attorney or with state officials acting in an official capacity.

(2) The student shall be represented by legal counsel during any interview that is conducted to obtain information that will be or may be used in court.

*d. Depositions.* The superintendent may grant permission for written depositions according to the procedures for granting interviews. Voice recording of depositions will not be permitted. One copy of the deposition shall be submitted to the superintendent. This rule shall in no way restrict depositions ordered by the court.

This rule is intended to implement Iowa Code section 218.4.

**441—103.5(218) Photographing and recording of students.** A student's parent or legal representative may take photographs or make audio or video recordings of that student but shall not be authorized to take photographs or make recordings of any other student.

**103.5(1)** With the authorization of the superintendent or superintendent's designee, a student may take a photograph of another student with that student's consent.

**103.5(2)** Use of still or video cameras or voice recorders to photograph or record a student by anyone other than the student, parent, legal representative, or authorized employee will be allowed only with the prior authorization of the superintendent or superintendent's designee.

*a.* When granted, authorization to photograph or record will be for one specific use and will not extend to any other use.

*b.* Photographs and voice or video recordings of a student for public distribution will be permitted only with a signed informed consent from the superintendent and the individual's parent or legal representative.

*c.* The facility will maintain and implement policies and procedures for authorizing or denying photographing or recording of students. A person authorized to take photographs or recordings of a student shall make every effort to preserve the inherent dignity of the student and to preclude exploitation or embarrassment of the student or the family of the student.

This rule is intended to implement Iowa Code section 218.4.

**441—103.6(218) Employment of students.** The facility will maintain and implement policies and procedures for the employment of students to help ensure the employer's compliance with all applicable state and federal laws. Employers that want to hire a student must obtain approval from the superintendent or superintendent's designee. The employer, the superintendent or superintendent's designee, or the student shall have the right to terminate the employment at any time.

This rule is intended to implement Iowa Code section 218.4.

**441—103.7(218) Temporary home visits.**

**103.7(1)** The facility will maintain and implement policies and procedures for the granting or denial of temporary home visits.

**103.7(2)** The superintendent or superintendent's designee and the student's juvenile court officer shall approve a temporary home visit before the visit is scheduled and only after the juvenile court officer has investigated and approved in writing the temporary home visit placement.

This rule is intended to implement Iowa Code section 218.4.

**441—103.8(218) Grievances.** Any student who believes the student's rights have been violated by the facility or who has a complaint concerning the student's treatment at the facility may file a grievance. The student's parent, guardian, family, or legal representative may file a grievance on behalf of the student by submitting the grievance in writing to the superintendent. If the grievance directly concerns the superintendent, the grievance will be reviewed by the division director or the division director's designee. At any time during the grievance process, students retain their right to contact their attorney, juvenile court officer, the Iowa office of ombudsman, the division director or the division director's designee, regardless of the outcome determined by the facility or the superintendent.

This rule is intended to implement Iowa Code section 218.4.

**441—103.9(692A) Sex offender registration.** A student who has been determined to be a sex offender as defined in Iowa Code section 692A.101(26) must register as a sex offender before release from the facility unless the juvenile court finds that the student is exempted from this requirement.

**103.9(1)** *Notification.* When a student who is a juvenile offender has not previously registered, the superintendent or superintendent's designee will provide the student with Form DCI-144, Notification of Registration Requirement, as required by the department of public safety in 661—subrule 83.3(1). Failure to provide a juvenile offender with the notification form does not relieve the juvenile offender of the duty to register with the Iowa sex offender registry.

**103.9(2)** *Exemption from registration.* To exempt a juvenile offender from registration, the language in the order of adjudication or disposition must clearly state that the juvenile offender is exempted from the registration requirement. If a court order is silent, the registration requirement applies.

*a.* If the order language does not clearly state that the juvenile offender is exempted from the registration process, then the responsibility rests with the juvenile offender to seek a clarifying order to be exempt from the registration process. A juvenile offender who seeks an exemption from the registration requirement has the obligation to prove that the juvenile offender deserves the exemption.

*b.* When the judicial decision is deferred, registration shall be assumed to be required until the court orders otherwise. If the court order defers the decision to grant an exemption from registration until the juvenile offender's treatment is completed, the language in the order should specify who tracks the case until the new court order is issued. If it is not clear who tracks the case, the juvenile offender is responsible to seek a clarifying order to be exempt from the registration process.

**103.9(3)** *Registration.* The superintendent or superintendent's designee will provide the juvenile offender with Form DCI-145, Sex Offender Registration, as required by the department of public safety in 661—subrule 83.3(2).

*a.* When the juvenile offender is released from the facility, the superintendent or superintendent's designee will submit the registration form to the division of criminal investigation of the department of public safety unless, by the time of release, the juvenile court finds that the juvenile should not be required to register as allowed by Iowa Code chapter 692A.

*b.* Copies of the sex offender registration will be maintained in the juvenile offender's file at the facility.

This rule is intended to implement Iowa Code section 692A.109.

**441—103.10(218) Alleged child abuse.** The department will arrange for the investigation of any reported case of alleged child abuse. For cases in which the alleged perpetrator is a facility employee, contractor, or volunteer, or some other department employee, the investigation shall be conducted by an agency other than the department.

This rule is intended to implement Iowa Code section 218.4.

**441—103.11(233A) Cost of care.** The facility will seek to recover a portion of the cost of care pursuant to Iowa Code section 233A.17. In determining the amount to be recovered:

**103.11(1)** The student will be allowed to retain a personal allowance equal to the personal allowance amount established by the Social Security Administration for the Supplemental Security Income program.

**103.11(2)** The amount recovered shall not exceed the actual cost of care.

**103.11(3)** The cost of care will be determined using the average per diem multiplied by the total days of care.

**103.11(4)** The superintendent may grant a one-time exception to recovery of up to $1,000 for a personal needs living expense if a student is being discharged and has no viable means of support upon release.

This rule is intended to implement Iowa Code section 233A.17.

**441—103.12(218) Buildings and grounds.**

**103.12(1)** *Tours.* Tours of the facility will be subject to the prior approval of the superintendent or superintendent's designee.

**103.12(2)** *Public use.* Facility space is for the primary use of the facility. All public use of facility space shall require prior approval of the superintendent or superintendent's designee. Approval for use will be based on the order of requests received and on space availability after the programmatic and security needs of the facility are met.

This rule is intended to implement Iowa Code section 218.4.

**441—103.13(8,218) Gifts and bequests.** Gifts or bequests of money, clothing, books, games, recreational equipment or other items shall be made directly to the superintendent.

**103.13(1)** The superintendent or superintendent's designee will evaluate the gift or bequest in terms of the nature of the contribution to the facility program.

**103.13(2)** The superintendent will be responsible for accepting the gift or bequest and reporting it to the division director.

*a.* All monetary gifts or bequests will be acknowledged in writing to the donor.

*b.* All gifts or bequests with a value of $50 or more shall be reported to the Iowa ethics and campaign disclosure board within 20 days of receipt of the gift or bequest using the board's Form-GB.

This rule is intended to implement Iowa Code sections 8.7 and 218.4.

## ARC 0457D

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Notice of Intended Action**

**Proposing rulemaking related to appraisal management companies and providing an opportunity for public comment**

The Department of Inspections, Appeals, and Licensing hereby proposes to rescind Chapter 2050, "Appraisal Management Companies," Iowa Administrative Code, and to adopt a new Chapter 2050 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code chapters 17A and 272C and Title XI, Section 1473, of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Executive Order 10.

*Purpose and Summary*

Proposed Chapter 2050 establishes the requirements for appraisal management companies (AMCs) to obtain registration in the State of Iowa, including initial/preregistration, renewals, reinstatement, fees, registrant records, investigations, complaints, disciplinary action, and the National Registry maintained by the Appraisal Subcommittee (ASC).

*Regulatory Analysis*

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on May 27, 2026. A public hearing was held on the following date(s):

- June 16, 2026

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on August 25, 2026. Comments should be directed to:

Kimberly Gleason
Department of Inspections, Appeals, and Licensing
6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.725.8145
Email: kimberly.gleason@dia.iowa.gov

*Public Hearing*

Public hearings at which persons may present their views orally or in writing will be held as follows:

| | |
|---|---|
| August 25, 2026<br>9:30 to 10 a.m. | 6200 Park Avenue<br>Des Moines, Iowa |
| August 26, 2026<br>9:30 to 10 a.m. | 6200 Park Avenue<br>Des Moines, Iowa |

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 481—Chapter 2050 and adopt the following **new** chapter in lieu thereof:

CHAPTER 2050
APPRAISAL MANAGEMENT COMPANIES

**481—2050.1(17A,543E) Definitions.** For the purposes of this chapter, the definitions in Iowa Code chapter 543E apply. In addition, unless the context dictates otherwise, the following definitions apply:

*"Owner"* means a person who owns or has the power to vote more than 10 percent of the shares of an appraisal management company.

*"Ownership"* means being an owner or otherwise having the power to vote more than 10 percent of the shares of an appraisal management company.

*"Registrant"* means a person who is registered as an appraisal management company in this state.

**481—2050.2(17A,543E) Application for registration.**

**2050.2(1)** An application for registration to operate an appraisal management company in Iowa will be submitted to the administrator through the program's online system. All information requested in the application will be provided on or with the application, including but not limited to any and all information obligated by Iowa Code section 543E.8(2). The administrator may consider an application withdrawn if the application does not contain all of the information requested and the missing information is not submitted within 30 days after the administrator requests the missing information.

**2050.2(2)** Appraiser panel. The application will include a list of all certified appraisers who are independent contractors and are currently on the applicant's appraiser panel and will also include any additional certified appraisers who are independent contractors and who in the 12 months immediately preceding submission of the application have performed appraisals, for the applicant or for persons who have ordered appraisals through the applicant, for covered transactions or for secondary mortgage market participants in connection with covered transactions in which the dwelling is located in this state. The application will include the name, the certification number, the date the appraiser joined the panel, and the date the appraiser left the panel, if applicable, for each appraiser included on the applicant's appraiser panel. The applicant's appraiser panel will include all appraisers the applicant has engaged to perform one or more appraisals for or in connection with a covered transaction or for a secondary mortgage market participant in connection with a covered transaction in this state and all appraisers the applicant has accepted for future consideration for such appraisal assignments.

**2050.2(3)** All owners and controlling persons of the applicant will submit to a background investigation, as determined by the administrator.

**2050.2(4)** The applicant will submit an application fee and initial registration fee in the amounts provided in subrule 2050.8(5), as well as the fee for registration on the appraisal management company national registry maintained by the appraisal subcommittee as specified in subrule 2050.8(5). The applicant will be refunded the initial registration fee and the appraisal management company national registry fee if the application is denied.

**2050.2(5)** If any information material to the application changes after the applicant files the initial application but before the administrator approves or denies the application, the applicant will provide updated information to the administrator in writing within ten calendar days of the change. The administrator may deny the application when such a material change in information has occurred and the applicant has failed to provide updated information within the prescribed time frame.

**2050.2(6)** An applicant for registration to operate an appraisal management company in Iowa will file with the administrator a $25,000 surety bond in compliance with the provisions of Iowa Code section 543E.19.

**2050.2(7)** A registration will lapse on the next succeeding December 31 after it is issued, but a registration granted on or after November 1 and before December 31 will not lapse until December 31 of the following year. For example, a registration granted on November 17, 2017, would not expire until December 31, 2018. An applicant whose registration is granted on or after November 1 and before December 31 may be needed, as determined by the appraisal subcommittee, to pay the fee for registration on the appraisal management company national registry in full for both calendar years. For example, while a registration granted on November 17, 2017, would not lapse until December 31, 2018, the registrant may be obligated to pay the national registry fee in full for 2017 and 2018.

**481—2050.3(17A,543E) Grounds for denial of a registration.** The administrator may deny an application for registration to operate an appraisal management company, or issue a registration subject to conditions, for any of the reasons that follow.

**2050.3(1)** This state or another state or jurisdiction has canceled, revoked, denied, suspended, or refused to renew the applicant's registration to operate an appraisal management company or has denied, suspended, or refused to renew a similar registration under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as an appraisal management company may be considered a denial of that person's registration to operate an appraisal management company in this state or the other state or jurisdiction.

**2050.3(2)** An owner or controlling person of the applicant has been barred, removed, or prohibited from owning or serving as the controlling person of an appraisal management company, or from serving in any capacity in a financial institution by any state or federal regulatory agency, including but not limited to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation

(FDIC), the Board of Governors of the Federal Reserve System, or the U.S. Department of Housing and Urban Development.

**2050.3(3)** An owner or controlling person of the applicant is or was the owner or controlling person of another appraisal management company in another state or jurisdiction, if such other state or jurisdiction has canceled, revoked, denied, suspended, or refused to renew the registration or application for registration of such other appraisal management company under this state's or the other state's or jurisdiction's law. An agreement made between a person and this state or another state or jurisdiction not to operate as the owner or controlling person of an appraisal management company may be considered a denial of that person's application to serve as the owner or controlling person of an appraisal management company in this state or the other state or jurisdiction.

**2050.3(4)** An owner or controlling person of the applicant has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, tax evasion, or another similar offense, in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States or in any foreign jurisdiction. For the purposes of this subrule, "convicted of" includes a guilty plea, deferred judgment, deferred sentence, or other similar finding of guilt by a court of competent jurisdiction.

**2050.3(5)** The applicant, or an owner or controlling person of the applicant, has made a false submission of material fact on an application for registration or has been otherwise implicated in the submission of a false application.

**2050.3(6)** An owner or controlling person of the applicant has demonstrated a lack of moral character in a manner that the administrator reasonably believes will impair the ability of the owner or controlling person to operate an appraisal management company in full compliance with the public interest and state policies described in Iowa Code chapter 543E.

**2050.3(7)** For any reason listed in Iowa Code section 543E.17(1).

**2050.3(8)** The applicant has failed to include all of the information in the application or has failed to pay any fee obligated under Iowa Code chapter 543E or this chapter.

**481—2050.4(17A,543E) Renewal of registration.**

**2050.4(1)** To remain registered to operate an appraisal management company in Iowa, a registrant will renew a registration before the date the registration lapses. Lapsed registrant obligations are outlined in Iowa Code section 543E.9(5).

**2050.4(2)** An application to renew a registration will be submitted to the administrator, through the program's online system, no earlier than November 1 and no later than December 1 of the year for which the registration is valid. For example, for a registration that will lapse on December 31, 2025, an application for renewal will be submitted by December l, 2025. All requested information, including any material change to information contained in the original application, will be provided to the administrator. Applications for renewal of a registration will be accompanied by a fee as specified in subrule 2050.8(5). The administrator may also assess late fees as specified in subrule 2050.8(5) for applications submitted after December 1.

**2050.4(3)** The administrator will grant an application to renew a registration if:

*a.* The administrator receives the application and the appropriate renewal fee by December 1, or the administrator receives the application after December 1 but before January 1 and it is accompanied by the appropriate renewal fee and the appropriate late fee;

*b.* The application is fully completed and includes all necessary information; and

*c.* The application does not reveal grounds that would be sufficient to deny initial registration, or issue a registration subject to conditions, pursuant to rule 481—2050.4(17A,543E).

**481—2050.5(17A,543E) Reinstatement of lapsed registration.**

**2050.5(1)** The registration of an appraisal management company that has lapsed for failure to satisfy the minimum standards for renewal may be reinstated if the registrant meets the following:

*a.* The application for reinstatement is submitted between January 1 and February 28 of the year immediately following the year the registration lapsed.

*b.* All minimum obligations for renewal of registration for the year in which the registration lapsed are satisfied prior to submission of the application for reinstatement. The registrant seeking to reinstate a registration will submit all information requested to renew a registration pursuant to rule 481—2050.4(17A,543E).

*c.* The registrant pays a reinstatement fee as specified in subrule 2050.8(5), in addition to the renewal fee, and any late charges.

**2050.5(2)** An appraisal management company whose registration has lapsed and who fails to meet the obligations for reinstatement specified in this rule will apply for a new registration and meet the obligations in effect at that time for a new registration.

**481—2050.6(17A,543E) Changes in the registrant's name, location, or ownership.**

**2050.6(1)** A registrant wishing to change the principal location of an appraisal management company will notify the administrator through the program's online system, within 15 days of making the change. The notice will include proof that the registrant has either obtained a new bond or amended the existing mandatory bond to reflect the new location. The registrant will submit a fee as specified in subrule 2050.8(5) in association with the change.

**2050.6(2)** Registrants will notify the administrator no later than 15 days following a change in name and will submit to the administrator a fee as specified in subrule 2050.8(5).

**2050.6(3)** The prior written approval of the administrator is necessary whenever a change in ownership of a registrant is proposed. When a change in ownership of a registrant is proposed, the party that will assume ownership of the registrant will give notice to the administrator through the program's online system, at least 30 days before the proposed change will take effect. The party that will assume ownership of the registrant will furnish the administrator through the program's online system, with the same information of initial applicants for registration, along with a fee as specified in subrule 2050.8(5). The administrator will approve or deny the request in accordance with the provisions of rule 481—2050.3(17A,543E).

**2050.6(4)** The prior written approval of the administrator is necessary whenever a change of the designated controlling person of a registrant is proposed. When change of the designated controlling person of a registrant is proposed, the party that will become the designated controlling person of the registrant will give notice to the administrator through the program's online system at least 30 days before the proposed change will take effect. The party that will become the designated controlling person of the registrant will furnish the administrator through the NMLS, or as otherwise prescribed by the administrator, with the same information requested of initial applicants for designation as a controlling person, along with the appropriate fee. The administrator will approve or deny the request in accordance with the provisions of rule 481—2050.3(17A,543E).

**2050.6(5)** Failure to notify the administrator within the prescribed time as obligated by this rule may subject the registrant to disciplinary action. However, in the event the death, incapacity, or unexpected resignation of a designated controlling person, or a similar circumstance, makes it impossible for a registrant to provide 30 days' advance notice, no disciplinary action will be taken if the party that will become the designated controlling person of the registrant provides the notice described in subrule 2050.6(4) promptly and no later than 10 days after learning that a new controlling person will be designated.

**481—2050.7(17A,543E) Notice of significant events.** A registrant will notify the administrator immediately and in writing within 15 calendar days of the occurrence of any of the following events:

**2050.7(1)** The registrant or any of the registrant's officers, directors, owners, or affiliates file for bankruptcy protection or commence reorganization proceedings.

**2050.7(2)** A prosecuting authority files criminal charges against the registrant or any of a registrant's officers, directors, owners, or affiliates.

**2050.7(3)** Another state or jurisdiction institutes registration denial, cease and desist, suspension or revocation procedures, or other regulatory action against the registrant or any of the registrant's officers, directors, owners, or affiliates.

**481—2050.8(17A,543E) Fees.**

**2050.8(1)** *Examination or investigation fees.* A registrant will pay an investigation or examination fee as described in Iowa Code section 543E.10(1).

**2050.8(2)** *Examination or investigation late fees.* A registrant will pay the administrator the total charge for an examination or investigation within 30 days after the administrator has requested payment. If a registrant fails to pay an examination or investigation fee by the due date, the administrator may assess an additional penalty as identified in subrule 2050.8(5) for each day the fee is overdue.

**2050.8(3)** *Late fees for failing to respond.* In the process of administering this chapter, the administrator may obligate a person to provide responses to formal orders, examinations, or complaint inquiries. If a person fails to respond within 30 days of the request, the administrator may assess a fee as specified in subrule 2050.8(5).

**2050.8(4)** Reserved.

**2050.8(5)** *Fees.*

| | |
|---|---|
| Application for registration fee | $250 |
| Registration fee (initial) (not applicable to preregistration) | $750 |
| Registration fee (annual renewal) | $750 |
| Background investigation fee (if requested) | $51 |
| Appraisal management company national registry fee (not applicable to preregistration) | As determined by the appraisal subcommittee |
| Fee for late submission of application for renewal | $50 |
| Fee to reinstate a lapsed registration | $250 |
| Reissuance or replacement of a lost, destroyed, or stolen registration | $25 |
| Fee for change of principal location | $25 |
| Fee for change of name | $25 |
| Fee for change of ownership | $150 |
| Fee for change of controlling person | $150 |
| Fee for late payment of examination or investigation fees | 5 percent of amount due per day beyond 30 days past due |
| Fee for late response to examination request | $10 per day beyond 30 days past due |
| Conversion fee for preregistered persons (applicable only when converting a preregistration to a registration) | $150 |
| Dishonored check fee | $30 |
| Examination or investigation fee | $100 per hour |
| Mailing list fee | $30 |
| Fee for letter of good standing | $25 |

**481—2050.9(17A,543E) Registrant records.**

**2050.9(1)** *General record obligations.* The following obligations apply to all records a registrant is obligated to keep pursuant to Iowa Code section 543E.13 and this chapter:

*a.* The registrant may keep records as a hard copy or in an electronic equivalent.

*b.* The registrant will maintain all books and records in good order and will produce books and records for the administrator upon request. Failure to produce such books and records within 30 days of the administrator's request may be grounds for disciplinary action against the registrant.

*c.* The obligation to maintain records continues even after the registrant ceases business operations in Iowa and turns in or surrenders its registration. The owners and directors of the registrant are responsible for ensuring that this obligation is met for the period listed under Iowa Code section 543E.13 and this chapter.

*d.* The registrant will keep all records for at least five years from the date the record was created, unless a longer retention period is mandated by statute.

**2050.9(2)** *Required records.* A registrant operating an appraisal management company will keep, and be able to retrieve or access from its principal place of business, an appraisal request and assignment log, a true and complete copy of each appraisal performed, a payment log, applications for registration, a dispute resolution policy, and certain corporate records.

*a. Appraisal request and assignment log.* A registrant will maintain a log of all appraisal services requested, including those requests for service that the registrant does not fulfill. A record of the appraiser assigned to each request for appraisal services accepted by the registrant will also be kept. The record will include a description of the assignment, the certification or registration number of the assigned appraiser, the certification possessed by the assigned appraiser, and the expiration date of the appraiser's certification.

*b. Appraisal files.* For each appraisal service assigned by a registrant to an appraiser, the registrant will keep a record of the award or engagement letter giving the appraisal assignment to the appraiser; the assigned appraiser's acceptance of the assignment; all material communications between the registrant, the assigned appraiser, and the service requestor regarding a consumer credit transaction secured by the principal dwelling of an Iowa consumer, or the securitization thereof; and the appraisal report created by the assigned appraiser.

*c. Payment log.* A record will be kept of all payments made by a registrant in association with the provision of appraisal services and will include the date the payment was made, the amount paid, the appraisal services for which payment was made, and the date on which the appraiser provided the results of the completed appraisal service to the registrant.

*d. Dispute resolution policy.* A registrant will maintain a copy of a dispute resolution policy for appraisers who request a review of a decision made by the registrant. The dispute resolution policy will provide for a written response to the appraiser's request for review, a written statement of the outcome of the dispute resolution process, and a copy of all relevant documents to the appraiser upon request. The dispute resolution policy will provide for external review of the decision in question or internal review of the decision in question by an officer or employee of a registrant who holds a higher position than the individual who made the decision in question.

*e. Corporate records.* A registrant will maintain lists of all owners, directors, officers, and employees, as well as the minutes from meetings of the registrant's board of directors if the registrant's corporate structure includes a board of directors.

**2050.9(3)** *General business records.* In addition to the required records, a registrant will keep the following general business records for at least five years from the date the record was created:

*a.* All checkbooks, check registers, bank statements, deposit slips, withdrawal slips, and canceled checks (or copies thereof) relating to the registrant's operation of an appraisal management company.

*b.* Complete records (including invoices and supporting documentation) for all expenses and fees paid in connection with each appraisal, including a record of the date and amount of all such payments actually made in connection with each appraisal.

*c.* Copies of all federal tax withholding forms, reports of income for federal taxation, and evidence of payments to all employees, independent contractors, and others compensated by a registrant in connection with the operation of an appraisal management company.

*d.* All correspondence and other records relating to the maintenance of any surety bond obligated by Iowa Code chapter 543E.

*e.* Copies of all reports of audits, examinations, inspections, reviews, investigations, or other similar functions performed by any third party, including but not limited to the administrator or any other regulatory or supervisory authority.

**2050.9(4)** *Disposal of records.* If a registrant or former registrant disposes of records at the end of the retention period, the registrant or former registrant will dispose of the records in a reasonable manner that safeguards any identification information, as defined in Iowa Code section 715A.8(1)*"a."* The owners and directors of registrants and former registrants are responsible for ensuring that this obligation is met.

