

CHAPTER 15
SOIL PRACTICES LOAN PROGRAM

PART 1

27—15.1 to 15.9 Reserved.

27—15.10(161A) Authority and scope. This chapter establishes procedures and standards to be followed by the division of soil conservation, Iowa department of agriculture and land stewardship, in accordance with the policies of the state soil conservation committee in implementing a loan program for soil conservation assistance created in 1994 Iowa Acts, chapter 1198, section 28. This program shall also be known as the soil practices loan program or “SPLP.” These rules establish a loan program, provide for the allocation of loan moneys as financial incentives to eligible persons applying to participate in the program, and establish standards and guidelines to which the soil and water conservation districts shall conform in fulfilling their responsibilities under this program.

27—15.11(161A) Rules are severable. If any provision of a rule or subrule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule or subrule which can be given effect without invalid provision or application, and to this end the provisions of these rules or subrules are severable.

27—15.12 to 15.19 Reserved.

PART 2

27—15.20(161A) Definition of terms. In addition to the terms defined herein, definitions in 27—10.20(161A) shall apply.

“*Current legal usury limit*” means the limit on interest rates established by Iowa Code section 535.2, subsection 3, paragraph “a.”

“*Soil practices loan program*” or “*SPLP*” refers to the program created in this chapter to implement a loan program for soil conservation assistance where landowners are required to make a matching contribution to the federal Emergency Conservation Program (ECP).

“*USDA-ASCS*” refers to the Agricultural Stabilization and Conservation Service, an agency of the U.S. Department of Agriculture that administers the Emergency Conservation Program (ECP).

27—15.21 to 15.29 Reserved.

PART 3

27—15.30(161A) Compliance, refund reviews and appeals. The 20-year maintenance agreement addressed on the IP-1, “Application for Financial Incentives” form, does not apply to this program.

27—15.31 to 15.39 Reserved.

PART 4

27—15.40(161A) Appropriations. SPLP funds are appropriated to the division of soil conservation of the department of agriculture and land stewardship for the fiscal period beginning July 1, 1993, and ending June 30, 1995. Moneys which are unobligated or unencumbered on June 30, 1995, shall be credited back to the water protection fund established in Iowa Code section 161C.4.

27—15.41 to 15.49 Reserved.

PART 5

27—15.50(161A) Allocations to soil and water conservation districts.

15.50(1) Allocation of funds. Funds will be allocated by the division to specific projects of landowners submitted by soil and water conservation districts. Applications meeting all program and procedural requirements will be funded on a first-come, first-served basis by the division.

15.50(2) Recall of funds. Landowners have until June 1, 1995, to complete the project. If the project has not been completed by that date, funds will be recalled by the division.

15.50(3) Reserve funds. The division shall administer a reserve fund for the program consisting of 2 percent of the appropriated funds. The reserve fund will be set aside and used only to fund contingencies that occur in the districts or within the division.

The division may phase out the reserve fund by allocation to applicants after January 31, 1995.

27—15.51 to 15.59 Reserved.

PART 6

27—15.60(161A) Applications and agreements. The purpose of this part is to identify and define procedures to be followed in applying for and entering agreements for receiving SPLP funds.

27—15.61(161A) Applications submitted to soil and water conservation district. Landowners or farm operators seeking SPLP funds shall complete necessary applications as specified in this part. Application and agreement forms referenced in this chapter are those described in rule 27—10.95(161A). All application forms and agreements for program funds are available from and shall be submitted to the district office located in the county where such practices are proposed. If an applicant's land is in more than one district, the respective district commissioners will review the application and agree to obligate all funds from one district or prorate the funding between districts.

27—15.62(161A) Application sign-up.

15.62(1) Signatures by landowner(s) and qualified farm operator(s). All applications and agreements shall be signed by the landowner. For a farm operator to qualify for payment, both landowner and farm operator must sign the application.

15.62(2) Land being bought under contract. All applications and agreements concerning land being purchased under contract shall be signed by both the contract seller and the contract buyer. If the farm operator is applying, the contract buyer, the contract seller, and the farm operator must sign.

15.62(3) Power of attorney. Applications and agreements may be signed by any person designated to represent the landowner or farm operator, provided the appropriate power of attorney has been filed with the district office. The power of attorney requirement can be met by submitting a completed Power of Attorney, Form SCD-2, or other properly notarized full power of attorney statement to the district office. In the case of estates and trusts, court documents designating the responsible person or administrator may be submitted to the district in lieu of the power of attorney.

27—15.63(161A) Eligibility for loan funds.

15.63(1) District cooperator. Loan funds will not be available for land not covered under a cooperator agreement. Application for district cooperator shall be made by submitting a completed Cooperator Agreement, Form SCD-1, to the district office. The district shall approve or deny the application and notify the applicant of the action within 60 days of receipt of the completed cooperator agreement.

15.63(2) Ability to repay the loan. The applicant must demonstrate to the satisfaction of the division that the applicant can repay the loan.

15.63(3) Use of the loan. Loan funds shall be used only by persons who are receiving assistance from the USDA-ASCS under the Emergency Conservation