**481—2050.10(17A,543E) Examinations, investigations, and complaints.**

**2050.10(1)** The administrator may, at any time and as often as the administrator deems necessary, examine a registrant's books, accounts, records, and files and investigate a registrant to assess potential violations of applicable appraisal-related laws, regulations, rules, or orders.

**2050.10(2)** The administrator may investigate complaints about, or alleged violations committed by, any registrant.

**2050.10(3)** The following will constitute a complaint or alleged violation:

*a.* A written complaint received from a consumer, member of the public, employee, business affiliate, or other governmental agency through the program's online system.

*b.* Notice to the administrator from any source that the registrant, or any owner or controlling person thereof, has been the subject of disciplinary proceedings in another jurisdiction.

*c.* Notice to the administrator from any source that any owner or controlling person of the registrant has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, conspiracy to defraud, or other similar offense, in a court of competent jurisdiction in this state or in any other state, territory, or district of the United States, or in any foreign jurisdiction.

**481—2050.11(17A,543E) Disciplinary action.**

**2050.11(1)** The administrator has the authority pursuant to Iowa Code chapters 543E and 17A to impose discipline for violations of Iowa Code chapter 543E and this chapter.

**2050.11(2)** Grounds for discipline. The administrator may impose any of the disciplinary sanctions set out in Iowa Code section 543E.17(1) when the administrator finds any of the following:

*a.* The registrant, or an owner or controlling person thereof, has violated a provision of Iowa Code chapter 543E or this chapter.

*b.* The registrant, or an owner or controlling person thereof, fails to fully cooperate with an examination or investigation, including failing to respond to an inquiry from the administrator within 30 calendar days of the date the administrator mails a written communication directed to the registrant's last-known address on file with the administrator.

*c.* The registrant, or an owner or controlling person thereof, has engaged in any conduct that subverts or attempts to subvert an examination or investigation by the administrator.

*d.* The registrant continues to operate an appraisal management company without an active and current registration.

*e.* The registrant fails to timely notify the administrator of the occurrence of any of the significant events set forth in rule 481—2050.7(17A,543E).

*f.* The registrant fails to notify the administrator of a change in ownership, controlling person, name, or principal place of business.

*g.* Another state or jurisdiction has denied, suspended, revoked, or refused to renew the registrant's registration or authorization to operate an appraisal management company under the other state's or jurisdiction's law.

*h.* The registrant fails to create and maintain complete and accurate records as obligated by state or federal law, regulation, or rule.

*i.* The registrant, or an owner or controlling person thereof, has violated an order of the administrator.

*j.* The registrant has abandoned its place of business for 60 or more days.

*k.* The registrant fails to pay any fee obligated by Iowa Code chapter 543E or this chapter or to maintain a bond obligated by Iowa Code chapter 543E.

*l.* A fact or condition exists that, had it existed at the time of the original application for registration, would have warranted the administrator to refuse to issue the original registration.

**2050.11(3)** A registrant may surrender a registration by delivering to the administrator a written notice of surrender.

**481—2050.12(17A,543E) Appraisal management company national registry maintained by the appraisal subcommittee.** The administrator will transmit to the appraisal subcommittee information and fees as necessary for inclusion on the appraisal management company national registry.

**2050.12(1)** *Registered appraisal management companies.* The administrator will transmit to the appraisal subcommittee all information regarding registered appraisal management companies required for inclusion on the appraisal management company national registry, including but not limited to a roster of appraisal management companies registered in this state and records relating to any disciplinary action taken against a registrant.

**2050.12(2)** *Federally regulated appraisal management companies.* The administrator will collect from a federally regulated appraisal management company all fees obligated for registration on the appraisal management company national registry maintained by the appraisal subcommittee. A federally regulated appraisal management company will also pay all fees associated with the administration of this rule. The administrator will collect from a federally regulated appraisal management company the following information necessary for the fulfillment of this obligation: the name, address, and telephone number of the company; the national registry identification number and tax identification number of the company; the start date of the company's registration on the appraisal management company national registry; the name of and contact information for a contact person for the company; and any other information as prescribed by the administrator.

**481—2050.13(17A,543E) Preregistration.**

**2050.13(1)** A person who is not obligated to register as an appraisal management company because its appraiser panel does not meet or exceed the size obligations specified in Iowa Code section 543E.3(1) may apply to the administrator for preregistration as an appraisal management company. If the administrator approves the application, the applicant will receive a preliminary notice indicating that the administrator intends to approve the applicant for registration as an appraisal management company, based on the information submitted, as soon as the appraiser panel that the applicant oversees meets or exceeds the statutory size obligations. The administrator's preliminary intent to approve registration will remain subject to change in the event that the administrator receives additional information indicating that registration should be denied.

**2050.13(2)** An applicant seeking preregistration as an appraisal management company will follow the application procedures prescribed in rule 481—2050.2(17A,543E), including providing all necessary information. The applicant will indicate that the applicant is applying for preregistration as an appraisal management company. The applicant will submit the application fee obligated by rule 481—2050.2(17A,543E), but an applicant under this provision need not submit the initial registration fee or the fee obligated by the appraisal management company national registry. The administrator will approve or deny the application for preregistration based on the criteria enumerated in rule 481—2050.3(17A,543E). Even if the administrator approves the application for preregistration, the applicant will not be registered on the appraisal management company national registry.

**2050.13(3)** A person who has received preregistration as an appraisal management company will apply for registration as an appraisal management company at least 30 days before the appraisal panel that the preregistered person oversees meets or exceeds the size obligations specified in Iowa Code section 543E.3(1). The applicant will submit a conversion application to the administrator, specifying the new size of the applicant's appraiser panel as obligated by subrule 2050.2(2), updating all information as necessary, and including any other information as prescribed by the administrator. The applicant will also submit a conversion fee, the initial registration fee, and the fee obligated by the appraisal management company national registry as specified in subrule 2050.8(5).

**2050.13(4)** The administrator will approve the application for registration unless additional information submitted by the applicant, or otherwise received by the administrator, indicates that the applicant is ineligible for registration based on the criteria enumerated in rule 481—2050.3(17A,543E). After the administrator approves registration, the applicant will be registered on the appraisal management company national registry and will comply with the provisions of Iowa Code chapter 543E and this chapter.

These rules are intended to implement Iowa Code chapters 17A and 543E.

# IOWA COMMUNICATIONS NETWORK

**Public Notice**

NOTICE OF OFFICIAL CONTRACT LIMITATION AMOUNT ADJUSTMENT FOR THE PERIOD COMMENCING SEPTEMBER 1, 2026, AND ENDING AUGUST 31, 2027

In accordance with Iowa Code section 8D.11(1)"c," the Iowa Communications Network's Executive Director hereby publishes the official adjusted contract limitation amount for the period commencing on September 1, 2026, and ending on August 31, 2027, of $3,211,502.64.

The adjusted contract limitation amount becomes effective on September 1, 2026. The amount was determined by applying the formula specified in the statute. According to the federal Department of Labor, Bureau of Labor Statistics, the consumer price index for all urban consumers increased 3.5 percent from July 2025 to June 2026.

Pursuant to Iowa Code section 8D.11(1)"c," this notice is exempt from the rulemaking process in Iowa Code chapter 17A.

Questions with respect to this notice should be directed to:

ICN Executive Director
400 East 14th Street
Des Moines, Iowa 50319
Telephone: 515.725.4692

## ARC 0475D

# PUBLIC DEFENSE DEPARTMENT[601]

**Notice of Intended Action**

**Proposing rulemaking related to fair information practices and providing an opportunity for public comment**

The Department of Public Defense hereby proposes to rescind Chapter 2, "Public Records and Fair Information Practices," and to adopt a new Chapter 2505, "Fair Information Practices," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 17A.24 and 2026 Iowa Acts, Senate File 2463.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 17A and 2026 Iowa Acts, Senate File 2463.

*Purpose and Summary*

This proposed rulemaking rescinds the Department's outdated Chapter 2 and adopts the new Uniform Rules on Agency Procedure chapter related to fair information practices (7—Chapter 2505), while exercising the Department's approved exception for provisions concerning federal records. Additionally, this rulemaking relocates the Department's existing rules regarding definitions, personally identifiable information, and federal records that were not rescinded by 2026 Iowa Acts, Senate File 2463, into the new Uniform Rules on Agency Procedure chapter format, ensuring all fair information practices for the agency remain consolidated in a single chapter.

Pursuant to 2026 Iowa Acts, Senate File 2463, section 5, subsection 2, the Department justifies this exception because its agency-specific rules relate to federal records. As an agency that operates under both State and federal authorities, the Department routinely maintains and processes federal records that are strictly governed by federal statutes—including the federal Privacy Act of 1974 and the federal Freedom of Information Act (FOIA)—as well as Department of Defense (DoD), Army, Air Force, and National Guard Bureau (NGB) regulations. Subjecting these specific federal records to the State's Uniform Rules on Agency Procedure would create a direct conflict of law and impede the Department's mandatory federal compliance. This exception is therefore necessary and appropriate to ensure that all federal records maintained by the Department remain solely subject to the applicable federal legal and regulatory frameworks.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on August 25, 2026. Comments should be directed to:

Michael Wunn
Public Defense Department
Joint Forces HQ
Office of General Counsel
6100 78th Street
Johnston, Iowa 50131
Phone: 515.401.6960
Email: michael.a.wunn.civ@army.mil

*Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)"b," an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Emergency Rulemaking Adopted by Reference*

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 0476D**, IAB 8/5/26). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.

# TRANSPORTATION DEPARTMENT

## Advisory Notice

Adjusted Bid Thresholds for City and County Highway, Bridge, and Culvert Construction, Reconstruction and Improvement Projects

Pursuant to the authority of Iowa Code section 314.1B, the Director of Transportation gives an advisory notice of adjusted bid thresholds for city and county highway, bridge, and culvert construction, reconstruction and improvement projects. The adjusted bid threshold values will become effective January 1, 2027.

The horizontal infrastructure bid threshold industry and subject matter experts, composed of three contractors, two county representatives, one city representative and the Director's designee, corresponded in person on May 22, 2026, to review bid thresholds. After a review of the construction price index, the Director makes the following three adjustments to bid thresholds for city and county highway, bridge, and culvert construction, reconstruction and improvement projects:

1. The county bid threshold in Iowa Code section 309.40 will be adjusted from $115,000 to $125,000 effective January 1, 2027.
2. The bid threshold in Iowa Code section 314.1(2) for cities with a population of 50,000 or less will be adjusted from $62,000 to $67,000 effective January 1, 2027.
3. The bid threshold in Iowa Code section 314.1(2) for cities with a population of more than 50,000 will be adjusted from $89,000 to $97,000 effective January 1, 2027.

All other bid thresholds for city and county highway, bridge, and culvert construction, reconstruction and improvement projects that are not addressed in this advisory notice will remain as currently stated in the appropriate Iowa Code sections.

**ARC 0476D**

# PUBLIC DEFENSE DEPARTMENT[601]

**Adopted and Filed Emergency**

**Rulemaking related to fair information practices**

The Department of Public Defense hereby rescinds Chapter 2, "Public Records and Fair Information Practices," and adopts a new Chapter 2505, "Fair Information Practices," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 17A.24(5).

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, 2026 Iowa Acts, Senate File 2463.

*Purpose and Summary*

This rulemaking rescinds the Department's outdated Chapter 2 and adopts the new Uniform Rules on Agency Procedure chapter related to fair information practices (7—Chapter 2505), while exercising the Department's approved exception for provisions concerning federal records. Additionally, this rulemaking relocates the Department's existing rules regarding definitions, personally identifiable information, and federal records that were not rescinded by 2026 Iowa Acts, Senate File 2463, into the new Uniform Rules on Agency Procedure chapter format, ensuring all fair information practices for the agency remain consolidated in a single chapter.

Pursuant to 2026 Iowa Acts, Senate File 2463, section 5, subsection 2, the Department justifies this exception because its agency-specific rules relate to federal records. As an agency that operates under both State and federal authorities, the Department routinely maintains and processes federal records that are strictly governed by federal statutes—including the federal Privacy Act of 1974 and the federal Freedom of Information Act (FOIA)—as well as Department of Defense (DoD), Army, Air Force, and National Guard Bureau (NGB) regulations. Subjecting these specific federal records to the State's Uniform Rules on Agency Procedure would create a direct conflict of law and impede the Department's mandatory federal compliance. This exception is therefore necessary and appropriate to ensure that all federal records maintained by the Department remain solely subject to the applicable federal legal and regulatory frameworks.

*Reason for Adoption of Rulemaking Without*
*Prior Notice and Opportunity for Public Participation*

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because emergency adoption was approved by the Administrative Rules Review Committee.

In compliance with Iowa Code section 17A.4(3)"a," the Administrative Rules Review Committee at its July 13, 2026, meeting reviewed the Department's determination and this rulemaking and approved the emergency adoption.

*Reason for Waiver of Normal Effective Date*

Pursuant to Iowa Code section 17A.5(2)"b"(1)(b), the Department also finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective on July 13, 2026, because earlier adoption of this rulemaking is necessary to prevent a gap in rules coverage since the Department's existing rules on this subject were rescinded on July 1, 2026. This rulemaking confers a benefit on the public by providing clear, certain, and immediate guidance on the procedures for accessing public records, increasing understanding how the Department handles personally identifiable information, and clarifying the applicability of these rules to federal records. Without an early effective date, the public would be without effective rules, creating confusion and hindering access to government records.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 13, 2026.

*Concurrent Publication of Notice of Intended Action*

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as **ARC 0475D** to allow for public comment.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking became effective on July 13, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **601—Chapter 2**.

ITEM 2. Adopt the following **new** 601—Chapter 2505:

CHAPTER 2505
FAIR INFORMATION PRACTICES

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

**601—2505.1(17A,22) Definitions.** As used in this chapter:

*"Agency"* means the department of public defense.

*"Custodian"* means the adjutant general.

*"Federal records"* means all records, documents, tape, or other information, stored or preserved in any medium, the maintenance, use, or disclosure of which is governed by federal government law or regulation.

*"Records"* or *"state records"* means all or part of "public records" as defined in Iowa Code section 22.1 but does not include federal records as defined herein.

**601—2505.3(17A,22) Requests for access to records.**

**2505.3(1)** Location of record. A request for access to a record should be directed to the Adjutant General, Department of Public Defense, Camp Dodge, 7105 NW 70th Avenue, Johnston, Iowa 50131-1902.

**2505.3(2)** Office hours. Public records shall be made available during office hours of 8 a.m. to 4:30 p.m. daily, excluding Saturdays, Sundays, and legal holidays.

**601—2505.9(17A,22) Applicability.** This chapter does not:

1. Make available to the general public records or federal records that would otherwise not be available under the public records law, Iowa Code chapter 22.
2. Govern the maintenance or disclosure of, notification of or access to records or federal records in possession of the agency that are governed by regulations of another agency.

**601—2505.10(17A,22) Personally identifiable information.** This rule describes the nature and extent of personally identifiable information that is collected, maintained, and retrieved by the agency by personal identifier in record systems as defined in rule 601—2505.1(17A,22). For each record system, this rule describes the legal authority for the collection of that information, describes the means of storage of that information and indicates whether a data processing system matches, collates, or permits the comparison of personally identifiable information in one record system with personally identifiable information in another record system. The record systems maintained by the agency are:

**2505.10(1)** Quartermaster supply records prepared under the authority of Iowa Code sections 29A.19 and 7A.30. Request for examination of these records that are retrievable by personal identifier will be directed to the Office of the State Quartermaster, Camp Dodge. Records are maintained on AGO Form 1-5 for hard-copy and computer-generated files.

**2505.10(2)** Purchase and disposition of real property records, prepared under the authority of Iowa Code section 29A.57. Records are available from the State Quartermaster, Warehouse #3, Camp Dodge. Real estate records are available in hard-copy format.

**2505.10(3)** Armory board minutes, including supporting documentation, prepared under the authority of Iowa Code section 29A.57. Records are available from the State Quartermaster, Warehouse #3, Camp Dodge. Records are maintained in hard-copy format.

**2505.10(4)** Armory lease records, including supporting documentation, prepared under the authority of Iowa Code section 29A.57. Records are available from the State Quartermaster, Warehouse #3, Camp Dodge. Records are maintained in hard-copy format.

**2505.10(5)** Headquarters allowance and per capita allowance records and documentation for expenditures made from these accounts prepared under the authority of Iowa Code sections 29A.33 and 29A.57(8). Records are available from the State Quartermaster, Warehouse #3, Camp Dodge. Records are maintained in hard-copy format.

**2505.10(6)** State contracting files prepared under the authority of Iowa Code section 72.1, which include personally identifiable information in the form of bidders lists, requests for quotation, professional contracts, vendors lists, wage rates, purchase orders, claim orders, and project books. Sealed bids become public information once the bid opening has been completed. The information is maintained in hard-copy format and may be obtained from the Facilities Office, Camp Dodge.

**2505.10(7)** Personnel files. The agency maintains files containing information about state employees, families and dependents, and applicants for positions with the agency. The files include payroll records, biographical information, medical information relating to disability, performance reviews and evaluations, disciplinary information, information required for tax withholding, information concerning employee benefits, affirmative action reports, and other information concerning the employer-employee relationship. Some of this information is confidential under Iowa Code section 22.7(11).

**601—2505.11(17A,22) Federal records.** Pursuant to Iowa Code section 22.9, the department finds that maintenance, use, or disclosure of federal records described in this rule, except as allowed by federal law and regulation, would result in denial to the agency of United States government funds, services, and essential information that would otherwise definitely be available and have in the past been available to the agency. Iowa Code section 29A.5 provides that the Iowa National Guard shall be subject to the provisions of federal laws and regulations. Applicable federal laws and regulations include the following: 32 U.S.C. 105 (providing that Army National Guard records shall be kept in accordance with Title 32 of the United States Code); 32 U.S.C. 108 (providing that federal funds may be barred from a state national guard where compliance with Title 32 is not maintained); 5 U.S.C. 552 (the federal Freedom of Information Act) and 5 U.S.C. 552a (the federal Privacy Act), stating the manner in which federal records shall be maintained and made available to the public. Applicable agency regulations include Department of Defense, Army, Air Force, and National Guard Bureau directives governing records management and privacy, including but not limited to Army Regulation 25-22 (The Army Privacy Program), Army Regulation 25-55 (The Department of the Army Freedom of Information Act Program), Department of the Air Force Instruction 33-332 (Air Force Privacy and Civil Liberties Program), and Chief National Guard Bureau Instruction 5000.01 (Records Management Program) or their current equivalent instructions (all of which relate to maintenance and public availability of federal records). Copies of the regulations may be obtained at the cost of reproduction from the office of the Adjutant General, Camp Dodge, 7105 NW 70th Avenue, Johnston, Iowa 50131-1902.

**2505.11(1)** The department maintains the following categories of federal records, the maintenance of which is governed by federal law and regulation:

*a.* Personnel records. This category contains biographical, medical, and career development data on civilian and military personnel who are employed by the federal government.

*b.* Fiscal records. This category contains the record of service for pay, allowances, and retirement on civilian and military personnel who are employed by the federal government. It further includes budget and financial data required for audit purposes.

*c.* Training records. This category contains the training activities, accomplishments, and objectives of units and personnel civilian and military who are employed by the federal government.

*d.* Legal files. This category contains legal assistance records, claims and litigation against the United States, contracts review, and attorney work product.

*e.* Inspector general files. This category contains records of evaluation of units, personnel assistance, and recommendations of the office of the inspector general.

*f.* Operations records. This category contains information on the movement of personnel and equipment to meet the mission requirements of the Army and Air Force.

*g.* Equipment maintenance records. This category contains the functional or repair status of military equipment maintained by the Army and Air National Guard.

*h.* Procurement record. This category contains a history of acquisition goods and services by the United States Property and Fiscal Office at Camp Dodge.

*i.* Equipment inventories. This category contains a record of property accounts for all federal equipment issued to the Iowa Air or Army National Guard.

*j.* Publications library. This category contains federal publications, regulations, directives and pamphlets, which provide procedural guidance for the operations and activities of the Iowa National Guard.

**2505.11(2)** The federal records described in paragraphs 2505.11(1)*"a"* through *"e"* contain personally identifiable information compiled under the authority of Iowa Code chapter 29A and 32 U.S.C. 105 and implementing regulations. A more comprehensive description of the above noted federal records is contained in Department of the Air Force Instruction 33-322, "Records Management and Information Governance Program," and Army Regulation 25-400-2, "Army Records Information Management System (ARIMS)."

**601—2505.12(17A,22) Other groups of records.** This rule describes groups of records maintained by the agency other than record systems defined in rule 601—2505.1(17A,22). These records are routinely available to the public. However, the agency's files of these records may contain confidential information. In addition, the records may contain information about individuals.

**2505.12(1)** Rulemaking. Rulemaking records may contain information about individuals making written or oral comments on proposed rules. This information is collected pursuant to Iowa Code section 17A.4. This information is not stored in an automated data processing system.

**2505.12(2)** Publications. News releases, literature, reports, and newsletters from various military associations or from the federal government are available from the public affairs officer, department of public defense. Agency news releases, project reports and newsletters may contain information about individuals, including agency staff or members of agency committees. This information is not retrieved by individual identifier and is not currently stored on an automated data processing system.

**2505.12(3)** All other records that are not exempted from disclosure by law.

**601—2505.13(17A,22) Data processing systems.** Data processing systems used by this agency do not permit the comparison of personally identifiable information in one record system with personally identifiable information in another system.

[Filed Emergency 7/16/26, effective 7/13/26]
[Published 8/5/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0458D**

# HUMAN SERVICES DEPARTMENT[441]

**Adopted and Filed**

**Rulemaking related to social casework**

The Department of Health and Human Services hereby rescinds Chapter 131, "Social Casework," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Executive Order 10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 234.

*Purpose and Summary*

Chapter 131 underwent a Red Tape Review pursuant to Executive Order 10. As a result, the Department determined the chapter was largely duplicative of 441—Chapter 130, which is being addressed in a separate rulemaking.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 27, 2026, as **ARC 0301D**. Public hearings were held on the following date:

- June 16, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 8, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **441—Chapter 131**.

[Filed 7/8/26, effective 10/1/26]
[Published 8/5/26]
EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0459D**

# HUMAN SERVICES DEPARTMENT[441]

**Adopted and Filed**

**Rulemaking related to quality improvement initiative grants**

The Department of Health and Human Services hereby rescinds Chapter 166, "Quality Improvement Initiative Grants," Iowa Administrative Code, and adopts a new Chapter 166 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 249A.4.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 249A.57.

*Purpose and Summary*

These rules define and structure grants to be funded from civil money penalties collected from nursing facilities that do not comply with the requirements of the federal Social Security Act, section 1919, as codified in 42 U.S.C. §1396r. The grant funds are available for activities that protect or improve the quality of care and quality of life for residents of a nursing facility. This chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the Department's review, the Department eliminated restrictive terms and updated dates certain.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0350D**. Public hearings were held on the following date:

- June 30, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 441—Chapter 166 and adopt the following **new** chapter in lieu thereof:

CHAPTER 166
QUALITY IMPROVEMENT INITIATIVE GRANTS

**441—166.1(249A) Definitions.**

*"Eligible entities"* means certified long-term care facilities, professional or state nursing home associations, state agencies, consumer and nursing facility advocacy organizations, resident and family councils, and private applicants.

*"Nursing facility"* means a Medicaid-enrolled facility that is defined in rule 441—81.1(249A) as "facility."

*"Quality improvement initiative"* or *"initiative"* means a project or training in accordance with provisions of 42 CFR 488.433 as amended to August 1, 2026, that directly or indirectly supports and benefits the quality of care and quality of life of nursing facility residents.

**441—166.2(249A) Availability of grants.** The department will set aside an annual amount from the civil money penalty fund established pursuant to Iowa Code section 249A.57 to be awarded in the form of emergency reserve fund grants to eligible entities for approved support and protection of residents of a facility that closes (voluntarily or involuntarily). At no time shall the grant set-aside cause the civil money penalty emergency reserve fund to drop below $1 million.

**166.2(1)** In any calendar year in which sufficient funds are available in the civil money penalty fund to support quality improvement initiative grants, the department may issue a notice for applications for grants.

**166.2(2)** There is no entitlement to any funds available for grants awarded pursuant to this chapter. The department may award grants to the extent funds are available and, within its discretion, to the extent that applications are approved.

**166.2(3)** The project plan as described in rule 441—166.4(249A) and allocation of funds shall be in compliance with state and federal laws and approved by the Centers for Medicare and Medicaid Services (CMS).

**166.2(4)** Emergency reserve fund grants are available for purposes of:

*a.* Time-limited expenses incurred in the process of relocating residents when a facility closes (voluntarily or involuntarily) or downsizes pursuant to an agreement with the department, and

*b.* Development and maintenance of temporary management or receivership capability.

**441—166.3(249A) Grant eligibility.** Grants are available for quality improvement initiatives that are outside the scope of normal operations for the nursing facility or other applicants. Grants cannot be used as replacement funding for goods or services that the applicant already offers.

**166.3(1)** Grants may be awarded for:

*a.* Short-term quality improvement initiatives (three years or less), and

*b.* Situations eligible for emergency reserve funds.

**166.3(2)** The department will comply with CMS guidance on civil money penalty uses.

**441—166.4(249A) Grant application process and selection of proposals.** The department will announce through a request for proposals the opening of an application period. The request will state the purpose for which grant funds may be sought. Applicants shall submit their grant proposals by the deadline specified in the announcement.

**166.4(1)** All proposals completed as directed and submitted within the time frames allowed will be evaluated by the grant review committee to determine which applicants' project plans will be submitted for CMS approval.

**166.4(2)** The department will submit the project plan for each grant the department intends to award, along with any required documentation, to CMS to seek approval or denial of the proposed project. All activities and plans for utilizing civil money penalty funds must be approved in advance by CMS.

**441—166.5(249A) Project contracts.** Grants for approved applicant project plans will be awarded through a contract entered into by the department and the applicant. The contract period will not exceed the time frames allowed by state and federal laws. The department will reimburse expenditures pursuant to contract terms and the regular reimbursement procedures of the state of Iowa.

These rules are intended to implement Iowa Code section 249A.57.

[Filed 7/15/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0460D**

# HUMAN SERVICES DEPARTMENT[441]

**Adopted and Filed**

**Rulemaking related to in-home health-related care**

The Department of Health and Human Services hereby rescinds Chapter 177, "In-Home Health-Related Care," Iowa Administrative Code, and adopts a new Chapter 177 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 249.3(2).

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 249.3(2).

*Purpose and Summary*

The purpose of this rulemaking is to describe the In-Home Health-Related Care program, which is designed to provide in-home nursing care to an individual whose physical, developmental, or mental health prevents independent self-care. The provider, who is usually a relative, is certified by a physician, and the program dollars are optimized by not paying a higher rate charged by an agency.

This chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result, the Department standardized terminology, removed provisions that were no longer valid, and reduced restrictive terms.

The Department also changed the certification period from once every 180 days to once every 365 days.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on May 27, 2026, as **ARC 0302D**. Public hearings were held on the following date:

- June 16, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 8, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 441—Chapter 177 and adopt the following **new** chapter in lieu thereof:

CHAPTER 177
IN-HOME HEALTH-RELATED CARE

**441—177.1(249) Definitions.**

*"Nursing care"* includes skilled services and personal care services.

*"Own home"* means an individual's house, apartment, or other living arrangement intended for single or family residential use.

*"Personal care services"* includes:

1. Services that assist a client with the activities of daily living, such as but not limited to helping the client with bathing, toileting, getting in and out of bed, ambulation, hair care, oral hygiene and administering medications that are physician-ordered but ordinarily self-administered.

2. Services that help or retrain the client in necessary skills for daily living.

3. Incidental household services that are essential to the client's health care at home and are necessary to prevent or postpone institutionalization.

*"Skilled nursing services"* are services for which an individualized assessment of a patient's clinical condition demonstrates that the specialized judgment, knowledge, and skills of a registered nurse or, when provided by regulation, a licensed practical (vocational) nurse (skilled care) are necessary.

*"Skilled services"* include skilled nursing services or other services that, based on a physician's certification, are required to be performed under the supervision of a physician, nurse practitioner, clinical nurse specialist, or physician associate.

*"Supervising practitioner"* means a physician, nurse practitioner, clinical nurse specialist, or physician associate qualified to supervise skilled services.

**441—177.2(249) Eligibility and application.**

**177.2(1)** *Eligibility.* To be eligible for in-home health-related care (IHHRC):

*a.* The individual must be eligible for supplemental security income (SSI) in every respect, except for income.

*b.* A physician must certify in accordance with rule 441—177.5(249) that the individual requires either skilled services or personal care services and that those services can be provided in the individual's own home. The certification shall be provided using a form prescribed by the department.

*c.* The individual shall live in the individual's own home. Notwithstanding the foregoing, an individual will remain eligible for a period not to exceed 15 days in any calendar month when the client is temporarily absent from the client's home.

*d.* The individual shall obtain a physical examination report annually and shall be under the supervision of a physician.

*e.* The required skilled services or personal care services must not be available under any other state or federal program.

*f.* The countable income of the individual and spouse living in the home shall be limited to $480.55 per month if one needs care or $961.10 if both need care, after the following disregards from gross income:

(1) The amount of the basic SSI standard for an individual or a couple, as applicable.

(2) When income is earned, $65 plus one-half of any remaining income.

(3) The amount of the SSI standard for a dependent plus any established unmet medical needs for each dependent living in the home. Any income of the dependent shall be applied to the dependent's needs before making this disregard.

(4) The amount of the established medical needs of the ineligible spouse that are not otherwise met.

(5) The amount of the established medical needs of the applicant or recipient that are not otherwise met and would not be met if the individual were eligible for the medical assistance program.

*g.* Income for children.

(1) All income received by the parents in the home shall be deemed to the child with the following disregards:

1. The amount of the basic SSI standard for an individual when there is one parent in the home or for a couple when there are two parents in the home.

2. The amount of the basic SSI standard for a dependent for each ineligible child in the home.

3. The amount of the unmet medical needs of the parents and ineligible dependents.

4. When all income is earned, an additional basic SSI standard for an individual in a one-parent home or for a couple in a two-parent home.

5. When the income is both earned and unearned, $65 plus one-half of the remainder of the earned income.

(2) The countable income of the child shall be limited to $480.55 per month after the following disregards from gross income:

1. The amount of the basic SSI standard for an individual.

2. The amount of the established medical needs of the child that are not otherwise met and would not be met if the child were eligible for the medical assistance program.

3. One-third of the child support payments received from an absent parent.

**177.2(2)** *Application.* Application for IHHRC shall be made on a form prescribed by the department and submitted to the department. An eligibility determination will be completed within 30 days from the date of the application unless one or more of the following conditions exist:

*a.* An application has been filed and is pending for federal SSI benefits.

*b.* The application is pending because the department has not received information that is beyond the control of the client or the department.

*c.* The application is pending due to the disability determination process performed through the department.

*d.* The application is pending because the provider agreement has not been completed and completion is beyond control of the client. When the provider agreement cannot be completed due to the client's failure to locate a provider, applications will not be held pending beyond 60 days from the date of application.

**441—177.3(249) Qualifications of providers of health care services.**

**177.3(1)** *Age.* The provider shall be at least 18 years of age.

**177.3(2)** *Health assessment.* The provider shall obtain certification on a form prescribed by the department that the provider is physically and emotionally capable of providing assistance to another person whose physical, developmental or mental health prevents independent self-care.

*a.* The certification shall be based on an examination performed by:

(1) A physician; or

(2) An advanced registered nurse practitioner or physician associate if the advanced registered nurse practitioner or physician associate is working under the direction of a physician.

*b.* If the provider works for an agency, the practitioner performing the examination may not be employed by the same agency.

*c.* The practitioner conducting the examination shall sign the certification.

*d.* The certification shall be submitted to the department:

(1) Before the provider agreement is signed, and

(2) Annually thereafter.

**177.3(3)** *Qualifications.* The provider shall be qualified by training and experience to carry out the health care plan as specified in subrule 177.6(1).

**177.3(4)** *Relative.* The provider may be related to the client, so long as the provider is not the client's:

*a.* Legal spouse, including a common law spouse, who resides in the same household.

*b.* Natural mother or father, adoptive mother or father, or stepmother or stepfather, who resides in the same household.

**441—177.4(249) Physician's certification.**

**177.4(1)** *Certification requirements.* A physician must certify on a form provided by the department:

*a.* That the skilled services or personal care services are required by the person's physical, developmental or mental health;

*b.* The specific skilled services or personal care services required, the method of providing those services, and the expected duration of those services; and

*c.* That the required skilled services and personal care services can be delivered in the individual's own home.

**177.4(2)** *Certification review.* After certification and any subsequent recertification, a physician must review the certification and withdraw, renew, or amend the existing certification:

*a.* No later than the three hundred sixty-fifth day after the existing certification;

*b.* More frequently than yearly after the existing certification if required by the physician, the department, or a supervising practitioner; or

*c.* Upon notification of initiation of Medicaid waiver services.

**441—177.5(249A) Department duties.**

**177.5(1)** *Service plan.*

*a.* In consultation with the client's case manager and any supervising health practitioner, the department will create a complete service plan for the client. The plan must avoid duplication of services and include all of the following:

(1) All of the services certified by a physician under rule 441—177.4(249).

(2) Payer sources. IHHRC care shall be provided only when other programs cannot meet the client's needs.

(3) Level of service needs.

(4) Service history. If the client is being transferred from a medical hospital or long-term care facility, the department will also obtain a transfer document describing the client's current care plan.

*b.* In consultation with the client's case manager and any supervising health practitioner, the department will review and update the service plan on or before the ninetieth day following the creation of or previous review of the service plan. The updated service plan must comply with paragraph 177.5(1)*"a."*

**177.5(2)** *Change in condition.* If the department becomes aware of any changes in the individual's condition, including discharge from a facility, that could require a change in the services provided, the department will ensure that a physician reviews the existing certification and that the existing certification is withdrawn, renewed, or amended.

**177.5(3)** *Service documentation.*

*a.* The department will review the service documentation submitted by the client or provider, including any requests for supplementation of services.

*b.* If there are concerns as a result of such a review, there will be a change in the service plan.

**441—177.6(249) Supervising practitioner duties.**

**177.6(1)** *Instruction.* The supervising practitioner shall provide instruction specific to each patient and the services each patient is receiving, including but not limited to instruction on documentation the worker should be creating and instruction on warning signs of which the department should be aware.

**177.6(2)** *Schedule for reviewing documentation.* The supervising practitioner shall set up a schedule for reviewing documentation that is specific to the services being provided to that particular patient and shall review the documentation according to the schedule.

**177.6(3)** *Medical records.*

*a.* The supervising practitioner shall keep appropriate medical records, a copy of the service plan, and the physician's certification in the supervising practitioner's case file. In addition, the medical records shall include, whenever appropriate, transfer forms, physician's orders, progress notes, drug administration records, treatment records, and incident reports.

*b.* The supervising practitioner shall make all medical records available to the department, the client, and the client's legal representative.

*c.* The supervising practitioner shall ensure that, upon termination of the in-home care plan, the medical records are transferred to the department.

*d.* The department will retain medical records transferred to it under paragraph 177.6(3)*"c"* for five years or, if an audit is commenced within the five years, until completion of that audit.

**441—177.7(249) Written agreements.**

**177.7(1)** *Independent contractor.* The provider shall be an independent contractor and shall not be an agent, employee or servant of the state of Iowa, the department or any of its employees or clients.

**177.7(2)** *Liability coverage.* All professional health care providers shall have adequate liability coverage consistent with the professional health care providers' responsibilities, since the department assumes no responsibility, or liability, for individuals providing care.

**177.7(3)** *Provider agreement.*

*a.* The client and the provider shall enter into an agreement using a form prescribed by the department prior to the provision of service. Any reduction to the state supplemental assistance program shall be applied to the maximum amount paid by the department as stated in the provider agreement by using the separate amendment to provider agreement form.

*b.* Written instructions for dealing with emergency situations will be completed by the department and included in the provider agreement, which shall be maintained in the client's home and at the department. The instructions will include:

(1) The name and telephone number of the client's physician, responsible family members or other significant persons;

(2) Information as to which hospital to utilize; and

(3) Information as to which ambulance service or other emergency transportation to utilize.

**441—177.8(249) Payment.**

**177.8(1)** *Payment approved.* Notwithstanding 42 U.S.C. §1382(c)(7) as amended to August 1, 2026, after the department approves the service plan, payment is effective as of the later of (1) the date of the application or (2) the date all eligibility requirements are met and qualified health care services are provided.

**177.8(2)** *Client participation.*

*a.* Except as provided in paragraph 177.8(2)*"b,"* all income remaining after excluding the amounts identified in paragraphs 177.2(1)*"f"* and *"g"* will be considered income available for services (client participation) and the IHHRC program will pay only the cost of eligible services that exceeds client participation up to the maximum benefit payable.

*b.* When the first month of service is less than a full month, there is no client participation for that month. Payment will be made for the actual days of service provided according to the agreed-upon rate up to the maximum benefit payable.

**177.8(3)** *Maximum benefit payable.* The maximum benefit payable for IHHRC services inclusive of all services for all providers is the reasonable charges for such services up to and including $480.55. The provider shall accept the maximum benefit payable and shall not charge the client or others in excess of that benefit.

**177.8(4)** *Payment.* The client or the person legally designated to handle the client's finances shall be the sole payee for payments made under the program and shall be responsible for making payment to the provider except when the client payee becomes incapacitated or dies while receiving service.

*a.* The department will have the authority to issue one payment to a provider on behalf of a client payee who becomes incapacitated or dies while receiving service.

*b.* When continuation of an incapacitated client payee in the program is appropriate, the department will assist the client and the client's family to legally designate a person to handle the client's finances. Guardians, conservators, protective or representative payees, or persons holding financial power of attorney are considered to be legally designated.

*c.* If the client has a temporary absence from home, payment will not be authorized for over 15 days for any continuous absence whether or not the absence extends into a succeeding month or months.

**177.8(5)** *Reasonable charges.* Payment will be made only for reasonable charges for in-home health care services as determined by the department, which will determine reasonableness by:

*a.* The prevailing community standards for cost of care for similar services.

*b.* The availability of services at no cost to the IHHRC program.

**441—177.9(249) Termination conditions.** Termination of IHHRC will occur under the following conditions.

**177.9(1)** *Request.* When the client or the client's legal representative requests termination.

**177.9(2)** *Care unnecessary.* When the client becomes sufficiently able to remain in the client's own home with services that can be provided by other sources as determined by the department.

**177.9(3)** *Additional care necessary.* When the physical or mental condition of the client requires more care than can be provided in the client's own home as determined by the department in consultation with the certifying physician.

**177.9(4)** *Excessive costs.* When the cost of care exceeds the maximum established in subrule 177.9(3).

**177.9(5)** *Other services utilized.* When the department determines that other services can be utilized to better meet the client's needs.

**177.9(6)** *Terms of provider agreement not met.* When it has been determined by the department that the terms of the provider agreement have not been met by the client or the provider, the state supplementary assistance payment may be terminated.

**177.9(7)** *Failing to comply with program requirements.* When the recipient is not following the program requirements or cooperating with the program objectives, including but not limited to a failure to provide documentation to program representatives.

**177.9(8)** *Notice and appeal.* Written notice of termination will be provided pursuant to 441—Chapter 16. The decision may be appealed pursuant to 441—Chapter 2506.

These rules are intended to implement Iowa Code section 249.3(2)*"a"*(2).

[Filed 7/8/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

## ARC 0461D

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to public records and fair information practices**

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 5, "Public Records and Fair Information Practices," Iowa Administrative Code, and adopts a new Chapter 5 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 10A.104, 17A.24, 22.3 and 22.11.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapters 10A, 22 and 272C.

*Purpose and Summary*

This rulemaking repromulgates Chapter 5 and implements Iowa Code chapters 10A, 22, and 272C in accordance with the goals and directives of Executive Order 10.

This chapter provides procedures for requesting access to public records, including location of records and potential fees to access the records. This chapter also provides direction on what records can be released without providing consent to the subject of the record, instances where a subject can provide consent to release a confidential record, and the availability of public records.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9887C**. A public hearing was held on the following date(s):

- January 27, 2026
- January 28, 2026

No one attended the public hearings. No public comments were received.

Changes from the Notice have been made to reflect legislative rescissions pursuant to 2026 Iowa Acts, Senate File 2463. Additionally, the preamble has been revised to reference 7—Chapter 2505, "Fair Information Practices." No other changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 481—Chapter 5 and adopt the following **new** chapter in lieu thereof:

CHAPTER 5
PUBLIC RECORDS AND FAIR INFORMATION PRACTICES

The department of inspections, appeals, and licensing hereby adopts, with the following additions, 7—Chapter 2505, "Fair Information Practices." These rules are applicable to any division, board, or commission under the administrative authority of the department pursuant to Iowa Code chapter 10A unless a division, board, or commission has separate rulemaking authority and has adopted rules governing public records and fair information practices.

**481—5.1(10A,17A,22) Definitions.** As used in this chapter:

*"Agency"* means the department of inspections, appeals, and licensing (department) or any division, board, or commission under the administrative authority of the department pursuant to Iowa Code chapter 10A, as applicable.

*"Custodian"* means an agency that owns and exercises control over public records. The originating agency, if any, is the custodian of records that are used to perform work or a service for the originating agency.

*"Originating agency"* means any government agency that has requested the department to perform work or a service on its behalf. An originating agency retains custody of all records provided by the originating agency to the department pursuant to Iowa Code section 10A.105.

**481—5.9(17A,22) Personally identifiable information, storage, and data processing systems.** The department maintains systems of records that contain personally identifiable information. Records are collected in accordance with the agency's duties set forth in Iowa Code chapters 10A and 272C and other state and federal law governing programs administered by the agency. Specific personally identifiable information collected and the agency's authority to collect said information is contained in pertinent Iowa Code sections and Iowa Administrative Code rules governing such programs. The department stores information in paper and on a cloud-based system and other electronic data management and storage systems. All data processing systems that have common data elements can potentially match, collate, and compare personally identifiable information as appropriate and legally authorized.

These rules are intended to implement Iowa Code chapters 10A, 22, and 272C.

[Filed 7/16/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0462D

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to rules of procedure and practice before the administrative hearings division; procedure for contested cases involving permits to carry weapons and acquire firearms**

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 10, "Rules of Procedure and Practice Before the Administrative Hearings Division," and adopts a new Chapter 10 with the same title; and rescinds Chapter 11, "Procedure for Contested Cases Involving Permits to Carry Weapons and Acquire Firearms," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 10A.104, 10A.801 and 724.21A.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapters 10A, 17A and 724.

*Purpose and Summary*

This rulemaking repromulgates Chapter 10, rescinds Chapter 11, and implements Iowa Code chapters 10A, 17A, and 724 in accordance with the goals and directives of Executive Order 10.

This rulemaking establishes rules of procedure for the Department's Administrative Hearings Division (AHD), which hears contested cases for various State of Iowa agencies and disciplinary hearings for licensing boards. In FY 2025, AHD's Central Panel Bureau (CPB), consisting of 17 administrative law judges, received a total of 11,021 cases and closed 11,334 cases pursuant to the rules of procedure established by the original Chapter 10. Specifically, CPB received 6,769 cases and closed 6,807 cases from the Department of Health and Human Services; received 3,015 cases and closed 3,286 cases from the Department of Transportation; and received 1,237 cases and closed 1,241 cases from other State or local agencies.

Additionally, this rulemaking consolidates the existing Chapter 11, "Procedure for Contested Cases Involving Permits to Carry Weapons and Acquire Firearms," with the general rules of procedure and practice in Chapter 10 into a unified chapter.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9893C**. A public hearing was held on the following date(s):

- January 27, 2026
- January 28, 2026

No one attended the public hearings. No public comments were received.

Since publication of the Notice, a change has been made to reflect legislative rescissions pursuant to 2026 Iowa Acts, Senate File 2463. No other changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 481—Chapter 10 and adopt the following **new** chapter in lieu thereof:

CHAPTER 10
RULES OF PROCEDURE AND PRACTICE BEFORE
THE ADMINISTRATIVE HEARINGS DIVISION

**481—10.1(10A) Scope and application.** To the extent not otherwise provided by law of the transmitting agency or licensing board, this chapter applies to all contested case proceedings before the division or for which an ALJ is assisting another agency or board.

**481—10.2(10A) Definitions.**

*"AEDMS"* means the administrative electronic document management system, which is the division's electronic filing and case management system.

*"Agency"* means the same as defined in Iowa Code section 17A.2(1) or a governmental entity pursuant to Iowa Code section 10A.801(5), which has original subject matter jurisdiction in the contested case.

*"ALJ"* means the administrative law judge, who is the person who presides over or assists with contested cases and other proceedings.

*"Board"* means a licensing board as defined in Iowa Code section 272C.1(6).

*"Division"* means the division of administrative hearings in the department of inspections, appeals, and licensing (DIAL).

*"Issuance"* means the date of a decision or order, mailing of a decision or order, or date of delivery if service is by other means.

*"Presiding officer"* means any person or body who acts as a presiding officer of a contested case proceeding under the authority of Iowa Code section 17A.11(1).

*"Proposed decision"* means the ALJ's recommended findings of fact, conclusions of law, and decision and order in contested cases where the agency did not preside.

**481—10.3(10A,17A) Time requirements.** Time shall be computed as provided in Iowa Code section 4.1(34). For good cause, the presiding officer may extend or shorten the time to take any action, except as provided otherwise by rule or law.

**481—10.4(10A) Requests for a contested case hearing.** Requests for a contested case hearing are made to the agency with subject matter jurisdiction. That agency shall determine whether to initiate a contested case proceeding.

**481—10.5(10A) Transmission of contested cases.**

**10.5(1)** The agency shall transmit the matter either by creating a new case in AEDMS or by submitting a transmittal form. The following information is required:

*a.* The name of the transmitting agency;

*b.* The name, address, email address, and telephone number of the contact person in the transmitting agency;

*c.* The name or title of the proceeding;

*d.* Any agency docket or reference number;

*e.* A citation to the jurisdictional authority of the agency regarding the matter in controversy;

*f.* Any anticipated special features or requirements that may affect the hearing;

*g.* Whether the hearing should be held in person, by telephone, or by video conference call;

*h.* Any special legal or technical expertise needed to resolve the issues in the case;

*i.* The names, phone numbers, email addresses, and addresses of all parties and their attorneys or other representatives;

*j.* The date the request for a contested case hearing was received by the agency;

*k.* A statement of the issues involved and a reference to statutes and rules involved;

*l.* Any mandatory time limits that apply to the processing of the case;

*m.* Earliest appropriate hearing date; and

*n.* Whether a petition or answer is required.

**10.5(2)** The following documents shall be attached to the completed transmittal form or uploaded into AEDMS upon filing of a new case:

*a.* A copy of the document showing the agency action in controversy; and

*b.* A copy of any document requesting a contested case hearing.

**481—10.6(17A) Notices of hearing and prehearing conference.**

**10.6(1)** A contested case is commenced when the division or board issues a notice of hearing or notice of prehearing conference. Responsibility for issuance of the notice and the manner of service shall be resolved by agreement between the division and the transmitting agency or board.

**10.6(2)** Notices shall contain the information required by Iowa Code section 17A.12(2) and any additional information required by statute or rule. Notices shall be served by first-class mail or by

AEDMS to all parties who are registered users unless otherwise required or permitted by statute or rule or agreed to pursuant to subrule 10.6(1).

**10.6(3)** Any party may request a prehearing conference, or it may be set upon the presiding officer's own motion. Prehearing conferences may provide an opportunity to be heard on the selection of date, time, manner of hearing, and any other matter set forth in the notice or raised by the parties or presiding officer.

**481—10.7(10A,17A) Manner of proceedings.** Unless otherwise provided by statute or rule, the presiding officer holds the discretion to conduct hearings by telephone conference, video conference, or in person. Upon request, the presiding officer may allow witnesses to testify remotely, either via phone or video, in an in-person hearing.

**481—10.8(10A,17A) Scheduling.** Contested case hearings are scheduled according to the following criteria.

**10.8(1)** *Agency hearings.* The division will promptly schedule hearings, with consideration of the availability of an ALJ, the requests of the parties or transmitting agency, and any special circumstances.

**10.8(2)** *Board hearings.* When a board requests an ALJ to assist with a contested case proceeding, the board shall consult with the division prior to scheduling hearings to determine the availability of an ALJ.

**481—10.9(17A) Disqualification.** An ALJ shall withdraw from a contested case under the circumstances listed in 481—subrule 15.2(11) or as otherwise required by law.

**481—10.10(10A,17A) Consolidation—severance.**

**10.10(1)** *Consolidation.* The presiding officer may, upon motion by any party or upon the presiding officer's own motion, consolidate any or all matters at issue in two or more proceedings docketed under these rules when:

*a.* There exist common parties or common questions of fact or law;

*b.* Consolidation would expedite and simplify consideration of the issues; and

*c.* Consolidation would not adversely affect the rights of parties engaged in otherwise separate proceedings.

**10.10(2)** *Severance.* The presiding officer may, upon motion by any party or upon the presiding officer's own motion, for good cause shown, order any proceeding or portion of the proceeding severed.

**481—10.11(10A,17A) Pleadings.** Pleadings may be required by the notice of hearing or by order of the presiding officer.

**481—10.12(17A) Service and filing of documents.**

**10.12(1)** *When service is required.* Except where otherwise specifically authorized by law, every pleading, motion, or other document filed in the contested case proceeding and every document relating to discovery in the proceeding shall be served upon each of the parties to the proceeding, including the originating agency. The party filing a document is responsible for service on all parties.

**10.12(2)** *Methods of performing service.* Service upon a party represented in the contested case proceeding by an attorney shall be made upon the attorney unless otherwise ordered. Service is made by electronically filing in AEDMS or delivering, mailing, or transmitting by fax or by email a copy to the party or attorney at the party's or attorney's last-known mailing address, fax number, or email address. Service by first-class mail is complete upon mailing, except where otherwise specifically provided by statute, rule, or order.

**10.12(3)** *Filing with the division.* After a matter has been assigned to the division, and until a decision is issued, every pleading, motion, or other document shall be filed with the division, rather than the originating agency. All documents that are required to be served upon a party shall be filed simultaneously with the division.

Except where otherwise provided by law, a document is deemed filed with the division at the time it is:

*a.* Delivered to the division at 6200 Park Avenue, Suite 100, Des Moines, Iowa 50321, and date-stamped received;

*b.* Mailed to the division by first-class mail or by state interoffice mail so long as there is adequate proof of mailing;

*c.* Transmitted by fax to 515.281.4477 or by email to adminhearings@dia.iowa.gov; or

*d.* File stamped in AEDMS.

**10.12(4)** *Proof of mailing.* Adequate proof of mailing includes the following:

*a.* A legible United States postal service postmark on the envelope;

*b.* A certificate of service;

*c.* A notarized affidavit; or

*d.* A certification in substantially the following form:

> I certify under penalty of perjury and pursuant to the laws of Iowa that, on (date of mailing), I mailed copies of (describe document) addressed to the Department of Inspections, Appeals, and Licensing, Administrative Hearings Division, 6200 Park Avenue, Des Moines, Iowa 50321, and to the names and addresses of the parties listed below by depositing the same in (a United States post office mailbox with correct postage properly affixed) or (state interoffice mail).
>
> (date) (signature)

**481—10.13(17A) Discovery.**

**10.13(1)** Discovery procedures applicable in civil actions are applicable in contested cases. Unless lengthened or shortened by rules of the agency or by order of the presiding officer, time periods for compliance with discovery shall be as provided in the Iowa Rules of Civil Procedure.

**10.13(2)** Any motion relating to discovery shall allege that the moving party has made a good-faith attempt to resolve the issues raised by the motion with the opposing party.

**481—10.14(10A,17A) Subpoenas.**

**10.14(1)** *Form and contents.*

*a.* *Requirements.* Every subpoena must:

(1) State that the subpoena is issued by the division;

(2) State the title of the proceeding and its case number;

(3) Command each person to whom it is directed to do the following at a specified time and place: attend and testify; produce designated documents, electronically stored information, or tangible things in that person's possession, custody, or control; or permit the inspection of premises; and

(4) Set out the text of subrules 10.14(4) and 10.14(5).

*b.* *Command to attend a deposition; notice of the recording method.* A subpoena commanding attendance at a deposition must state the method for recording the testimony.

*c.* *Combining or separating a command to produce or to permit inspection; specifying the form for electronically stored information.* A command to produce documents, electronically stored information, or tangible things or to permit the inspection of premises may be included in a subpoena commanding attendance at a deposition, hearing, or trial, or may be set out in a separate subpoena. A subpoena may specify the form or forms in which electronically stored information is to be produced.

*d.* *Command to produce; included obligations.* A command in a subpoena to produce documents, electronically stored information, or tangible things requires the responding party to permit inspection, copying, testing, or sampling of the materials.

**10.14(2)** *Issuance.* The division will issue a subpoena, signed but otherwise in blank, to a party who requests it in writing. That party must complete it before service. An attorney licensed or otherwise authorized to practice law in Iowa also may issue and sign a subpoena as an officer of the court.

**10.14(3)** *Service.*

*a.* *By whom; tendering fees; serving a copy of certain subpoenas.* Any person who is at least 18 years old and not a party may serve a subpoena. Serving a subpoena requires delivering a copy to the named person and, if the subpoena requires that person's attendance and, if demanded, tendering the fees for one day's attendance and traveling fees to and from the court. If the subpoena commands the production of documents, electronically stored information, or tangible things or the inspection of premises before trial, then before it is served, a notice must be served on each party.

*b. Permissible place of service.* A subpoena may be served at any place within the state of Iowa.

*c. Proof of service.* Proving service, when necessary, requires filing with the division a statement showing the date and manner of service and the names of persons served. The server must certify the statement in accordance with Iowa Code section 622.1.

**10.14(4)** *Protecting a person subject to a subpoena.*

*a. Avoiding undue burden or expense.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena.

*b. Command to produce materials or permit inspection.*

(1) *Appearance not required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(2) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises, or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

1. At any time, on notice to the commanded person, the serving party may move the division for an order compelling production or inspection.

2. These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

*c. Attendance.* Any party shall be permitted to attend at the same time and place and for the same purposes specified in the subpoena. No prior notice of intent to attend is required.

*d. Quashing or modifying a subpoena.*

(1) *When required.* On timely motion, the division must quash or modify a subpoena that:

1. Fails to allow a reasonable time to comply;

2. Requires a person who is neither a party nor a party's officer to travel more than 50 miles from where that person resides, is employed, or regularly transacts business in person, except that a person may be ordered to attend trial anywhere within the state in which the person is served with a subpoena;

3. Requires disclosure of privileged or other protected matter, if no exception or waiver applies; or

4. Subjects a person to undue burden.

(2) *When permitted.* To protect a person subject to or affected by a subpoena, the division may, on motion, quash or modify the subpoena if it requires:

1. Disclosing a trade secret or other confidential research, development, or commercial information; or

2. Disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

3. A person who is neither a party nor a party's officer to incur substantial expense to travel more than 50 miles to attend a hearing.

(3) *Specifying conditions as an alternative.* In the circumstances described in subparagraph 10.14(4)*"d"*(2), the division may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

1. Shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and

2. Ensures that the subpoenaed person will be reasonably compensated.

**10.14(5)** *Duties in responding to a subpoena.*

*a. Producing documents or electronically stored information.* These procedures apply to producing documents or electronically stored information:

(1) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(2) *Form for producing electronically stored information not specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(3) *Electronically stored information produced in only one form.* The person responding need not produce the same electronically stored information in more than one form.

(4) *Inaccessible electronically stored information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the division may nonetheless order discovery from such sources if the requesting party shows good cause. The division may specify conditions for the discovery.

*b. Claiming privilege or protection.*

(1) *Information withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

1. Expressly make the claim; and

2. Describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(2) *Information produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for the claim. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information to the court under seal for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

**10.14(6)** *Duties of issuer of subpoena; producing copies of materials obtained by subpoena.* When a party on whose behalf a subpoena has been issued thereby creates or obtains copies of designated electronically stored information, books, papers, documents or tangible things, that party shall make available a duplicate of such copies at the request of any other party, who shall be responsible for payment of the reasonable cost of making the copies.

**481—10.15(10A,17A) Motions.**

**10.15(1)** No technical form is required for motions. Any motion for summary judgment shall be filed in compliance with the requirements of Iowa Rules of Civil Procedure.

**10.15(2)** Any party may file a written resistance or response to a motion within 14 days after the motion is served unless the time period is extended or shortened by rules of the agency or by order of the division or the presiding officer.

**10.15(3)** The presiding officer may schedule oral argument on any motion upon the request of any party or upon the presiding officer's own motion.

**10.15(4)** Except for good cause, all motions pertaining to the hearing must be filed and served at least ten days prior to the hearing date, unless the time period is shortened or lengthened by order of the presiding officer, or the rules of the agency provide otherwise.

**481—10.16(10A) Continuances.**

**10.16(1)** A request for continuance shall be made at the earliest opportunity and state the specific reasons for the request.

**10.16(2)** No application for continuance will be made or granted ex parte except in an emergency where notice is not feasible. The agency may waive notice of requests for a case or a class of cases.

**10.16(3)** Except where otherwise provided, a continuance may be granted at the discretion of the presiding officer. Factors to consider include:

*a.* Any prior continuances;

*b.* The interests of all parties;

*c.* The likelihood of informal settlement;

*d.* Existence of emergency;

*e.* Objection to the continuance;

*f.* Any applicable state or federal statutes or regulations;

*g.* The existence of a conflict in the schedules of counsel or parties or witnesses;

*h.* The timeliness of the request; and

*i.* Other grounds stated in the motion or resistance.

**481—10.17(10A,17A) Withdrawals.** The party that requested the contested case may move to withdraw the party's request for a hearing at any time prior to the hearing. The ALJ may require the party to submit a written request after an oral request. Unless otherwise provided, a withdrawal shall be with prejudice.

**481—10.18(10A,17A) Intervention.**

**10.18(1)** *Motion.* A motion for leave to intervene must be filed as early in the proceeding as possible and must state the grounds for the proposed intervention, the position and interest of the proposed intervenor, and the possible impact of intervention on the proceeding.

**10.18(2)** *When filed.* Motion for leave to intervene shall be filed at least 20 days before the hearing. Any later motion must contain a statement of good cause for the failure to file in a timely manner.

**10.18(3)** *Grounds for intervention.* The movant must demonstrate that:

*a.* Intervention would not unduly prolong the proceedings or otherwise prejudice the rights of existing parties;

*b.* The movant will be aggrieved or adversely affected by a final order; and

*c.* The interests of the movant are not being adequately represented by existing parties; or that it is otherwise entitled to intervene.

**10.18(4)** *Effect of intervention.* A person granted leave to intervene is a party to the proceeding. The order granting intervention may restrict the issues to be raised or otherwise condition the intervenor's participation in the proceeding.

**481—10.19(17A) Hearing procedures.**

**10.19(1)** When an ALJ has been appointed as the presiding officer in a contested case, the ALJ may:

*a.* Rule on motions;

*b.* Preside at the hearing;

*c.* Require the parties to submit briefs;

*d.* Ensure that the record is fully and fairly developed by inquiring into matters at issue; and

*e.* Issue orders and rulings to ensure the orderly conduct of the proceedings.

**10.19(2)** All objections to procedures, admission of evidence, or any other matter shall be timely made and stated on the record.

**10.19(3)** Parties in a contested case have the right to participate or to be represented in all hearings or prehearing conferences related to their case. Agencies or partnerships, corporations or associations may be represented by any member, officer, director, or duly authorized agent. Any party may be represented by an attorney or as otherwise authorized by law.

**10.19(4)** Parties in a contested case have the right to introduce evidence on points at issue, to cross-examine witnesses, and to present evidence in rebuttal.

**10.19(5)** The ALJ shall maintain the decorum of the hearing and may refuse to admit or may expel anyone whose conduct is disorderly or disruptive.

**10.19(6)** Witnesses may be sequestered during the hearing.

**10.19(7)** The ALJ may allow the parties to make opening statements and closing arguments and may determine the order of presentation of evidence. Each witness shall be sworn or affirmed by the ALJ and be subject to examination.

**481—10.20(17A) Evidence.**

**10.20(1)** The presiding officer shall rule on admissibility of evidence and may take official notice of facts.

**10.20(2)** Stipulation of facts is encouraged.

**10.20(3)** Evidence shall be confined to the issues on which there has been fair notice prior to the hearing. The presiding officer may take testimony on a new issue if the parties waive the right to notice and no other objection is made. If there is objection, the presiding officer may refuse to hear the new issue and may make a decision on the original issue in the notice or may grant a continuance to allow the parties adequate time to amend pleadings and prepare their cases on the additional issue.

**10.20(4)** Exhibits and a list of witnesses must be submitted to all parties and the presiding officer prior to the hearing as set forth in the notice of hearing or other order.

**10.20(5)** Whenever evidence is ruled inadmissible, the party offering that evidence may submit an offer of proof on the record. The party making the offer of proof for excluded oral testimony shall briefly summarize the testimony on the record but need not actually examine that witness. If the evidence excluded consists of a document or exhibits, it shall be marked as part of an offer of proof and inserted in the record.

**481—10.21(17A) Default.**

**10.21(1)** If a party fails to appear in a contested case proceeding or prehearing conference after proper service of notice, the presiding officer may either find the party to be in default or, if no adjournment is granted, proceed with the hearing and render a decision in the absence of the party.

**10.21(2)** Where appropriate and not contrary to law, any party may move for default against a party who has requested an evidentiary hearing to contest adverse agency action that has already occurred but has failed to file a required pleading after proper service.

**10.21(3)** A party against whom a default has been entered may move to vacate the default decision within 14 days following the issuance of the order. Good cause to vacate a default decision means mistake, inadvertence, surprise, excusable neglect, or unavoidable casualty as provided in Iowa Rule of Civil Procedure 1.977.

**481—10.22(17A) Ex parte communication.**

**10.22(1)** Ex parte communications are those communications, oral or written, to an ALJ or other decision-maker in a contested case without notice and an opportunity for all parties to be heard. Ex parte communication is prohibited except as provided in Iowa Code section 17A.17 or as otherwise provided by law.

**10.22(2)** Any presiding officer who receives prohibited communication shall submit the written communication or a summary of the oral communication for inclusion in the record.

**481—10.23(10A,17A) ALJ decisions.**

**10.23(1)** *Proposed decisions.* Except as otherwise provided by law, when the agency did not preside at the reception of evidence, the ALJ shall issue a proposed decision based on the record of the contested case that includes findings of fact and conclusions of law stated separately. A ruling dismissing all of a party's claims or a voluntary agency dismissal is a proposed decision.

**10.23(2)** *Record.* The record in a contested case shall include all materials specified in Iowa Code section 17A.12(6), any request for a contested case hearing, and other relevant procedural documents.

**10.23(3)** *Review of proposed decisions.* Request for review of a proposed decision shall be made to the agency in which the contested case originated in the manner and within the time specified by that agency's rules. In contested cases in which the director of DIAL has final decision-making authority, request for review shall be made as provided in rule 7—2506.27(17A).

**10.23(4)** *Final decisions.* If there is no appeal from or review of the proposed decision, the ALJ's proposed decision becomes the final decision of the agency.

**481—10.24(10A,17A,272C) Board hearings.** Boards may request an ALJ from the division to assist in conducting contested case hearings and other related prehearing matters.

**10.24(1)** In scheduling hearings, boards will consult with the division to determine the availability of an ALJ. The board will determine the time and place of hearing.

**10.24(2)** The ALJ only possesses such authority as delegated by the board.

**10.24(3)** The ALJ may assist in conducting the hearing for the board and may, when delegated by the board:

*a.* Open the record and receive appearances;

*b.* Administer oaths;

*c.* Issue subpoenas;

*d.* Receive testimony and exhibits presented by the parties;

*e.* Rule on objections and motions;

*f.* Close the hearing; and

*g.* Prepare decisions and orders as directed by the board.

**481—10.25(10A) Recordings.** The division shall record each hearing or other formal proceeding by any mechanized means. The division may provide a copy of the audio recording to any party to a pending proceeding upon request. Parties may arrange for a hearing to be recorded by certified shorthand reporters but shall bear the cost unless otherwise provided by law. Parties are to alert the division prior to the hearing if a reporter has been engaged.

**481—10.26(10A) Agency reporting requirements.** Agencies and boards shall notify and provide copies to the division of any final agency decision, petition for judicial review, and ruling on judicial review.

**481—10.27(724) Appeals in cases involving permits to carry weapons and acquire firearms.** An applicant or permittee may appeal a decision to deny an application for a permit to carry weapons or acquire firearms or to suspend or revoke a permit to carry weapons or acquire firearms pursuant to Iowa Code section 724.21A and this chapter. To the extent this rule is inconsistent with the other provisions of this chapter, this rule will govern such appeals.

**10.27(1)** *Definitions.* For purposes of this rule:

*"Agency"* means the commissioner of public safety or the sheriff of the county in which the aggrieved party resides.

*"Applicant"* means a person who has applied for a permit to carry weapons or acquire firearms.

*"Permittee"* means a person who has received a permit to carry weapons or acquire firearms.

**10.27(2)** *Filing of appeal.* Within 30 days of the applicant's or permittee's receipt of the agency's decision, the applicant or permittee shall file the written appeal, a copy of the agency's written decision, and a fee of $10 with the Iowa Department of Inspections, Appeals, and Licensing, Division of Administrative Hearings, 6200 Park Avenue, Suite 100, Des Moines, Iowa 50321, or electronically pursuant to 481—Chapter 16.

**10.27(3)** *Service on the agency.* At the time the appeal is filed with the division, the applicant or permittee shall serve a copy of the appeal on the agency that made the decision on the permit to carry weapons or acquire firearms.

**10.27(4)** *Denial of appeal.* The division may deny any appeal that does not meet the requirements in subrules 10.27(2) and 10.27(3).

**10.27(5)** *Agency record.* Upon receipt of a copy of the notice of hearing, the agency shall file with the division and send to the applicant or permittee:

*a.* A copy of all documents used by the agency in reaching the decision; and

*b.* A form identifying the name, address, email address, and telephone number of the agency's contact person or attorney representative.

**10.27(6)** *Notice of hearing.* In addition to the information set forth in Iowa Code section 17A.12(2) and rule 481—10.6(17A), the notice of hearing shall contain the following information:

*a.* Notification that failure to appear and participate in the contested case proceeding may result in the entry of a default judgment; and

*b.* Notification that court costs and reasonable attorney fees will be awarded pursuant to Iowa Code section 724.21A(8).

**10.27(7)** *Attorney fees, court costs, and contested case costs.* An applicant or permittee or an agency may be eligible for an award of reasonable attorney fees pursuant to Iowa Code section 724.21A(8).

*a.* Within 14 days of the date of the ALJ's decision, a party may seek an award of attorney fees by filing with the division a request and documentation supporting the request. A resistance to the request for attorney fees must be filed within seven days of the filing of the request. Upon request of either party or on the ALJ's own motion, a hearing may be scheduled on the request.

*b.* An award of attorney fees shall be paid within 30 days of the issuance of the order unless an interested party seeks rehearing or judicial review or the parties agree to an alternative payment schedule.

*c.* The ALJ's decision is not final for purposes of judicial review under Iowa Code chapter 17A until the ALJ has issued a written decision determining the amount of any attorney fees to be awarded under this subrule or determining that no attorney fees are to be awarded.

*d.* Costs of the division in conducting a contested case proceeding arising out of a decision of the commissioner of public safety shall be charged to the department of public safety pursuant to Iowa Code section 10A.801(9).

These rules are intended to implement Iowa Code chapters 10A, 17A, and 724.

ITEM 2. Rescind and reserve **481—Chapter 11**.

[Filed 7/16/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0463D

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to Iowa code of administrative judicial conduct**

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 15, "Iowa Code of Administrative Judicial Conduct," Iowa Administrative Code, and adopts a new Chapter 15 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 10A.801.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 10A.

*Purpose and Summary*

This rulemaking repromulgates Chapter 15 and implements Iowa Code section 10A.801(7)"d."

Iowa Code section 10A.801(7)"d" provides that the Department's Administrative Hearings Division (AHD) shall adopt rules to "establish, consistent with the provisions of this section and chapter 17A, a code of administrative judicial conduct that is similar in function and substantially equivalent to the Iowa code of judicial conduct, to govern the conduct, in relation to their quasi-judicial functions in contested cases, of all persons who act as presiding officers under the authority of section 17A.11, subsection 1." This chapter establishes a code of administrative judicial conduct that is similar in function and substantially equivalent to the Iowa Code of Judicial Conduct, to govern the conduct, in relation to their quasi-judicial functions in contested cases, of all persons who act as presiding officers under the authority of Iowa Code section 17A.11(1).

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9897C**. A public hearing was held on the following date(s):

- January 27, 2026
- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 481—Chapter 15 and adopt the following **new** chapter in lieu thereof:

CHAPTER 15
IOWA CODE OF ADMINISTRATIVE JUDICIAL CONDUCT

**481—15.1(10A) Canon 1.** A presiding officer shall uphold and promote the independence, integrity, and impartiality of the administrative judiciary and shall avoid impropriety and the appearance of impropriety.

**15.1(1)** *Compliance with the law.* A presiding officer shall comply with the law, including the Iowa Code of Administrative Judicial Conduct, hereafter referred to as "this Code."

**15.1(2)** *Promoting confidence in the administrative judiciary.* A presiding officer shall act at all times in a manner that promotes public confidence in the independence, integrity, and impartiality of the administrative judiciary and shall avoid impropriety and the appearance of impropriety.

**15.1(3)** *Avoiding abuse of the prestige of an administrative judicial position.* A presiding officer shall not abuse the prestige of the administrative judicial position to advance the personal or economic interests of the presiding officer or others or allow others to do so.

**481—15.2(10A) Canon 2.** A presiding officer shall perform administrative judicial duties impartially, competently, and diligently.

**15.2(1)** *Giving precedence to administrative judicial duties.* The administrative judicial duties, as prescribed by law, shall take precedence over all of a presiding officer's personal and extrajudicial activities.

**15.2(2)** *Impartiality and fairness.* A presiding officer shall uphold and apply the law and shall perform all administrative judicial duties fairly and impartially.

**15.2(3)** *Bias, prejudice, and harassment.*

*a.* A presiding officer shall perform all administrative judicial and other duties without bias or prejudice.

*b.* A presiding officer shall not, in the performance of administrative judicial duties, by words or conduct manifest bias or prejudice or engage in harassment, including but not limited to bias, prejudice, or harassment based upon race, sex, gender, religion, national origin, ethnicity, disability, age, sexual orientation, marital status, socioeconomic status, or political affiliation, and shall not permit others subject to the presiding officer's direction and control to do so.

*c.* A presiding officer shall require lawyers and party representatives in proceedings before the presiding officer to refrain from manifesting bias or prejudice or engaging in harassment, based upon attributes including but not limited to race, sex, gender, religion, national origin, ethnicity, disability, age, sexual orientation, marital status, socioeconomic status, or political affiliation against parties, witnesses, lawyers, party representatives, or others.

*d.* The restrictions of paragraphs 15.2(3)*"b"* and *"c"* do not preclude presiding officers, lawyers, or party representatives from making legitimate reference to the listed factors, or similar factors, when they are relevant to an issue in a proceeding.

**15.2(4)** *External influences on administrative judicial conduct.*

*a.* A presiding officer shall not be swayed by public clamor or fear of criticism.

*b.* A presiding officer shall not permit family, social, political, financial, or other interests or relationships to influence the presiding officer's administrative judicial conduct or judgment.

*c.* A presiding officer shall not convey or permit others to convey the impression that any person or organization is in a position to influence the presiding officer.

**15.2(5)** *Competence, diligence, and cooperation.*

*a.* A presiding officer shall perform administrative judicial and other duties competently and diligently.

*b.* A presiding officer shall cooperate with other presiding officers and other executive branch employees in the administration of agency business.

**15.2(6)** *Ensuring the right to be heard.*

*a.* A presiding officer shall accord to every person who has a legal interest in a proceeding, or that person's lawyer or authorized representative, the right to be heard according to law.

*b.* A presiding officer may encourage parties to a proceeding and their lawyers or authorized representatives to settle matters in dispute but shall not act in a manner that coerces any party into settlement.

**15.2(7)** *Responsibility to decide.* A presiding officer shall hear and decide matters assigned to the presiding officer, except when disqualification is required by subrule 15.2(11) or other law.

**15.2(8)** *Decorum and demeanor.*

*a.* A presiding officer shall require order and decorum in proceedings before the presiding officer.

*b.* A presiding officer shall be patient, dignified, and courteous to parties, board members, witnesses, lawyers, party representatives, agency staff, agency officials, and others with whom the presiding officer deals in an official capacity and shall require similar conduct of lawyers, party representatives, and others subject to the presiding officer's direction and control.

**15.2(9)** *Ex parte communications.*

*a.* A presiding officer shall not initiate, permit, or consider ex parte communications or consider other communications made to the presiding officer outside the presence of the parties or their lawyers, concerning a pending matter or impending matter, except as permitted by Iowa Code section 17A.17.

*b.* A presiding officer shall not investigate facts in a matter independently and shall consider only the evidence presented and any facts that may be officially noticed pursuant to Iowa Code section 17A.14.

**15.2(10)** *Statements on pending and impending cases.*

*a.* A presiding officer shall not make any public statement that might reasonably be expected to affect the outcome or impair the fairness of a pending matter or impending matter before the presiding officer or another presiding officer in the same agency or make any nonpublic statement that might substantially interfere with a fair hearing.

*b.* A presiding officer shall not, in connection with cases, controversies, or issues that are likely to come before the presiding officer, make pledges, promises, or commitments that are inconsistent with the impartial performance of the presiding officer's adjudicative duties.

*c.* A presiding officer shall require others subject to the presiding officer's direction and control to refrain from making statements that the presiding officer would be prohibited from making by paragraphs 15.2(10)*"a"* and *"b."*

*d.* Notwithstanding the restrictions in paragraph 15.2(10)*"a,"* a presiding officer may explain agency procedures and may comment on any proceeding in which the presiding officer is a party in a personal capacity.

*e.* Subject to the requirements of paragraph 15.2(10)*"a,"* a presiding officer may respond directly or through a third party to allegations in the media or elsewhere concerning the presiding officer's conduct in a matter.

**15.2(11)** *Disqualification.*

*a.* A presiding officer shall disqualify the presiding officer in any proceeding in which the presiding officer's impartiality might reasonably be questioned, including but not limited to the following circumstances:

(1) The presiding officer has a personal bias or prejudice concerning a party or a party's lawyer or other representative or has personal knowledge of facts that are in dispute in the proceeding.

(2) The presiding officer knows that the presiding officer, the presiding officer's spouse or domestic partner, or a person within the third degree of relationship to either of them, or the spouse or domestic partner of such a person is:

1. A party to the proceeding, or an officer, director, general partner, managing member, or trustee of a party;
2. Acting as a lawyer or party representative in the proceeding;
3. A person who has more than a de minimis interest that could be substantially affected by the proceeding; or
4. Likely to be a material witness in the proceeding.

(3) The presiding officer knows that the presiding officer, individually or as a fiduciary, or the presiding officer's spouse, domestic partner, parent, or child, or any other member of the presiding officer's family residing in the presiding officer's household has an economic interest in the subject matter in controversy or in a party to the proceeding.

(4) The presiding officer, while a presiding officer, has made a public statement, other than in an agency proceeding, decision, opinion, or order, that commits or appears to commit the presiding officer to reach a particular result or rule in a particular way in the proceeding or controversy.

(5) The presiding officer:

1. Served as a lawyer in the matter in controversy or was associated with a lawyer who participated substantially as a lawyer in the matter during such association;

2. Served in governmental employment and in such capacity participated personally and substantially as a lawyer or public official concerning the proceeding or has publicly expressed in such capacity an opinion concerning the merits of the particular matter in controversy; or

3. Was a material witness concerning the matter.

(6) The presiding officer personally investigated, prosecuted, or advocated in connection with the matter, the specific controversy underlying the matter, or another pending factually related matter, or pending factually related controversy that may culminate in a contested case, involving the same parties, or is subject to the authority, direction, or discretion of any person who has personally investigated, prosecuted, or advocated in connection with that contested case, the specific controversy underlying that contested case, or a pending factually related contested case or controversy, involving the same parties. But the presiding officer is not required to disqualify the presiding officer solely because the presiding officer determined there was probable cause to initiate the proceeding.

*b.* A presiding officer shall keep informed about the presiding officer's personal and fiduciary economic interests and make a reasonable effort to keep informed about the personal economic interests of the presiding officer's spouse or domestic partner and minor children residing in the presiding officer's household.

*c.* A presiding officer subject to disqualification under this rule, other than for bias or prejudice under subparagraph 15.2(11)*"a"*(1), may disclose on the record the basis of the presiding officer's disqualification and may ask the parties and their lawyers or representatives to consider, outside the presence of the presiding officer, whether to waive disqualification. If, following the disclosure, the parties and lawyers or party representatives agree, without participation by the presiding officer, that the presiding officer should not be disqualified, the presiding officer may participate in the proceeding. The agreement shall be incorporated into the record of the proceeding.

**15.2(12)** *Supervisory duties.*

*a.* A presiding officer shall require others subject to the presiding officer's direction and control to act in a manner consistent with the presiding officer's obligations under this Code.

*b.* A presiding officer with supervisory authority for the performance of other presiding officers shall take reasonable measures to ensure that those presiding officers properly discharge their administrative judicial responsibilities, including the prompt disposition of matters before them.

**15.2(13)** *Disability and impairment.* A presiding officer having a reasonable belief that the performance of a lawyer, party representative, or another presiding officer is impaired by drugs or alcohol, or by a mental, emotional, or physical condition, shall take appropriate action, which may include a confidential referral to a lawyer or employee assistance program.

**15.2(14)** *Responding to administrative judicial and lawyer misconduct.*

*a.* A presiding officer having knowledge that another presiding officer has committed a violation of this Code that raises a substantial question regarding the presiding officer's honesty, trustworthiness, or fitness as a presiding officer in other respects shall inform the appropriate authority.

*b.* A presiding officer having knowledge that a lawyer has committed a violation of the Iowa Rules of Professional Conduct that raises a substantial question regarding the lawyer's honesty, trustworthiness, or fitness as a lawyer in other respects shall inform the appropriate authority.

*c.* A presiding officer who receives information indicating a substantial likelihood that another presiding officer has committed a violation of this Code shall take appropriate action.

*d.* A presiding officer who receives information indicating a substantial likelihood a lawyer has committed a violation of the Iowa Rules of Professional Conduct shall take appropriate action.

*e.* This rule does not require disclosure of information gained by a presiding officer while participating in an approved lawyers assistance program.

**15.2(15)** *Cooperation with disciplinary authorities.*

*a.* A presiding officer shall cooperate and be candid and honest with a lawyer disciplinary agency or other appropriate authority investigating a violation of this Code or the Iowa Rules of Professional Conduct.

*b.* A presiding officer shall not retaliate, directly or indirectly, against a person known or suspected to have assisted or cooperated with an investigation of a presiding officer or a lawyer.

**481—15.3(10A) Canon 3.** An administrative law judge shall conduct the administrative law judge's personal and extrajudicial activities to minimize the risk of conflict with administrative judicial obligations.

**15.3(1)** *Extrajudicial activities in general.* An administrative law judge may engage in extrajudicial activities, except as prohibited by law or this Code. However, when engaging in extrajudicial activities, an administrative law judge shall not:

*a.* Participate in activities that will interfere with the proper performance of the administrative law judge's administrative judicial duties;

*b.* Participate in activities that will lead to frequent disqualification of the administrative law judge;

*c.* Participate in activities that would appear to a reasonable person to undermine the administrative law judge's independence, integrity, or impartiality;

*d.* Engage in conduct that would appear to a reasonable person to be coercive; or

*e.* Make use of agency premises, staff, stationery, equipment, or other resources, except for incidental use for activities that concern the law, the legal system, the provision of legal services, or the administration of justice, or unless such additional use is permitted by law.

**15.3(2)** *Testifying as a character witness.* An administrative law judge shall not testify as a character witness in a judicial, administrative, or other adjudicatory proceeding or otherwise vouch for the character of a person in a legal proceeding, except when duly subpoenaed.

**15.3(3)** *Appointments to governmental positions.* An administrative law judge shall not accept appointment to a governmental committee, board, commission, or other governmental position that would appear to a reasonable person to undermine the administrative law judge's independence, integrity, or impartiality or would lead to frequent disqualification of the administrative law judge.

**15.3(4)** *Use of nonpublic information.* An administrative law judge shall not intentionally disclose or use nonpublic information acquired in an administrative judicial capacity for any purpose unrelated to the administrative law judge's administrative judicial or other duties.

**15.3(5)** *Affiliation with discriminatory organizations.*

*a.* An administrative law judge shall not hold membership in any organization that practices invidious discrimination on the basis of race, sex, gender, religion, national origin, ethnicity, or sexual orientation. An administrative law judge's membership in a religious organization as a lawful exercise of the freedom of religion is not prohibited.

*b.* An administrative law judge shall not use the benefits or facilities of an organization if the administrative law judge knows or should know that the organization practices invidious discrimination on one or more of the bases identified in paragraph 15.3(5)*"a."* An administrative law judge's attendance at an event in a facility of an organization that the administrative law judge is not permitted to join is not a violation of this rule when the administrative law judge's attendance is an isolated event that could not reasonably be perceived as an endorsement of the organization's practices.

**15.3(6)** *Participation in educational, religious, charitable, fraternal, or civic organizations and activities.*

*a.* Subject to the requirements of subrule 15.3(1), an administrative law judge may participate in activities sponsored by organizations or governmental entities concerned with the law, the legal system, the provision of legal services, or the administration of justice, and those sponsored by or on behalf of educational, religious, charitable, fraternal, or civic organizations not conducted for profit, including but not limited to the following activities:

(1) Assisting such an organization or entity in planning related to fundraising, volunteering goods or services at fundraising events, and participating in the management and investment of the organization's or entity's funds;

(2) Soliciting contributions for such an organization or entity but only from members of the administrative law judge's family or from other administrative law judges or coworkers in the

administrative law judge's immediate office over whom the administrative law judge does not exercise supervisory authority;

(3) Appearing or speaking at, receiving an award or other recognition at, being featured on the program of, and permitting an administrative law judge's title to be used in connection with an event of such an organization or entity, but if the event serves a fundraising purpose, the administrative law judge may participate only if the event concerns the law, the legal system, the provision of legal services, or the administration of justice;

(4) Making recommendations to such a public or private fund-granting organization or entity in connection with its programs and activities but only if the organization or entity is concerned with the law, the legal system, the provision of legal services, or the administration of justice; and

(5) Serving as an officer, director, trustee, or nonlegal advisor of such an organization or entity unless it is likely that the organization or entity:

1. Will be engaged in proceedings that would ordinarily come before the administrative law judge; or

2. Will frequently be engaged in adversary proceedings before the agency in which the administrative law judge serves.

*b.* An administrative law judge may encourage lawyers to provide pro bono publico legal services.

*c.* Subject to the requirements of subrule 15.3(1), an administrative law judge may:

(1) Provide leadership in identifying and addressing issues involving equal access to the justice system; developing public education programs; engaging in activities to promote the fair administration of justice and convening, participating or assisting in advisory committees and community collaborations devoted to the improvement of the law, the legal system, the provision of legal services, or the administration of justice.

(2) Endorse projects and programs directly related to the law, the legal system, the provision of legal services, and the administration of justice to those coming before the courts or the administrative judiciary.

(3) Participate in programs that concern the law or that promote the administration of justice.

**15.3(7)** *Appointments to fiduciary positions.*

*a.* An administrative law judge shall not accept an appointment to serve in a fiduciary position, such as executor, administrator, trustee, guardian, attorney-in-fact, or other personal representative, except for the estate, trust, or person of a member of the administrative law judge's family, and then only if such service will not interfere with the proper performance of administrative judicial duties.

*b.* An administrative law judge shall not serve in a fiduciary position if the administrative law judge as fiduciary will likely be engaged in proceedings that would ordinarily come before the administrative law judge or if the estate, trust, or ward becomes involved in adversary proceedings before the agency in which the administrative law judge serves.

*c.* An administrative law judge acting in a fiduciary capacity shall be subject to the same restrictions on engaging in financial activities that apply to an administrative law judge personally.

*d.* If a person who is serving in a fiduciary position becomes an administrative law judge, the administrative law judge must comply with this subrule as soon as reasonably practicable but in no event later than six months after becoming an administrative law judge.

**15.3(8)** *Services as arbitrator or mediator.* An administrative law judge shall not act as an arbitrator or a mediator or perform other judicial functions apart from the administrative law judge's official duties unless expressly authorized by law.

**15.3(9)** *Practice of law.* An administrative law judge shall not engage in the private practice of law. An administrative law judge may act pro se and may, without compensation, give legal advice to and draft or review documents for a member of the administrative law judge's family but is prohibited from serving as the family member's lawyer before the agency in which the administrative law judge serves. An administrative law judge serving in the administrative hearings division of the department is prohibited from serving as the family member's lawyer in any proceeding in which another administrative law judge serving in the division is the presiding officer, regardless of whether the proceeding is being conducted on behalf of the department or another state agency.

**15.3(10)** *Financial, business, or remunerative activities.*

*a.* An administrative law judge may hold and manage investments of the administrative law judge and members of the administrative law judge's family.

*b.* An administrative law judge shall not serve as an officer, director, manager, general partner, advisor, or employee of any business entity, except that an administrative law judge may manage or participate in:

(1) A business closely held by the administrative law judge or members of the administrative law judge's family; or

(2) A business entity primarily engaged in investment of the financial resources of the administrative law judge or members of the administrative law judge's family.

*c.* An administrative law judge shall not engage in financial activities permitted under paragraphs 15.3(10)*"a"* and *"b"* if the financial activities will:

(1) Interfere with the proper performance of administrative judicial duties;

(2) Lead to frequent disqualification of the administrative law judge;

(3) Involve the administrative law judge in frequent transactions or continuing business relationships with lawyers or other persons likely to come before the agency in which the administrative law judge serves; or

(4) Result in violation of other provisions of this Code.

**15.3(11)** *Compensation for extrajudicial activities.* An administrative law judge may accept reasonable compensation for extrajudicial activities permitted by this Code and other law unless such acceptance would appear to a reasonable person to undermine the administrative law judge's independence, integrity, or impartiality.

**15.3(12)** *Acceptance of gifts, loans, bequests, benefits, or other things of value.* An administrative law judge, an administrative law judge's spouse, and an administrative law judge's dependent child shall not accept or receive any gift, loan, bequest, benefit, or other thing of value if acceptance or receipt is prohibited by Iowa Code chapter 68B or any other law or if acceptance or receipt would appear to a reasonable person to undermine the administrative law judge's independence, integrity, or impartiality.

**15.3(13)** *Reimbursement of expenses and waivers of fees or charges.*

*a.* Unless otherwise prohibited by subrules 15.3(1) and 15.3(12), Iowa Code chapter 68B, or other law, an administrative law judge may accept reimbursement of necessary and reasonable expenses for travel, food, lodging, or other incidental expenses, or a waiver or partial waiver of fees or charges for registration, tuition, and similar items, from sources other than the administrative law judge's employing entity, if the expenses or charges are associated with the administrative law judge's participation in extrajudicial activities permitted by this Code.

*b.* Reimbursement of expenses for necessary travel, food, lodging, or other incidental expenses shall be limited to the actual costs reasonably incurred by the administrative law judge and, when appropriate to the occasion, by the administrative law judge's spouse, domestic partner, or guest.

**481—15.4(10A) Canon 4.** An administrative law judge shall not engage in political or campaign activity that is inconsistent with the independence, integrity, or impartiality of the administrative judiciary.

**15.4(1)** *Political and campaign activities of administrative law judges.*

*a.* Except as permitted by law, an administrative law judge shall not:

(1) Act as a leader in, or hold an office in, a political organization;

(2) Make speeches on behalf of a political organization;

(3) Publicly endorse or oppose a candidate for any public office;

(4) Solicit funds for, pay an assessment to, or make a contribution to a political organization, a candidate for judicial retention, or a candidate for public office;

(5) Attend or purchase tickets for dinners or other events sponsored by a political organization or a candidate for public office; or

(6) Participate in a precinct caucus, except as provided for in paragraph 15.4(1)*"b."*

*b.* Paragraph 15.4(1)*"a"* does not prohibit an administrative law judge from participating in a precinct caucus merely to vote for, or support in the delegate selection process, a candidate for the office of President of the United States, provided that the administrative law judge does not speak publicly on behalf of or against a candidate, encourage other caucus participants to support or oppose a candidate, or otherwise engage in conduct that is inconsistent with the independence, integrity, or impartiality of the administrative judiciary.

*c.* An administrative law judge shall take reasonable measures to ensure that other persons do not undertake, on behalf of the administrative law judge, any activities prohibited under paragraph 15.4(1)*"a."*

**15.4(2)** *Activities of administrative law judges who become candidates for nonjudicial office.*

*a.* Upon becoming a candidate for nonjudicial elective office, an administrative law judge shall resign from the administrative law judge position unless permitted by law to continue to hold the administrative law judge position.

*b.* Upon becoming a candidate for nonjudicial appointive office, an administrative law judge is not required to resign from the administrative law judge position provided that the administrative law judge complies with the other provisions of this Code.

**481—15.5(10A) Scope, definitions, and application.**

**15.5(1)** *Scope.*

*a.* This Code consists of four canons, each of which is codified as the introductory paragraph of an administrative rule, and numbered rules under each canon, which are codified as subrules. Subrule 15.5(3) establishes when the various rules apply to a presiding officer or an administrative law judge.

*b.* The canons state overarching principles of judicial ethics that all administrative law judges and presiding officers, as applicable, must observe. Although an administrative law judge or presiding officer may be disciplined only for violating an applicable rule, the canons provide important guidance in interpreting the rules. Where a rule contains a permissive term, such as "may" or "should," the conduct being addressed is committed to the personal and professional discretion of the administrative law judge or presiding officer in question, and no disciplinary action should be taken for action or inaction within the bounds of such discretion.

*c.* Consistent with the requirement of Iowa Code section 10A.801(7)*"d,"* this Code is similar in function and substantially equivalent to the Iowa Code of Judicial Conduct adopted by the Iowa Supreme Court and contained in Chapter 51 of the Iowa Court Rules. The Iowa Code of Judicial Conduct includes accompanying comments to the rules that may provide useful guidance regarding the purpose, meaning, and proper application of the corresponding rule in this Code. The comments contain explanatory material and, in some instances, provide examples of permitted or prohibited conduct. The comments may also identify aspirational goals for administrative law judges and presiding officers. To implement fully the principles of this Code as articulated in the canons, administrative law judges and presiding officers should strive to exceed the standards of conduct established by the rules, holding themselves to the highest ethical standards and seeking to achieve those aspirational goals, thereby enhancing the dignity of the administrative judicial position.

*d.* The rules of this Code are rules of reason that should be applied consistent with constitutional requirements, statutes, administrative rules, and decisional law, and with due regard for all relevant circumstances. The rules should not be interpreted to impinge upon the essential independence of administrative law judges and presiding officers in making administrative judicial decisions.

*e.* Although the black letter of the rules is binding and enforceable, it is not contemplated that every transgression will result in the imposition of discipline. Whether discipline should be imposed should be determined by the presiding officer's appointing authority through a reasonable and reasoned application of the rules and should depend upon factors such as the seriousness of the transgression, the facts and circumstances that existed at the time of the transgression, the extent of any pattern of improper activity, whether there have been previous violations, and the effect of the improper activity upon the administrative judicial system or others.

*f.* This Code is not designed or intended as a basis for civil or criminal liability. Neither is it intended to be the basis for parties to seek collateral remedies against each other or to obtain tactical advantages in proceedings before a presiding officer.

**15.5(2)** *Definitions.* For purposes of this chapter, the following definitions apply:

*"Administrative law judge"* means a person who acts as a presiding officer under the authority of Iowa Code section 17A.11(1) who is not an agency head or a member of a multimembered agency head. This includes but is not limited to administrative law judges employed by the administrative hearings division of the department, the board of parole, and deputy workers' compensation commissioners.

*"Affiliate"* or *"affiliated"* mean any person, domestic or foreign, that controls, is controlled by, or is under common control with any other person.

*"Appropriate authority"* means the authority having responsibility for the initiation of a disciplinary process in connection with the violation to be reported.

*"Associate"* or *"associated"* means any person who employs, is employed by, or is under common employment with another person; any person who acts in cooperation, consultation, or concert with, or at the request of, another person; and any spouse, domestic partner, or person within the third degree of relationship of any of the foregoing.

*"Contribution"* means both financial and in-kind contributions, such as goods, professional or volunteer services, advertising, and other types of assistance, which, if obtained by the recipient otherwise, would require a financial expenditure.

*"Control"* or *"controlled"* each refers to the power of one person to exercise, directly or indirectly or through one or more persons, a dominating, governing, or controlling influence over another person, whether by contractual relationship (including without limitation a debtor-creditor relationship), by family relationship, by ownership, by dominion over, or by power to vote any category or voting interest (including without limitation shares of common stock, shares of voting preferred stock, and partnership interests), or by exercising (or wielding the power to exercise) in any manner dominion over a majority of directors, partners, trustees, or other persons performing similar functions. For more information, see definition of "affiliate" and "affiliated."

*"De minimis,"* in the context of interests pertaining to disqualification of an administrative law judge, means an insignificant interest that could not raise a reasonable question regarding the administrative law judge's impartiality.

*"Domestic partner"* means a person with whom another person maintains a household and an intimate relationship, other than a person to whom he or she is legally married.

*"Economic interest"* means ownership of more than a de minimis legal or equitable interest. Except for situations in which the presiding officer participates in the management of such a legal or equitable interest, or the interest could be substantially affected by the outcome of a proceeding before a presiding officer, economic interest does not include:

1. An interest in the individual holdings within a mutual or common investment fund;
2. An interest in securities held by an educational, religious, charitable, fraternal, or civic organization in which the presiding officer or the presiding officer's spouse, domestic partner, parent, or child serves as a director, an officer, an advisor, or other participant;
3. A deposit in a financial institution or deposits or proprietary interests the presiding officer may maintain as a member of a mutual savings association or credit union, or similar proprietary interests; or
4. An interest in the issuer of government securities held by the presiding officer.

*"Fiduciary"* includes relationships such as executor, administrator, trustee, or guardian.

*"Impartial," "impartiality,"* and *"impartially"* mean absence of bias or prejudice in favor of, or against, particular parties or classes of parties, as well as maintenance of an open mind in considering issues that may come before a presiding officer or administrative law judge.

*"Impending matter"* is a matter that is imminent or expected to occur in the near future.

*"Impropriety"* includes conduct that violates the law, court rules, or provisions of this Code and conduct that undermines a presiding officer's or administrative law judge's independence, integrity, or impartiality.

*"Independence"* means a presiding officer's or administrative law judge's freedom from influence or controls other than those established by law.

*"Integrity"* means probity, fairness, honesty, uprightness, and soundness of character.

*"Knowingly," "knowledge," "known,"* and *"knows"* mean actual knowledge of the fact in question. A person's knowledge may be inferred from circumstances.

*"Law"* encompasses administrative rules and regulations, court rules, ordinances, statutes, constitutional provisions, and decisional law.

*"Member of a presiding officer's family residing in the presiding officer's household"* means any relative of a presiding officer by blood or marriage, or a person treated by a presiding officer as a member of the presiding officer's family, who resides in the presiding officer's household.

*"Member of the administrative law judge's family"* means a spouse, domestic partner, child, grandchild, parent, grandparent, or other relative or person with whom the administrative law judge maintains a close familial relationship.

*"Member of the presiding officer's family"* means a spouse, domestic partner, child, grandchild, parent, grandparent, or other relative or person with whom the presiding officer maintains a close familial relationship.

*"Nonpublic information"* means information that is not available to the public. "Nonpublic information" may include but is not limited to information that is confidential or sealed by statute or court or administrative order or impounded or communicated in camera.

*"Pending matter"* is a matter that has commenced. A matter continues to be pending through any appellate process, including director review and judicial review, until final disposition.

*"Person"* means any natural or juridical person, including without limitation any corporation, limited liability company, partnership, trust, union, or other labor organization; any branch, division, department, or local unit of any of the foregoing; any political committee, party, or organization; or any other organization or group of persons.

*"Political organization"* means a political party or other group sponsored by or affiliated with a political party or candidate, the principal purpose of which is to further the election or appointment of candidates for political office.

*"Presiding officer"* means a person who acts as a presiding officer of a contested case proceeding under the authority of Iowa Code section 17A.11(1).

*"Third degree of relationship"* includes the following persons: great-grandparent, grandparent, parent, uncle, aunt, brother, sister, child, grandchild, great-grandchild, nephew, and niece.

**15.5(3)** *Application.*

*a.* The provisions of this Code apply to all persons who act as presiding officers under the authority of Iowa Code section 17A.11(1), except as specified in paragraph 15.5(3)*"b"* for agency heads or members of multimembered agency heads. Canons and rules that apply to all presiding officers use the terminology "presiding officer" in their text. This Code only applies to an agency head or a member of a multimembered agency head who actually acts as a presiding officer and does not apply merely because the agency head or member of a multimembered agency head is authorized to serve as the presiding officer when another person serves as the presiding officer.

*b.* The provisions of rules 481—15.3(10A) and 481—15.4(10A) of this Code do not apply to agency heads or members of multimembered agency heads. These provisions apply only to administrative law judges and thus the terminology "administrative law judge" is used in their text.

*c.* This Code does not apply to persons who participate only in the making of a final decision in a contested case without serving as a presiding officer pursuant to Iowa Code section 17A.11(1) in that contested case unless a statute or administrative rule requires such a person to abide by this Code or a particular provision of this Code. This Code may nevertheless provide useful ethical guidance for a person participating in the making of a final decision in a contested case.

These rules are intended to implement Iowa Code section 10A.801.

[Filed 7/16/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0464D**

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to the administrative electronic document management system**

The Department of Inspections, Appeals, and Licensing hereby rescinds Chapter 16, "Administrative Electronic Document Management System," Iowa Administrative Code, and adopts a new Chapter 16 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 10A.802.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 10A.

*Purpose and Summary*

This rulemaking repromulgates Chapter 16 and implements Iowa Code chapter 10A in accordance with the goals and directives of Executive Order 10.

Iowa Code section 10A.802(1) provides that the Department's Administrative Hearings Division (AHD) may adopt rules establishing an electronic filing system for contested cases and other administrative proceedings conducted by AHD and to what extent AHD will accept, process, distribute, and retain electronic records and electronic signatures from appellants, governmental agencies, and other persons with respect to such proceedings. This chapter establishes such a system pursuant to Iowa Code section 10A.802(1) and consistent with the remainder of Iowa Code section 10A.802.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9896C**. A public hearing was held on the following date(s):

- January 27, 2026
- January 28, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 481—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16
ADMINISTRATIVE ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

**481—16.1(10A) Scope.** This chapter governs the filing of documents through the division's AEDMS. To the extent the rules in this chapter are inconsistent with any other administrative rule of the division, the rules in this chapter will govern. Pursuant to Iowa Code section 10A.802, these rules prevail over any other law, including Iowa Code chapter 17A, or agency rule that specifies the method, manner, or format for sending, receiving, serving, retaining, or creating paper records or other documents related to a contested case proceeding, including but not limited to a request or demand for a contested case proceeding, a notice of hearing, and a proposed or final decision.

**481—16.2(10A) Definitions.**

*"AEDMS"* means the administrative electronic document management system, the division's electronic filing and case management system.

*"Agency record"* means, for all cases, the electronic files maintained in AEDMS, filings the division maintains in paper form, and exhibits and other materials filed with or delivered in relation to a contested case hearing.

*"Confidential"* means agency files, documents, or information excluded from public access by federal or state law or administrative rule, court rule, court order, or case law.

*"Division"* means the division of administrative hearings in the department.

*"Electronic filing"* means the receipt of a document submitted to AEDMS for filing as confirmed by the transmission of the notice of electronic filing.

*"Electronic record"* means a record, file, or document created, generated, sent, communicated, received, or stored by electronic means.

*"Electronic service"* means the AEDMS electronic transmission of a link where registered users of AEDMS who are entitled to receive notice of the filing may view and download filed documents.

*"File stamp"* means the date and time that is affixed at the top of the first page of a document when it is filed in AEDMS.

*"Nonelectronic filing"* means a process by which a paper document or other nonelectronic item is filed with the division.

*"Notice of electronic filing"* means a document generated by AEDMS when a document is electronically filed.

*"PDF"* means an electronic document filed in a portable document format that is readable by the free Adobe® Acrobat® Reader.

*"Protected information"* means personal information, the nature of which warrants protection from unlimited public access, including but not limited to:

1. Social security numbers.
2. Financial account numbers.

3. Dates of birth.
4. Names of minor children.
5. Individual taxpayer identification numbers.
6. Personal identification numbers.
7. Other unique identifying numbers.
8. Confidential information.

*"Public"* refers to agency files, documents, or information that is not confidential or protected.

*"Registered user"* means an individual who has registered for an electronic filing account through AEDMS. A registered user can electronically file documents and electronically view and download files through the use of a username and password.

*"Signature"* means the following:

1. For a registered user electronically filing a document in AEDMS, "signature" means the registered user's username and password accompanied by one of the following approved signature representations:

- "Digitized signature" means an electronically embeddable image of a person's handwritten signature;
- "Electronic signature" means an electronic symbol ("/s/" or "/registered user's name/") executed or adopted by a person with the intent to sign the document; or
- "Nonelectronic signature" means a handwritten signature applied to an original document that is then scanned and electronically filed.

2. For a party signing a document that another registered user will electronically file, "signature" means the signatory's name affixed to the document as a digitized or nonelectronic signature.

**481—16.3(10A) Registration, username, and passwords.**

**16.3(1)** *Registration.*

*a. Registration.* Every individual filing documents or viewing or downloading filed documents in the AEDMS must register as a registered user of AEDMS.

*b. Changes in registered user's contact information.* If a registered user's email address, mailing address, or telephone number changes, the user must promptly make the necessary changes to the registered user's information contained in AEDMS. The registered user shall promptly give notice of changes in contact information to any nonregistered party in every active proceeding in which the registered user is a party.

*c. Duties of registered user.* Each registered user shall ensure that the user's email account information is current, that the account is monitored regularly, and that email notices sent to the account are timely opened.

*d. Division-initiated registration.* The division may complete the registration process on behalf of an individual in certain instances and email the username and password to the user. When the division completes the registration process, the user is required to promptly log in and change the password. Following initial notification regarding account registration, the user is required to promptly update and maintain accurate contact information for the AEDMS account.

**16.3(2)** *Use of username and password.* A registered user is responsible for all documents filed with the user's username and password unless proven by clear and convincing evidence that the registered user did not make or authorize the filing.

**16.3(3)** *Username and password security.* If a username or password is lost, misappropriated, misused, or compromised, the registered user of that username or password shall notify the division promptly.

**16.3(4)** *Denial of access.* The agency may refuse to allow an individual to electronically file or download information in AEDMS due to misuse, fraud, or other good cause.

**481—16.4(10A) Electronic filing not mandatory.**

**16.4(1)** *Electronic filing not mandatory.* Registration and filing through AEDMS, although encouraged, is not mandatory, and the division will still accept the traditional filing of paper or other electronic documents as set forth in 481—paragraph 10.12(3)*"a."*

**16.4(2)** *What constitutes filing.* The electronic transmission of a document to AEDMS consistent with the procedures specified in these rules, together with the production and transmission of a notice of electronic filing, constitutes filing of the document.

**16.4(3)** *Electronic file stamp.* Documents filed through AEDMS are officially filed when affixed with an electronic file stamp. Filings so endorsed have the same force and effect as documents time-stamped in a nonelectronic manner.

**481—16.5(10A) Filing of paper documents.**

**16.5(1)** *Conversion of paper or other electronic documents filed.* When a party files a document other than through AEDMS, the division will convert the filed documents to an electronic format viewable to registered users of AEDMS. The original of converted documents need not be retained by the division.

**16.5(2)** *Form of paper documents.* Each document must be printed on only one side and be delivered to the division with no tabs, staples, or permanent clips but may be organized with paperclips, clamps, or some other type of temporary fastener or may be delivered to the division in an appropriate file folder.

**481—16.6(10A) Date and time of filing.**

**16.6(1)** *Date of filing.* An electronic filing may be made any day of the week, including holidays and weekends, and any time of the day AEDMS is available.

**16.6(2)** *Time of filing.* A document is timely filed if it is filed before midnight on the date the filing is due.

**16.6(3)** *Rejected filing.* The division may reject electronic filings that do not meet the requirements of this chapter. A rejected electronic filing is not filed. When an electronic filing is rejected, the filer will be electronically notified of the rejection and the reason for the rejection. In such instances, the date and time of filing will be when the filer submits a corrected document and it is approved.

**481—16.7(10A) Signatures.**

**16.7(1)** *Registered user.* A username and password accompanied by a digitized, electronic, or nonelectronic signature serves as the registered user's signature on all electronically filed documents.

**16.7(2)** *Format.* Any AEDMS filing requiring a signature must be signed with either a nonelectronic signature, an electronic signature, or a digitized signature. The following information about the person shall be included under the person's signature:

*a.* Name;

*b.* Name of firm or governmental agency;

*c.* Mailing address;

*d.* Telephone number; and

*e.* Email address.

**16.7(3)** *Multiple signatures.* By filing a document containing multiple signatures, the registered user confirms that the content of the document is acceptable to all persons signing the document and that all such persons consent to having their signatures appear on the document.

**481—16.8(10A) Confidentiality and redaction of electronic documents.**

**16.8(1)** *Confidential system.* AEDMS is a closed system, and filed documents are only accessible to a registered user who is attached to the case and division staff. Filed documents are not publicly accessible. There are two internal levels of enhanced filing confidentiality.

*a.* A filing certified by the filer as "confidential" is only accessible to the parties, the administrative law judge (ALJ), and division staff.

*b.* A filing certified by the filer as "sealed" is only accessible by the ALJ and division staff and is not accessible by any other party or user. This filing designation may only be made pursuant to prior order of the ALJ, and a sealed filing will be rejected if not authorized by order.

*c.* The responsibility for proper filing is on the filer.

**16.8(2)** *Omission and redaction requirements.* It is the responsibility of the filer to ensure that protected information is omitted or redacted from documents before the documents are filed.

*a.* *Protected information that is not material to the proceedings.* A filer may redact protected information from documents filed with the division when the information is not material to the proceedings.

*b.* *Protected information that is material to the proceedings.* When protected information is material to the proceedings, a filer must certify the document as confidential when submitting the filing to the division.

**16.8(3)** *Information that may be redacted.* A filer may redact the following information unless the information is material to the proceedings:

*a.* Driver's license numbers.

*b.* Information concerning medical treatment or diagnosis.

*c.* Employment history.

*d.* Personal financial information.

*e.* Proprietary or trade secret information.

*f.* Information concerning crime victims.

*g.* Sensitive security information.

*h.* Home addresses.

**16.8(4)** *Improperly included protected information.* A party may ask the division to restrict access to improperly included protected information from a filed document. The division may order a properly redacted document to be filed.

**481—16.9(10A) General requirements when filing documents.**

**16.9(1)** *Format.* All documents must be converted to a PDF before they are filed in AEDMS. Documents submitted must be properly scanned, which includes having the pages in the correct order and orientation and having the scanned content of the document be legible.

**16.9(2)** *Separating documents.* Each document must be separated and uploaded with the correct document type selection on the document upload page. Any attachments to a document shall be uploaded as such and linked to the correct document prior to submission.

**16.9(3)** *Selecting document types.* For each electronically filed document, a filer must choose an accurate document type from the options listed on the document upload page. Once a document is submitted into AEDMS, only the division may make corrections to the document type the filer has chosen.

**16.9(4)** *Correcting errors.* If a filer discovers an error in the electronic filing or docketing of a document, the filer must contact the division as soon as possible. If the division discovers an error in the filing or docketing of a document, the division may notify the filer of the error and advise the filer of what further action the filer must take, if any, to address the error.

**481—16.10(10A) Case initiation and service.**

**16.10(1)** *Case initiation.* A case may be initiated by an agency or governmental entity via AEDMS by the electronic filing of a transmittal form pursuant to rule 481—10.5(10A).

**16.10(2)** *Filings by registered user.* To the extent another party to the case is not a registered user, the registered user shall serve those filings upon the nonregistered user pursuant to the applicable rules of contested case procedure and any other controlling law.

**16.10(3)** *Electronic service and distribution of electronic filings.*

*a.* When a document is electronically filed, that document will be served automatically through AEDMS to all parties to the proceeding who are registered users. No other service to those registered users is required unless ordered by the division or unless the registered user has filed a document indicating an express withdrawal from use of the AEDMS, either entirely or for a specific case.

*b.* Notices of electronic filing will continue to be sent to registered users appearing or intervening in a proceeding until the registered users have filed a withdrawal of appearance or document indicating an express withdrawal from use of the AEDMS, either entirely or for a specific case.

**16.10(4)** *Division-generated documents.* All documents issued by the division will be electronically filed and served upon registered users. Division-generated documents will be served upon nonregistered users pursuant to the applicable rules of contested case procedure and any other controlling law.

These rules are intended to implement Iowa Code chapter 10A.

[Filed 7/16/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0465D

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to resident, special, and temporary physician licensure and licensure of acupuncturists**

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 653, "Resident, Special and Temporary Physician Licensure," and Chapter 656, "Licensure of Acupuncturists," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapters 147, 148, 148E and 272C.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapters 147, 148, 148E and 272C.

*Purpose and Summary*

Chapters 653 and 656 set the minimum requirements for special licensure and foreign-trained provisional licensure. These rules were reviewed and revised during the 2024 Red Tape Review process. The amendments allow for an additional testing option for applicants to provide proof of English language proficiency.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 15, 2026, as **ARC 0202D**. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Board of Medicine on June 19, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend paragraph **653.4(2)"g"** as follows:

*g.* Demonstrate proficiency in English by providing a valid ECFMG certificate or verification of a passing score on the Test of Spoken English (TSE) or the Test of English as a Foreign Language (TOEFL) examination administered by the Educational Testing Service <u>or verification of a passing score on the OET medicine test</u>;

ITEM 2. Amend subparagraph **653.4(3)"a"(4)** as follows:

(4) Provide a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service <u>or verification of a passing score on the OET medicine test</u>;

ITEM 3. Amend paragraph **653.6(2)"f"** as follows:

*f.* Demonstrate proficiency in English by providing a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service <u>or verification of a passing score on the OET medicine test</u>;

ITEM 4. Amend subparagraph **653.6(3)"a"(6)** as follows:

(6) Provide a valid ECFMG certificate or verification of a passing score on the TSE or TOEFL examination administered by the Educational Testing Service <u>or verification of a passing score on the OET medicine test</u>; and

ITEM 5. Amend subparagraph **656.3(1)"c"(2)** as follows:

(2) An applicant who passed NCCAOM written or practical examination components in a language other than English shall pass the Test of Spoken English (TSE) or the Test of English as a Foreign Language (TOEFL) examinations administered by the Educational Testing Service <u>or shall pass the OET medicine test</u>.

[Filed 7/16/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0466D**

# INSPECTIONS AND APPEALS DEPARTMENT[481]

**Adopted and Filed**

**Rulemaking related to practice and licensure of funeral directors, funeral establishments, and cremation establishments**

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 900, "Practice of Funeral Directors, Funeral Establishments, and Cremation Establishments," and Chapter 901, "Licensure of Funeral Directors, Funeral Establishments, and Cremation Establishments," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapters 17A, 147, 156 and 272C.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapters 147, 156 and 272C.

*Purpose and Summary*

This rulemaking sets minimum standards for licensure as a funeral director or establishment in Iowa, as well as standards for registration as a removal technician. The purpose of this rulemaking is to correct citations within the rules and to change procedures for removal technicians. The current removal technician rules have been in place for the past year, and now that they have been utilized, the Board of Mortuary Science acknowledges necessary changes to assist in allowing removal technicians to assist funeral directors in Iowa.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 15, 2026, as **ARC 0201D**.

Public comment was received from the Iowa Funeral Directors Association (IFDA):

"As it stands, the primary benefit of moving to six per establishment appears to favor larger firms if we don't make the necessary change to allow 3 per director. The intent and this effort were initiated to ensure rural funeral homes, many with limited staff, could access meaningful support. They way I see it if the move from 4-6 six per establishment can be changed it can also be adjusted to 3 per director up to 6 max per establishment.

"For clarity, the state already distinguishes between full-time and part-time employees, and we should be applying that distinction here. The funeral director needs a [full-time] FT employee. I strongly believe we should require clear employment specifications just as we do with removal techs. From what I see regularly in training, many removal technicians are part-time and not consistently available. Many are students from DMACC. If there is concern about the risk of supervising more than two part-time, as-needed technicians, then it stands to reason that we should also be concerned about supervision by individuals who are part-time, retired, or not formally employed by the establishment. There is current abuse of how this position is being handled and by whom because the rules are too gray. This is not protecting the public.

"Referencing another email where someone stated that with technology (Zoom, Facetime, etc.) we shouldn't regulate the full-time status. While those things are useful tools, it should not be used to justify loosening standards around supervision and should not be criteria when determining working status of a funeral director.

"These rules were created by the Board of Mortuary Science under the authority granted by the legislation. That same authority allows for them to be revisited and refined which is what we have been working on for the past year. Given the original intent and the reality we are seeing in practice, I believe that's exactly what should happen."

One change from the Notice has been made to update paragraph 901.13(4)"d" in Item 12 to allow three removal technicians to be supervised instead of two.

*Adoption of Rulemaking*

This rulemaking was adopted by the Board on June 9, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind subrule **900.4(4)**.

ITEM 2. Adopt the following **new** paragraphs **900.6(3)"d"** and **900.6(3)"e"**:

*d.* When death is attributed to a reportable communicable disease, embalming may be omitted provided that cremation is performed within 48 hours after death. In such cases, the human remains shall be immediately topically disinfected, shall be placed in a container that will control odor and prevent the leakage of body fluids and shall only be transported to the crematory by the funeral director or intern.

*e.* If viewing of the unembalmed human remains is requested, the human remains shall be topically disinfected and all body orifices shall be packed or otherwise secured with material that will absorb and retain all secretions. No public viewing will be allowed of an unembalmed decedent who has died of a reportable communicable disease, but private viewing is permissible at the discretion of the funeral director.

ITEM 3. Amend rule **481—901.1(156)**, definition of "Reactivate," as follows:

*"Reactivate"* or *"reactivation"* means the process as outlined in rule ~~481—901.11(17A,147,272C)~~ 481—901.10(17A,147,272C) by which an inactive license is restored to active status.

ITEM 4. Amend subrule 901.3(1) as follows:

**901.3(1)** *Internship.*

*a.* to *j.* No change.

~~*k.* The intern will complete on a form provided by the board a confidential evaluation of the preceptorship program at the end of the internship. This form will be submitted before a funeral director license is issued to the intern.~~

~~*l.*~~ *k.* The intern must be approved and licensed following a successful internship before the intern may practice mortuary science.

ITEM 5. Amend paragraph **901.5(1)"k"** as follows:

*k.* Failure to comply with any of these rules will constitute grounds for discipline pursuant to 481—Chapter 904 and 481—Chapter 504 or civil penalties for unlicensed practice pursuant to 481—Chapter 905.

ITEM 6. Amend rule 481—901.9(17A,147,272C) as follows:

**481—901.9(17A,147,272C) Reinstatement of a funeral establishment license or a cremation establishment license.** For a funeral or cremation establishment license that has been revoked, suspended, or voluntarily surrendered, the owner must apply for and receive reinstatement of the license in accordance with rule ~~481—506.31(272C)~~ 481—506.32(272C) and must apply for and be granted reactivation of the license in accordance with rule ~~481—901.9(272C)~~ 481—901.10(17A,147,272C) prior to offering mortuary science services from that establishment in this state.

ITEM 7. Amend subparagraph **901.10(2)"a"(3)** as follows:

(3) Verification of completion of two hours of continuing education in current Iowa law and rules covering mortuary science content areas including, but not limited to, Iowa law and rules governing the practice of mortuary science, cremation, vital statistics, cemeteries and preneed. These 2 hours will be included as a part of the 24 hours required in ~~subparagraph 901.11(3)*"a"*(2).~~ 481—paragraph 902.3(2)*"f."*

ITEM 8. Amend subparagraph **901.10(2)"b"(2)** as follows:

(2) Verification of completion of 48 hours of continuing education that meet continuing education standards defined in 481—subrule 902.3(1) and 481—paragraphs 902.3(2)*"a," "b," "c,"* and *"e,"* within two years prior to filing the application for reactivation. Independent study identified in ~~481—paragraph 902.3(2)*"f"*~~ 481—paragraph 902.3(2)*"d"* will not exceed 24 hours of the 48 hours; and

ITEM 9. Amend rule 481—901.11(17A,147,272C) as follows:

**481—901.11(17A,147,272C) Reinstatement of a funeral director license.** A licensee whose license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the license in accordance with rule ~~481—506.31(272C)~~ 481—506.32(272C) and must apply for and be granted reactivation of the license in accordance with rule ~~481—901.11(17A,147,272C)~~ 481—901.10(17A,147,272C) prior to practicing as a funeral director in this state. The owner of a funeral home establishment whose establishment license has been revoked, suspended, or voluntarily surrendered must apply for and receive reinstatement of the establishment license and must apply for and be granted reactivation of the establishment license prior to reopening the funeral home establishment.

ITEM 10. Amend subrule 901.13(1) as follows:

**901.13(1)** A removal technician will serve under the direct supervision of an Iowa licensed funeral director, will only perform removals at the direction of the supervising funeral director, and may act in place of a funeral director only in performing a removal. Another funeral director, who is authorized by the supervising funeral director, may direct the removal technician in the temporary absence of the supervising funeral director.

ITEM 11. Amend paragraph **901.13(2)"c"** as follows:

*c.* Is ~~affiliated with~~ employed by a funeral establishment that has not had any formal disciplinary action within the past five years.

ITEM 12. Amend subrule 901.13(4) as follows:

**901.13(4)** The supervising funeral director will:

*a.* and *b.* No change.

*c.* Ensure the removal technician performs its duties as outlined in subrule ~~901.13(2)~~ 901.13(5);

*d.* Not supervise more than ~~two~~ three removal technicians; and

*e.* Not have more than ~~four~~ six registered removal technicians employed by the same funeral establishment, or any funeral establishment owned, operated, or affiliated with that funeral establishment.

[Filed 7/15/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0467D

# PUBLIC HEALTH DEPARTMENT[641]

**Adopted and Filed**

**Rulemaking related to rescission of chapters**

The Department of Health and Human Services hereby rescinds Chapter 106, "State-Funded Family Medicine Obstetrics Fellowship Program," Chapter 108, "Medical Residency Training State Matching Grants Program," Chapter 110, "Center for Rural Health and Primary Care," and Chapter 111, "Iowa Needs Nurses Now Infrastructure Account," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in 2025 Iowa Acts, House File 972.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, 2025 Iowa Acts, House File 972.

*Purpose and Summary*

The purpose of this rulemaking is to rescind chapters that have been made obsolete by 2025 Iowa Acts, House File 972. Section 4 of the legislation strikes Iowa Code section 135.107(2) and 135.107(3), which provide rulemaking authority for Chapter 110. Section 17 of the legislation repeals Iowa Code sections 135.176 and 135.193, which provide rulemaking authority for Chapter 108 and Chapter 106, respectively. Finally, section 17 of the legislation also repeals Iowa Code section 135.175, which is associated with Chapter 111.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on September 17, 2025, as **ARC 9550C**. An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on March 18, 2026, as **ARC 0121D**. A public hearing was held on the following date(s):

- April 7, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 8, 2026.

*Fiscal Impact*

Section 4 of 2025 Iowa Acts, House File 972, repealed the Primary Care Provider Recruitment and Retention Endeavor, also known as PRIMECARRE, which included the Health Care Workforce and Community Support Grant Program and the Primary Care Provider Loan Repayment Program. The PRIMECARRE program received $214,021 from the General Fund Public Health appropriation in FY 2025. Section 17 of 2025 Iowa Acts, House File 972, repealed the Health Care Workforce Support Initiative, the Medical Residency Training State Matching Grants Program, the Nurse Residency State Matching Grants Program, and the State-funded Family Medicine Obstetrics Fellowship Program. 2024 Iowa Acts, House File 2698 (FY 2025 Health and Human Services Appropriations Act), allocated the following amounts for the eliminated programs in FY 2025 from the General Fund:

- $2,100,000 for the Medical Residency Training State Matching Grants Program.
- $0 for the Nurse Residency State Matching Grants Program.
- $560,000 for the State-funded Family Medicine Obstetrics Fellowship Program.

This is a standing unlimited appropriation under Iowa Code section 135.193.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **641—Chapter 106**.

ITEM 2. Rescind and reserve **641—Chapter 108**.

ITEM 3. Rescind and reserve **641—Chapter 110**.

ITEM 4. Rescind and reserve **641—Chapter 111**.

[Filed 7/8/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0468D**

## VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

**Adopted and Filed**

**Rulemaking related to organization and procedures**

The Iowa Department of Veterans Affairs hereby rescinds Chapter 1, "Organization and Procedures," Iowa Administrative Code, and adopts a new Chapter 1 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 17A.4, 17A.9A, 35A.5, 35A.8, 35B.6, 35B.11, 35B.19, 35D.1 and 35D.17; 2025 Iowa Acts, House File 250; and Executive Order 10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 17A.4, 17A.9A, 35A.5, 35A.8, 35B.6, 35B.11, 35B.19, 35D.1 and 35D.17; 2025 Iowa Acts, House File 250; and Executive Order 10.

*Purpose and Summary*

This rulemaking is intended to update the organization and procedures of the Department and eliminate obsolete information.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 15, 2026, as **ARC 0192D**. A public hearing was held on the following date(s):

- May 8, 2026

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0331D**. A public hearing was held on the following date(s):

- June 30, 2026

No public comments were received.

Changes from the Notice have been made. First, the bracketed effective dates in subrules 1.4(1) and 1.4(3) were updated to September 9, 2026. Second, since the Notice was published, 2026 Iowa Acts, Senate File 2463, was enacted, which set uniform standards for waivers. The only opt-out the Department received from the Governor's Office was for fair information; therefore, rules 801—1.7(17A,35D) and 801—1.8(17A,34D) would be redundant with 7—Chapter 2504, which now governs the Department. Those two proposed rules were not adopted, and proposed rule 801—1.9(17A,35,35A) was subsequently renumbered.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 801—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
ORGANIZATION AND PROCEDURES

**801—1.1(35,35A,35D) Definitions.** Unless otherwise provided for by law, the following definitions apply to 801—Chapters 1 through 17:

*"Annual school of instruction"* means annual classroom certification and recertification training sponsored by the department for county veterans service officers to meet accreditation requirements of the commandant.

*"Armed forces graves"* means graves of any individuals who die during or after discharge from honorable service in the army, navy, air force, marines, merchant marines, coast guard, space force, or as a federally activated reservist or member of the national guard and are buried within the state of Iowa.

*"Cemetery"* means the Iowa Veterans Cemetery.

*"Chairperson"* means the chairperson of the commission.

*"Commandant"* means the director of the Iowa department of veterans affairs.

*"Commission"* means the Iowa commission of veterans affairs.

*"Commissioner"* means a member of the Iowa commission of veterans affairs.

*"County commission"* means a county commission of veteran affairs.

*"County commissioner"* means a member of a county commission of veteran affairs.

*"County veterans service officer"* means an executive director or administrator of a county commission of veteran affairs.

*"Department"* means the Iowa department of veterans affairs.

**801—1.2(35,35A,35D) Commission.** The commission is established and operates in accordance with Iowa Code chapter 35A.

**1.2(1)** *Office location.* The commission maintains its office at the Iowa Department of Veterans Affairs at Camp Dodge. The mailing address is: Iowa Commission of Veterans Affairs, c/o Camp Dodge, Building 3465, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824. The telephone number is 515.252.4698 or 1.800.838.4692 (1.800.VET.IOWA).

**1.2(2)** *Meetings and conduct of business.*

*a.* Meetings. Regular meetings of the commission are held four times a year during the months of January, April, July, and October at 10 a.m. Written notices stating the time and place of the meetings shall be provided consistent with Iowa Code chapter 21. Special meetings may be held pursuant to call by the chairperson. Notice of time and place is posted in the same manner as a regular meeting.

*b.* A quorum consists of two-thirds of the membership appointed and qualified to vote.

*c.* A quorum is needed to carry a position.

*d.* Copies of minutes are kept on file in the office of the department.

*e.* In cases not covered by these rules, Robert's Rules of Order apply.

**1.2(3)** *Duties.* In addition to duties prescribed by law, the commission will:

*a.* Organize and annually select a chairperson, a senior vice-chairperson and a junior vice-chairperson at the first meeting of each state fiscal year.

*b.* Supervise the commandant's administration of commission policy for the operation and conduct of the Iowa Veterans Home as set out in rule 801—1.4(35A,35D) and 801—Chapter 10.

*c.* Review proposed administrative rules submitted by the department concerning the management and operation of the department. Unless the commission votes to disapprove a proposed rule on a two-thirds vote at the earlier of the next regularly scheduled meeting of the commission or a special meeting of the commission called by the commission within 30 days of the date the proposed rule is submitted, the department may proceed to adopt the rule.

**801—1.3(35,35A) Commandant.** The commandant is responsible for administering the duties and enforcing the policies of the department, the commission, and the Iowa Veterans Home.

**1.3(1)** *Office location and hours.* The office of the commandant is located at Camp Dodge, Building 3465, 7105 NW 70th Avenue, Johnston, Iowa 50131-1824. The office is open to the public during the hours of 8 a.m. to 4:30 p.m., except Saturday, Sunday, and holidays. The telephone number is 515.252.4698 or 1.800.838.4692 (1.800.VET.IOWA).

**1.3(2)** *Administrative staff.* The commandant provides direction to administrative staff employed by the department to assist the commandant in carrying out assigned duties.

**1.3(3)** *Investigation of applications.* The commandant examines all applications and approves or disapproves the same and makes any investigation necessary to establish facts regarding veterans service status and veterans affairs data in accordance with Iowa Code chapters 35 and 35A.

**1.3(4)** *Duties.* In addition to duties prescribed by law, the department:

*a.* Ensures county commissions comply with required office hours.

*b.* Collects and maintains information concerning veterans affairs.

*c.* Assists the United States Department of Veterans Affairs, the Iowa Veterans Home, funeral directors, and federally chartered veterans service organizations in providing information concerning veterans' service records and veterans affairs data.

*d.* Administers or conducts one school for training of county veterans service officers and another for county commissioners of veteran affairs pursuant to Iowa Code section 35A.5(6). At the discretion of the commandant, training for newly appointed county veterans service officers may also be conducted. Training provided for veterans service officers includes accrediting courses, as well as other subjects, at the discretion of the commandant, who certifies satisfactory completion. The training shall ensure that each county veterans service officer is proficient in the use of electronic mail, general computer use, and use of the Internet to access information regarding facilities, benefits, and services available to veterans and their families.

**801—1.4(35A) Iowa Veterans Cemetery.** The department operates and administers the Iowa Veterans Cemetery in accordance with United States Department of Veterans Affairs' standards.

**1.4(1)** *Operation and maintenance.* The cemetery shall be operated and maintained in accordance with national standards set forth in 38 U.S.C. 24 as effective on September 9, 2026.

**1.4(2)** *Application for interment.* The department shall provide veterans and their eligible dependents with a standardized application for interment at the cemetery. This application is available at the Iowa Veterans Cemetery, 34024 Veterans Memorial Drive, Adel, Iowa 50003-3300; the Iowa Department of Veterans Affairs, 7105 NW 70th Avenue, Camp Dodge, Building 3465, Johnston, Iowa 50131-1824; or online at dva.iowa.gov/iowa-veterans-cemetery.

**1.4(3)** *Eligibility.* The department makes eligibility for interment determinations consistent with 38 U.S.C. 24 as effective on September 9, 2026. State residency is not a component of eligibility.

**801—1.5** Reserved.

ARMED FORCES GRAVES REGISTRATION

**801—1.6(35A,35B) Armed forces graves registration.** Armed forces graves registration shall be completed as follows.

**1.6(1)** *Duties of the funeral director.* The funeral director who contracts to inter the deceased veteran shall complete Armed Forces Graves Registration Record, Form 582-1002, in duplicate, forwarding the original and copy to the county commission.

**1.6(2)** *Duties of the county commission.* The county commission records the information alphabetically, and by description of location in the cemetery where the veteran is buried, in a book or other manner prescribed by the commission and kept for that purpose in the office of the county commission. The county commission forwards the original Armed Forces Graves Registration Record to the commandant at the address provided in subrule 1.3(1).

**1.6(3)** *Where filed.* The original Armed Forces Graves Registration Record is filed at the office of the commandant.

**1.6(4)** *Forms.* Additional Armed Forces Graves Registration Record forms may be obtained by contacting the commandant's office in accordance with subrule 1.3(1).

This rule is intended to implement Iowa Code sections 35A.5 and 35B.19.

FINAL AGENCY ACTION

**801—1.7(17A,35,35A) Final agency action.** Except as otherwise provided by law or by rule, and to the extent consistent with due process, any decision of the commission or the department affecting the rights, privileges, or entitlements of any person as provided in 801—Chapters 1 through 17 constitutes final agency action. Any person aggrieved by such final agency action may pursue judicial review pursuant to Iowa Code section 17A.19.

These rules are intended to implement Iowa Code chapters 35 and 35A and sections 35B.6, 35B.11, 35D.1, and 35D.17.

[Filed 7/15/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

## ARC 0469D

# VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

**Adopted and Filed**

**Rulemaking related to county commissions of veteran affairs fund and training program**

The Iowa Department of Veterans Affairs hereby rescinds Chapter 7, "County Commissions of Veteran Affairs Fund and Training Program," Iowa Administrative Code, and adopts a new Chapter 7 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code sections 35A.5, 35A.16 and 35B.6; 2025 Iowa Acts, House File 250; and Executive Order 10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 35A.5, 35A.16 and 35B.6; 2025 Iowa Acts, House File 250; and Executive Order 10.

*Purpose and Summary*

This rulemaking explains the requirements that county veterans service officers (VSOs) must meet in order to be in compliance with State law, as well as requirements counties must meet to receive funding from the State.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 15, 2026, as **ARC 0191D**. A public hearing was held on the following date(s):

- May 8, 2026

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0332D**. A public hearing was held on the following date(s):

- June 30, 2026

No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa. Executive Order 10 edits also have been made.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 801—Chapter 7 and adopt the following **new** chapter in lieu thereof:

CHAPTER 7
COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND AND TRAINING PROGRAM

**801—7.1(35A,35B) County commissions of veteran affairs fund.**

**7.1(1)** *Purpose.* The purpose of the county commissions of veteran affairs fund is to assist county commissions of veteran affairs in complying with legislative requirements for employing a county veterans service officer who complies with all directives of the commandant of the Iowa department of veterans affairs regarding the completion of training or certification required for the person's position under applicable state and federal law, maintains an active Personal Identification Verification (PIV) card necessary to access the Veterans Administration's Veterans Benefit Management System, is employed in veterans affairs service for a minimum number of hours, and maintains an office in a location owned or leased by the county.

**7.1(2)** *County training allocation amounts.* Counties requesting reimbursement from the department in accordance with Iowa Code section 35A.16(4) will make their requests in accordance with state travel policies. Required supporting documentation for eligible expenses shall be submitted during the fiscal year up to the $3,000 annual allocation within 30 days of training completion but no later than June 30 of each fiscal year.

**7.1(3)** *Allocation report.* Counties shall submit a written report to the department 30 days following the end of the fiscal year in which the allocation was received. The report will include:

*a.* An assessment of county veteran affairs services, including county population, verification of an office, hours of employment, and number of hours of veterans' services provided by the county veterans service officer.

*b.* Documentation that the county veterans service officer is performing required duties and maintaining qualifications and credentials pursuant to Iowa Code section 35B.6.

*c.* A comprehensive summary of county veteran affairs expenditures for the fiscal year in which the allocation was received and the expenditures from the previous fiscal year.

Information provided in this report is used by the department to comply with rule 801—7.3(35A,35B).

**7.1(4)** *Recovery of funds.* The department is the entity charged with the recovery of county commissions of veteran affairs fund allocations from counties under the following circumstances.

*a.* *Unauthorized use.* Counties expending a portion of the allocation on items that do not provide services to veterans pursuant to Iowa Code section 35B.6 will be required to return the unauthorized funds to the state of Iowa.

*b.* *Maintenance of effort.* Counties not maintaining their previous fiscal year's spending levels will be considered to have supplanted county funding with state allocation funds. Counties not complying with their maintenance of effort will be required to return the supplanted portion to the state of Iowa pursuant to Iowa Code section 35A.16(3).

*c.* *Noncompliance.* Counties that are not in compliance with the requirements of Iowa Code section 35B.6 on June 30 of each fiscal year will be required to return all moneys received during that fiscal year to the county commissions of veteran affairs fund pursuant to Iowa Code section 35A.16(3). Counties that are deemed noncompliant due to the termination or resignation of an employee are not required to return the state allocation if an employee is hired within three months of the previous employee's separation.

**801—7.2(35A,35B) County commission of veteran affairs training program.** The department provides training for county veterans service officers in accordance with Iowa Code section 35A.5(6).

**7.2(1)** County veterans service officers shall do the following within one year of appointment or will be subject to removal from office as provided for in Iowa Code section 35B.6(1)*"c"*:

*a.* Obtain and maintain all certifications that are federally required and provide documentation to the department.

*b.* Complete training as directed by the commandant of the Iowa department of veterans affairs.

*c.* Obtain and maintain a PIV card from the United States Department of Veterans Affairs as well as access to the Veterans Benefits Management System and provide the department with documentation. Upon request from a county commission of veteran affairs and based on extenuating circumstances, the commandant may extend the time frame for a veteran service officer to obtain a PIV card prior to being subject to removal from office. The decision of the commandant is final.

Counties shall submit to the department annually by July 30 all documentation required by this rule.

**7.2(2)** County veterans service officers shall complete the following on an annual basis or will be subject to removal from office as provided for in Iowa Code section 35B.6(1)*"c"*:

*a.* Maintain all certifications that are federally required and annually provide documentation to the department.

*b.* Comply with all directives of the commandant of the Iowa department of veterans affairs regarding the completion of training or certification required for the person's position under applicable state and federal law.

*c.* Maintain a PIV card from the United States Department of Veterans Affairs as well as access to the Veterans Benefits Management System.

Counties shall submit to the department annually by July 30 all documentation required by this section.

**7.2(3)** County veterans service officers who fail to comply with subrules 7.2(1) and 7.2(2) shall be removed from their positions. Knowing violation of this provision constitutes noncompliance as provided in paragraph 7.1(4)*"c."*

**7.2(4)** The annual school of instruction and all associated training materials will be provided at the expense of the department and attendees will not be charged for participation in the training.

**7.2(5)** Travel, meals, lodging, and miscellaneous expenses incurred while attending the annual school of instruction required by subrules 7.2(1) and 7.2(2) are the responsibility of the respective county.

**7.2(6)** Any cost of initial training, accreditation, and continuing training that uses state funds shall follow the department's travel policy. The department's travel policy overrides county-specific travel policies.

**7.2(7)** The department shall maintain documentation regarding any school of instruction required by subrules 7.2(1) and 7.2(2), including but not limited to agendas, presentation dates, attendees, certificate of satisfactory completion of accreditation or continuing education training, and the issuance of certificates of training.

**7.2(8)** Inquiries regarding an annual school of instruction may be directed to the commandant or designee.

**7.2(9)** Disputes regarding the annual school of instruction, certificates of training, and related matters are reviewed by the commandant, who will render a decision within ten days of receipt of all relevant facts and supporting materials. The decision of the commandant is final.

**801—7.3(35A,35B) Report to the general assembly.** To assist the department to prepare its annual report required by Iowa Code section 35A.5(14), each county commission of veteran affairs shall provide information required in Iowa Code section 35A.5(14)*"a"* through *"c."* The department will provide each county executive director or administrator with a form to return to the department by July 30 of each year.

These rules are intended to implement Iowa Code chapters 35A and 35B.

[Filed 7/15/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0470D

# VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]

**Adopted and Filed**

**Rulemaking related to injured veterans grant program**

The Iowa Department of Veterans Affairs hereby rescinds Chapter 11, "Injured Veterans Grant Program," Iowa Administrative Code, and adopts a new Chapter 11 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 35A.14 and Executive Order 10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 35A.14 and Executive Order 10.

*Purpose and Summary*

This rulemaking provides the amounts for grants paid by the Department under the Injured Veterans Grant Program and the criteria for eligibility. This rulemaking also explains the application process and the requirements for applying.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 15, 2026, as **ARC 0193D**. A public hearing was held on the following date(s):

- May 8, 2026

An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0330D**. A public hearing was held on the following date(s):

- June 30, 2026

No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 801—Chapter 1.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on September 9, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 801—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
INJURED VETERANS GRANT PROGRAM

**801—11.1(35A) Grant amounts and eligibility.**

**11.1(1)** Grants paid by the department pursuant to Iowa Code section 35A.14 are paid in increments of $2,500, up to a maximum of $10,000.

**11.1(2)** An initial grant of $2,500 is payable to an eligible veteran who sustains an injury in the line of duty and, because of such injury, is either:

*a.* Medically evacuated from an operational theater to a military hospital for treatment; or *b.* Hospitalized at a military hospital for at least 30 consecutive days.

**11.1(3)** After an initial grant is paid, subsequent grant payments of $2,500 are payable at 30-, 60-, and 90-day intervals thereafter if the veteran remains hospitalized or continues to receive medical care or rehabilitation services authorized by the military. Qualifying treatment or services must be provided in a location that is not the veteran's home of record.

**11.1(4)** A veteran remains eligible for the grant after discharge from the military so long as the veteran remains hospitalized or continues to receive medical treatment or rehabilitation services for the qualifying injury or illness.

**801—11.2(35A) Application.**

**11.2(1)** To receive an initial grant payment under this chapter, a veteran must submit an application to the department that includes documentation establishing either Iowa residency or eligibility as a nonresident pursuant to Iowa Code section 35A.14(1). A veteran must also submit reasonably reliable documentation establishing eligibility, such as but not limited to:

*a.* Military identification card;

*b.* Relevant military orders;

*c.* DD Form 214, if discharged.

**11.2(2)** To receive a subsequent incremental grant payment under this chapter, a veteran must submit additional documentation establishing continued qualifying hospitalization, medical care, or rehabilitation services for the injury.

**11.2(3)** An application for an initial or subsequent incremental grant payment under this chapter will be submitted by the veteran. If the veteran is incapacitated due to the injury, however, the application may be submitted on the veteran's behalf by a close family member, such as a spouse or parent, or by an appropriate power of attorney. Grants payable under this chapter are paid only to the legal custody of the veteran.

**11.2(4)** A veteran may receive assistance in the application process by contacting the department office at 515.252.4698 or 800.838.4692.

**11.2(5)** For any qualifying injury sustained on or after January 1, 2027, the department must receive an initial application within two years of the date of injury.

**11.2(6)** Upon receiving an application for an initial or subsequent incremental grant, the department will, within 30 days, inform the applicant in writing that the application has been approved or denied or requires additional documentation establishing eligibility.

These rules are intended to implement Iowa Code section 35A.14.

[Filed 7/15/26, effective 9/9/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

# ARC 0471D

# VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

**Adopted and Filed**

**Rulemaking related to organization and operation**

The Iowa Commission on Volunteer Service hereby rescinds Chapter 1, "Organization and Operation," Iowa Administrative Code, and adopts a new Chapter 1 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapter 15H.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 15H and Executive Order 10.

*Purpose and Summary*

This chapter describes the organization and operation of the Commission, including the offices where and the means by which any interested person may obtain information or make requests.

This chapter was reviewed pursuant to Executive Order 10. As a result, the Department of Health and Human Services removed redundant language and eliminated restrictive terms.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0351D**. Public hearings were held on the following date:

- June 30, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 817—Chapter 1 and adopt the following **new** chapter in lieu thereof:

CHAPTER 1
ORGANIZATION AND OPERATION

**817—1.1(15H) Organization and operation of the commission.**

**1.1(1)** *Location.* The commission is located at 321 East 12th Street, Des Moines, Iowa 50319. The telephone number is 1.800.308.5987. Office hours are 8 a.m. to 4:30 p.m., Monday through Friday.

Offices are closed on Saturdays and Sundays and on official state holidays designated in accordance with state law.

**1.1(2)** *The commission.* The commission consists of 15 to 25 voting members pursuant to Iowa Code section 15H.3.

**1.1(3)** *Meetings.* The commission shall meet at regular intervals at least four times annually. Additional meetings may be called at the discretion of the chairperson. All meetings are open to the public in accordance with Iowa Code chapter 21.

*a. Chairperson.* The chairperson of the commission presides at each meeting. Members of the public may be recognized at the discretion of the chairperson.

*b. Public notice.* The commission will give advance public notice of the time and place of each commission meeting in accordance with Iowa Code section 21.4.

*c. Quorum.* A quorum consists of half of the current voting members of the commission plus one. When a quorum is present, a position is carried by an affirmative vote of the majority of commission members eligible to vote. A commissioner is eligible to vote in person or by telephone.

*d. Termination.* Any commissioner who does not attend three or more consecutive regular meetings or who attends less than one-half of the regular meetings within a 12-month period will be considered to have resigned from the commission.

*e. Resignations.* A commissioner wishing to resign may do so by submitting a letter of resignation to the governor and sending a copy to the commission chairperson.

*f. Public presentations.* A specific time is set aside at each meeting for the public to address the board. As a general guideline, a limit of five minutes will be allocated for each of these presentations. If a large group seeks to address a specific issue, the chairperson may limit the number of speakers. To address the board, individuals are encouraged to notify the commission staff at least 72 hours in advance of the meeting.

**1.1(4)** *Minutes.* The minutes of all commission meetings will be recorded and kept in the commission office.

**1.1(5)** *Records.* The records of all of the business transacted and other information with respect to the operation of the commission are public records and will be kept on file in the commission office. All records, except statements specified as confidential under these rules, are available for inspection during regular business hours. Copies of records may be obtained in accordance with Iowa Code chapter 22.

**1.1(6)** *Submission and requests.* Inquiries, submissions, petitions, and other requests directed to the commission shall be made by letter addressed to the executive director at the address listed in subrule 1.1(1). Any person may petition for a written or oral hearing before the commission. All requests for a hearing must be in writing and state the specific subject to be discussed and the reasons why a personal appearance is necessary if one is requested.

**1.1(7)** *Committees.* The chairperson may establish committees, including an executive committee that may conduct commission business as necessary between scheduled meetings. The chairperson may appoint commissioners and noncommissioners to serve on the committees. Noncommissioners shall not serve on the executive committee.

This rule is intended to implement Iowa Code chapter 15H.

[Filed 7/15/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

## ARC 0472D

# VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

**Adopted and Filed**

**Rulemaking related to rescission of chapters**

The Iowa Commission on Volunteer Service hereby rescinds Chapter 8, "Iowa Youth Mentoring Program Certification," Chapter 9, "Iowa Summer Youth Corps," Chapter 10, "Iowa Green Corps," Chapter 11, "Iowa Reading Corps," and Chapter 12, "RefugeeRISE AmeriCorps," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapter 15H.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Executive Order 10.

*Purpose and Summary*

This rulemaking is the result of the Red Tape Review process outlined in Executive Order 10. As a result of the review, the Commission determined that the content of Chapter 8, for which there was no explicit rulemaking authority, was better suited for policy due to its procedural nature. In addition, the content of Chapters 9 through 12 was combined with 817—Chapter 14 to create a unified chapter on all Iowa National Service Corps projects. That rulemaking was submitted simultaneously (**ARC 0474D**, IAB 7/22/26).

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0352D**. Public hearings were held on the following date:

- June 30, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department of Health and Human Services on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind and reserve **817—Chapter 8**.

ITEM 2. Rescind and reserve **817—Chapter 9**.

ITEM 3. Rescind and reserve **817—Chapter 10**.

ITEM 4. Rescind and reserve **817—Chapter 11**.

ITEM 5. Rescind and reserve **817—Chapter 12**.

[Filed 7/15/26, effective 10/1/26]
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# ARC 0473D

# VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

**Adopted and Filed**

**Rulemaking related to the future ready Iowa volunteer mentor program**

The Iowa Commission on Volunteer Service hereby rescinds Chapter 13, "Future Ready Iowa Volunteer Mentor Program," Iowa Administrative Code, and adopts a new Chapter 13 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 15H.10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 15H.10 and Executive Order 10.

*Purpose and Summary*

The purpose of the Future Ready Iowa Volunteer Mentor Program is to match volunteer mentors with student mentees and to support implementation of the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program and the Future Ready Iowa Skilled Workforce Grant Program described in Iowa Code sections 256.228 and 256.229, respectively. The Future Ready Iowa Volunteer Mentor Program is an optional program for recipients of these scholarships and grants and is designed to provide mentors to help recipients increase success in school and make meaningful career connections. The Commission manages this statewide program by partnering with employers, local high schools, nonprofits, local eligible institutions of higher education and others to develop mentoring cohorts.

This chapter underwent a Red Tape Review in accordance with Executive Order 10. As a result of the review, redundant information was eliminated and outdated cross-references were updated.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0353D**. Public hearings were held on the following date:

- June 30, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department of Health and Human Services on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 817—Chapter 13 and adopt the following **new** chapter in lieu thereof:

CHAPTER 13
FUTURE READY IOWA VOLUNTEER MENTOR PROGRAM

**817—13.1(15H) Definitions.**

*"Eligible institution"* means the same as defined in Iowa Code section 256.228.

*"Grant program"* means the future ready Iowa skilled workforce grant program as described in Iowa Code section 256.229.

*"Last-dollar scholarship"* means the future ready Iowa skilled workforce last-dollar scholarship program as described in Iowa Code section 256.228.

*"Program"* means the future ready Iowa volunteer mentor program as described in Iowa Code section 15H.10.

*"Student mentee"* means a student who has elected to participate in the program, has agreed to program expectations, and has been matched with a volunteer mentor through the program. Student mentees must meet the criteria in Iowa Code sections 256.228 and 256.229.

*"Volunteer mentor"* means an adult who has applied to be a mentor, has met the screening guidelines, has attended mentor training, has committed to meeting with the mentee according to program guidelines, and has been matched with a mentee in the program.

**817—13.2(15H) Program standards, guidelines, and expectations.** The commission will maintain on its website standards, guidelines, and expectations for a productive and appropriate relationship between volunteer mentors and student mentees. Standards, guidelines, and expectations are aimed at helping students meet the last-dollar scholarship or grant program requirements, identify work-based learning opportunities, and make career-related connections that are advantageous to participants in the program through a healthy mentor-mentee relationship. Failure to adhere to the program standards may result in ineligibility to participate in the program. To the extent possible, volunteer mentors and student mentees will be matched based on sex, career aspirations, geography and mentor-to-mentee ratio.

**817—13.3(15H) Mentor/mentee agreement.** All volunteer mentors and student mentees matched with a volunteer mentor must complete and sign a written agreement issued by the commission as part of the program enrollment process. This does not include students receiving texting services only. Agreements will include expectations on regular communication, appropriate conduct, utilization of the online platform and participation in any training or resources offered to improve the efficacy of the mentor-mentee relationship. Failure by either party to adhere to the agreement may result in dismissal from the program.

**817—13.4(15H) Mentor request and application process.**

**13.4(1)** *Mentor request process.* Students may request a volunteer mentor through the commission's website or partner agencies, including through referrals from high schools and eligible institutions. Eligible institutions must collaborate in the facilitation of this subrule by providing information on the mentor request process to all students who meet the criteria of Iowa Code sections 256.228 and 256.229. The college student aid commission may enroll eligible students into the texting services whenever possible to facilitate overall student success and communication about career mentoring opportunities. Students may opt to not participate in the program.

**13.4(2)** *Mentor application process.* Prospective mentors may apply to be a volunteer mentor through the commission's website or through high schools, eligible institutions, or partner agencies or employers. These partner agencies may also enlist employers and other partners to help make direct mentoring connections with local mentoring cohorts. Prospective mentors must complete an application, consent to an Iowa division of criminal investigation criminal background check, attend orientation training and agree to the minimum commitment and guidelines outlined in the mentor/mentee agreement.

**817—13.5(15H) Subrecipient award process.** If the commission deems it necessary, the commission may seek subrecipients to carry out components of the program through the commission's regular grant program application processes. The commission may also work with partner state agencies to assist in the administration of this chapter.

These rules are intended to implement Iowa Code section 15H.10.

[Filed 7/15/26, effective 10/1/26]
[Published 8/5/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/5/26.

**ARC 0474D**

# VOLUNTEER SERVICE, IOWA COMMISSION ON[817]

**Adopted and Filed**

**Rulemaking related to the Iowa national service corps program**

The Iowa Commission on Volunteer Service hereby rescinds Chapter 14, "Iowa National Service Corps Program," Iowa Administrative Code, and adopts a new Chapter 14 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code chapter 15H.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 15H and Executive Order 10.

*Purpose and Summary*

This chapter and the other chapters under the purview of the Commission underwent a Red Tape Review pursuant to Executive Order 10. As part of this review, the Commission took the opportunity to combine related chapters into this one overarching chapter describing national service programs. 817—Chapters 9 through 12 have been incorporated into Chapter 14. 817—Chapters 9 through 12 will concurrently be rescinded (**ARC 0472D**, IAB 7/22/26).

The Commission certifies national service programs that meet the standards established in Iowa Code section 15H.9. The Commission also provides training, resources, and support services to Iowa National Service Corps programs.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on June 10, 2026, as **ARC 0354D**. Public hearings were held on the following date:

- June 30, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department of Health and Human Services on July 15, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on October 1, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 817—Chapter 14 and adopt the following **new** chapter in lieu thereof:

CHAPTER 14
IOWA NATIONAL SERVICE CORPS PROGRAM

**817—14.1(15H) Definitions.** For purposes of this chapter, unless the context otherwise requires:

*"Approval"* means the process for identifying service programs as meeting the criteria to become eligible for Iowa national service corps program benefits and technical assistance.

*"Commission"* means the Iowa commission on volunteer service.

*"Host site"* means the physical location where an Iowa national service corps member is based for the period of service in the Iowa national service corps program. The sponsoring organization may be the host site.

*"Iowa national service corps approval application"* means the application used to determine an applicant's designation as an approved Iowa national service program. The application contains information that can be used to determine an applicant's designation as an approved Iowa national service corps program.

*"Iowa national service corps member"* or *"corps member"* means a participant in an approved Iowa national service corps program.

*"Iowa national service corps program"* or *"national service corps program"* means a program that provides meaningful service opportunities to individuals, provided that the program meets the following requirements:

1. The program is approved via the automatic approval, reciprocal approval, or regular approval process.
2. The program is located in this state or has sites operating in the state.
3. The program is operated by one of the following entities: a state agency; a political subdivision of the state; or a private, nonprofit organization. State agencies or political subdivisions of the state may establish Iowa national service corps programs or contract with a third-party vendor to assist the agency or political subdivision in establishing such programs.
4. The program is developed to meet state and local needs and to provide more opportunities for Iowans to serve their state and country and foster a cultural expectation of service in Iowa through a unified service corps.

*"Sponsoring organization"* means the entity operating the Iowa national service corps program that is responsible for submitting the Iowa national service corps approval application and meeting requirements for approved programs.

**817—14.2(15H) Approval.** Before a national service corps program can access the benefits of the Iowa national service corps, it must be approved by the commission.

**14.2(1)** *Automatic approval.* Existing programs and service positions in the following categories are automatically approved:

*a.* AmeriCorps programs in Iowa created pursuant to 42 U.S.C. §12501,

*b.* Senior Corps and AmeriCorps VISTA in Iowa created pursuant to 42 U.S.C. §4950 et seq.,

*c.* The Iowa summer youth corps program created pursuant to Iowa Code section 15H.5,

*d.* The Iowa green corps program created pursuant to Iowa Code section 15H.6,

*e.* The Iowa reading corps program created pursuant to Iowa Code section 15H.7, and

*f.* The RefugeeRISE AmeriCorps program created pursuant to Iowa Code section 15H.8.

**14.2(2)** *Reciprocal approval.* Existing programs and service positions recognized by another service year certifying body may request reciprocal approval by following the process outlined on the commission's website.

**14.2(3)** *Regular approval.* All other entities seeking approval for their service programs or positions should follow the regular approval process by completing an Iowa national service corps approval application.

*a.* Applications for national service corps program approval are available from the commission's website.

*b.* A review team designated by the commission will review applications from national service corps programs to determine whether the national service corps programs or positions are eligible to participate in the program.

*c.* Applicants will receive written notification of the commission's decision. Written notification will also be provided regarding the due dates and process for submission of program reports.

*d.* Full approval means the commission has determined that the national service corps program has met the established standards.

*e.* Conditional approval means the commission has temporarily approved the national service corps program before the program becomes fully operational or before the program has met the standards for full approval.

*f.* Any program that is denied approval or decertified for any reason bears the burden of proving that all deficiencies previously cited have been corrected. Corrections shall be in accordance with the requirements of the commission.

**14.2(4)** *Documentation.* Additional documentation may be required to verify elements of the application. Documentation verifying a program's compliance with approval standards may be required by the commission during the approval process. Each program shall provide relevant information upon the commission's request in order to be considered for approval. National service corps programs may be requested to provide documentation of continued eligibility at any time during and after approval.

**14.2(5)** *Duration of approval.*

*a.* Automatic approval will be in effect as long as the program is recognized as one of the automatically approved programs listed in subrule 14.2(1).

*b.* Reciprocal approval will be in effect as long as the program is recognized by the other certifying body.

*c.* Regular approval.

(1) Full approval may be in effect for three years as long as the program continues to meet the approval standards.

(2) Conditional approval may be in effect for six months and may be used for the purpose of applying for program benefits and technical assistance available to approved national service corps programs. The commission may grant an extension of conditional approval if it is determined that significant progress is being made toward meeting the requirements for full approval. It shall be the responsibility of the national service corps program to notify the commission when the program believes it has met the full approval criteria.

(3) A national service corps program may renew its approval. Programs whose full approval has expired should reapply using the application form available on the commission's website.

**817—14.3(15H) Approval standards.** The commission has established standards to certify national service corps programs. These standards are based on a combination of factors established by the Corporation for National and Community Service, the Service Year Alliance, and the existing rules for:

1. The Iowa summer youth corps program created pursuant to Iowa Code section 15H.5,
2. The Iowa green corps program created pursuant to Iowa Code section 15H.6,
3. The Iowa reading corps program created pursuant to Iowa Code section 15H.7, and
4. The RefugeeRISE AmeriCorps program created pursuant to Iowa Code section 15H.8.

**14.3(1)** *Program design.* The national service corps program should have a program design defining the impact the program will have on the community, sponsor organization, and service corps members. The program design must identify how the national service program will address a state or local need and how the program will promote a sense of civic engagement in program participants.

**14.3(2)** *Corps member position description.* The national service corps program shall have written descriptions or plans for high-quality service activities. National service corps member activities must be clearly delineated from those of employees of the sponsoring organization and host site.

**14.3(3)** *Orientation.* The national service corps program shall have an orientation for national service corps members, including clarification on how the member service activities differ from employee responsibilities.

**14.3(4)** *Eligibility.* The national service corps program shall have eligibility screening for national service corps members commensurate to the service activities to be conducted and the population to be served. National service corps programs shall set and meet minimum requirements for checking the criminal history of national service corps member applicants and considering the following results when selecting corps members:

*a.* Criminal background and sex offender registry checks for corps members over the age of 18.

*b.* Reference checks for corps members under the age of 18.

**14.3(5)** *Training and professional development.* The national service corps program shall provide ongoing training and professional development to the national service corps members.

**14.3(6)** *Member supervision.* The national service corps program shall demonstrate the ability to effectively supervise the national service corps members.

**14.3(7)** *Certification of member service.* Upon successful completion of the term of service by the Iowa national service corps member, the sponsor organization shall issue a certification of service letter to the corps member. The letter should include, at a minimum, the name of the corps member, whether the corps member served in a full-time capacity or less than full-time capacity, the dates of service (if the corps member served in a full-time capacity) or the hours of service (if the corps member served in a less than full-time capacity), the name of the sponsor organization, and a contact person at the sponsor organization.

**14.3(8)** *Compliance process.* The national service corps program shall have a process for ensuring compliance with program standards.

**14.3(9)** *Program impact.* The national service corps program should have a method for tracking progress toward the established goals of the program.

**14.3(10)** *Organizational capacity.* The sponsoring organization shall have an established history and demonstrate the staff capacity and experience to effectively oversee the national service corps program.

**14.3(11)** *Financial capacity, cost effectiveness and budget adequacy.* The sponsoring organization should demonstrate the financial capacity to administer the national service corps program, including any living allowances or stipends provided to national service corps members. The national service corps program budget should be sufficient to provide the national service corps member(s) with the tools needed to be effective in the assigned tasks.

**14.3(12)** *Risk management.* The national service corps program should practice appropriate risk management strategies for the approved national service corps positions.

**817—14.4(15H) Application process.**

**14.4(1)** *Sponsor organization approval process.* Eligible organizations may request approval using the application materials available through the commission's website.

**14.4(2)** *Iowa national service corps member process.* Prospective national service corps members should apply directly to an approved Iowa national service corps program. Prospective corps members must meet the approved program's eligibility requirements and agree to the program standards.

**14.4(3)** *Applications.* Appropriate forms and applications for grants and eligibility preapproval are available from the commission's website.

**817—14.5(15H) Special consideration.** In addition to the standards set forth in rule 817—14.3(15H), the commission may consider other factors to determine approval status to ensure that only high-quality national service corps programs are approved.

**14.5(1)** *On-site audits.* At the discretion of the commission, on-site audits may be conducted to determine approval.

**14.5(2)** *Reporting.* Programs that fail to submit required documentation are at risk of decertification and may be deemed ineligible to receive the benefits of approval, including complimentary training registration and inclusion on the commission's website.

**817—14.6(15H) Decertification.** A national service corps program will be decertified by the commission if it is determined that the program no longer meets the approval standards identified herein for a high-quality national service corps program if program personnel cannot be contacted by the commission, if the program fails to provide documents requested by the commission or if the program fails to complete any required Iowa national service corps annual report.

**14.6(1)** Written notice of the intent to revoke approval will be provided to a national service corps program when the commission determines that there is reasonable cause to believe the program does not comply with these rules. Notice will be sent at least 30 days before decertification becomes effective.

**14.6(2)** Decertification procedures may be initiated by the commission, by the program, or following investigation of a complaint filed by the general public. A request for an investigation from the public must be in written form and shall specify the reason(s) why the approved national service corps program no longer meets the approval standards. Supporting documentation may be attached to the request. The identity of the complainant is confidential pursuant to Iowa Code section 22.7(18).

**14.6(3)** Benefits and designation as an approved national service corps program will continue until the final decision is issued by the commission.

**817—14.7(15H) Fraudulent practices in connection with approved national service corps programs.** A person is considered to be guilty of a fraudulent practice if the person knowingly falsifies information on an application for the purpose of obtaining approval and any other potential benefits, including those offered through the commission or other state contracts and grants available only to approved national service corps programs. The commission may investigate allegations or complaints of fraudulent practices and will take action to decertify a national service corps program upon concluding that a violation has occurred. A violation under this rule is grounds for decertification of the national service corps program responsible for the violation. Decertification will be in addition to any penalty otherwise authorized.

**817—14.8(15H) Appeal procedure.** Commission decisions regarding approved national service corps programs may be contested by an adversely affected party as detailed in 7—Chapter 2506.

**817—14.9(15H) Intergovernmental agreements.** Approved Iowa national service corps programs are considered governmental entities in accordance with rule 11—118.4(8A). As such, state agencies or political subdivisions of the state may enter into an agreement for services with any approved Iowa national service corps program directly or through an agreement with the commission and are not required to use competitive selection.

**817—14.10(15H) Program administration.** State agencies or political subdivisions of the state may establish Iowa national service corps programs or contract with a third-party vendor to assist the agency or political subdivision in establishing such programs. In the case that a vendor is utilized, the program is still considered a governmental entity for the purposes of intergovernmental agreements pursuant to rule 11—118.4(8A).

**817—14.11(15H) Funding priority.** State agencies or political subdivisions of the state may give priority to grants or projects funded that utilize Iowa national service corps programs.

**817—14.12(15H) Hiring preferences.**

**14.12(1)** State agencies or political subdivisions of the state may establish hiring preferences for any Iowa national service corps or AmeriCorps participant who has successfully completed a year of full-time service or 1,700 hours over a period extending beyond a year.

**14.12(2)** Iowa national service corps members may request a letter verifying their eligibility for a hiring preference from the program in which they served or agencies may independently verify upon application.

**817—14.13(15H) Participant employment status.** A person participating in the Iowa national service corps program is not an employee of the organization in which the person is enrolled regardless of whether a stipend is provided; shall be exempt from the merit system requirements of Iowa Code chapter 8A, subchapter IV; and is not eligible to receive unemployment compensation benefits under Iowa Code chapter 96 upon completion of service.

**817—14.14(15H) Information specific to the Iowa summer youth corps program.**

**14.14(1)** *Incentives.* Incentives will be determined by federal funding guidelines or restrictions, depending on the source of funds utilized for the Iowa summer youth corps in a given grant year. Types of incentives may include:

*a.* Education awards that may be used to further educational attainment and that may be earned upon completion of a defined number of hours;

*b.* Living allowances that are not considered wages but are paid evenly over the course of a service period; or

*c.* Wages that are based upon the hours worked.

Types of incentives or combinations of incentives that may be used for a program design will be described in the application instructions.

**14.14(2)** *Grant criteria.* To respond to funding priorities, as funds are made available, the executive director of the commission will establish criteria consistent with federal regulations. If federal funds are being offered, applicants will be considered on a competitive basis. At a minimum, the criteria will contain the following:

*a.* Goals and objectives of the project;

*b.* Qualifications of the applicant to manage funds;

*c.* For new and recompeting applicants, letters of local support verifying coordination and communitywide cooperation;

*d.* Total project budget;

*e.* For previous grantees, evidence of ability to submit timely and accurate reports;

*f.* Description and timeline of planned activities;

*g.* Agreement to develop for the project a community partnership group whose membership should include a cross-section of the community served;

*h.* Description of the applicant organization, including staffing pattern; and

*i.* Documentation of the applicant's ability to provide the required local match.

**14.14(3)** *Application process for new grants.*

*a.* The commission shall issue a request for applications containing project criteria and application forms for the appropriate fiscal year.

*b.* The applicant shall submit the completed application to the commission according to the timeline identified in the request for applications.

*c.* Applications submitted will be reviewed by a grant review committee composed of members of the commission grant review committee, individuals with expertise in youth programming, and the citizens of Iowa. Using the criteria in subrule 14.14(2), the committee will review the applications for appropriateness and to determine the merit of the project.

*d.* Applicants whose projects have been selected for funding will be notified by the commission.

**14.14(4)** *Administration of grants.*

*a.* *Contracts.* The commission shall prepare contractual agreements for the grants.

*b.* *Reporting.* All grant recipients shall submit progress and financial reports to the commission as outlined in the contract.

*c.* *Availability of funds.* Separate request for applications will only be issued when there are funds available for this program. To the extent allowable by federal regulations, summer youth corps will always be an acceptable program model for annual AmeriCorps grants and will be listed in the annual AmeriCorps program request for applications.

**817—14.15(15H) Information specific to the Iowa green corps program.**

**14.15(1)** *Incentives.* Incentives will be determined by federal funding guidelines or restrictions, depending on the source of funds utilized for the Iowa green corps in a given grant year. Types of incentives or combinations of incentives that may be used for a program design will be described in the application instructions.

**14.15(2)** *Grant criteria.* To respond to funding priorities, as funds are made available, the executive director of the commission will establish criteria consistent with federal regulations. If federal funds are being offered, applicants will be considered on a competitive basis.

**14.15(3)** *Designated funds.* A percentage of the grants may be designated by the commission to address capacity-building activities that target communities that are already working with existing community improvement programs, including but not limited to the green streets and main street Iowa programs administered by the Iowa economic development authority, and disaster remediation activities by communities located within an area declared to be a disaster area by the President of the United States or the governor of the state of Iowa.

**14.15(4)** *Application process for new grants.*

*a.* The commission will issue a request for applications containing project criteria and application forms for the applicable fiscal year.

*b.* The applicant shall submit the completed application to the commission according to the timeline identified in the request for applications.

*c.* Applications submitted will be reviewed by a grant review committee, which is composed of members of the commission grant review committee, individuals with expertise in youth programming, and the citizens of Iowa. Using the criteria in subrule 14.15(2), the committee will review the applications for appropriateness and to determine the merit of the project.

**14.15(5)** *Administration of grants.*

*a.* *Contracts.* The commission will prepare contractual agreements for the grants.

*b.* *Reporting.* All grant recipients shall submit progress and financial reports to the commission.

*c.* *Availability of funds.* Separate requests for applications will only be issued when there are available funds for this program. To the extent allowable by federal regulations, Iowa green corps will always be an acceptable program model for annual AmeriCorps grants and will be listed in the annual AmeriCorps program request for applications.

*d.* *Notification.* Applicants whose projects have been selected for funding will be notified by the commission.

**817—14.16(15H) Information specific to the Iowa reading corps program.**

**14.16(1)** *Program eligibility criteria.* The commission and department of education will establish criteria consistent with federal regulations to ensure the alignment of the program with the goals outlined in Iowa Code section 256.9(49)*"c"* and 281—Chapter 62. Any program determined eligible for inclusion as an Iowa reading corps program must ensure that it meets standards outlined by the department of education in 281—Chapter 62. All applicants must be preapproved by the department of education as eligible to compete for Iowa reading corps grants.

**14.16(2)** *Grant criteria.* The commission will establish criteria and funding priorities consistent with federal regulations and the goals of the department of education and the commission. Preapproval of applicant eligibility shall be sought as outlined in subrule 14.16(1). Applicants will be considered either in conjunction with the regular AmeriCorps grant process or, in certain cases, through special competitions outlined and announced by the commission.

**14.16(3)** *Designated funds.* A percentage of grant funding may be designated by the commission to address specific underserved or high-need geographic areas or schools. In advance of the competition, the commission may also set a minimum amount available for Iowa reading corps grants financed with state, federal and private funds, as well as any minimum or maximum funding amounts for individual applicants based on program need and the service territory of the communities described and, if applicable, past performance of use of funds. The commission may also give priority to programs that serve underserved or high-need areas or schools.

**14.16(4)** *Application process for new grants.*

*a.* *Request for application.* The commission shall issue a request for applications, which shall include program criteria and application forms for the applicable fiscal year.

*b.* *Application time frame.* The applicant shall submit the completed application to the commission according to the timeline identified in the request for application.

*c.* *Application review process.* Applications will be reviewed by a grant review committee, which is composed of members of the commission grant review committee, individuals with expertise in youth programming, and citizens of Iowa. The committee will review the applications based on the appropriateness and merit of the projects.

*d.* *Notification.* Applicants whose projects have been selected for funding shall be notified by the commission.

**14.16(5)** *Administration of grants—contracts.* The commission will prepare contractual agreements for the grants.

*a.* *Reporting.* All grant recipients shall submit progress and financial reports to the commission.

*b.* *Availability of funds.* A separate request for applications will be issued only when there are available funds for this program. To the extent allowable by federal regulations, Iowa reading corps will always be an acceptable program model for annual AmeriCorps grants and will be listed in the annual AmeriCorps program request for applications.

**817—14.17(15H) Information specific to the RefugeeRISE AmeriCorps program.**

**14.17(1)** *Program eligibility criteria.* The commission and department of health and human services will establish criteria consistent with state-level needs and federal program requirements. Any program deemed eligible for inclusion as a RefugeeRISE AmeriCorps program must meet the standards outlined by the commission and the department in the application instructions. All applicants that wish to be considered as RefugeeRISE AmeriCorps programs shall be considered as part of the AmeriCorps grant process.

**14.17(2)** *Grant criteria.* The commission will establish grant criteria and funding priorities consistent with federal regulations and with commission and department of health and human services goals. Applicants will be considered either in conjunction with the RefugeeRISE AmeriCorps grant process or, in certain cases, through special competitions outlined and announced by the commission.

**14.17(3)** *Application process for new grants.*

*a.* *Request for applications.* The commission will issue a request for applications containing program criteria and application forms for the applicable fiscal year.

*b.* *Application time frame.* The applicant shall submit the completed application to the commission according to the timeline identified in the request for applications.

*c.* *Application review process.* Applications submitted will be reviewed by a grant review committee that is composed of members of the commission, individuals with expertise in youth programming, and citizens of Iowa. Using the criteria in subrule 14.17(2), the committee will review the applications to determine the appropriateness and the merit of the project.

*d.* *Notification.* Applicants whose projects have been selected for funding will be notified by the commission.

**817—14.18(15H) Reversion of funds.** Grant funds awarded under this chapter that are not expended by the specified project closeout date shall revert to the commission and to the community programs account established pursuant to Iowa Code section 15H.5, as applicable.

These rules are intended to implement Iowa Code chapter 15H.

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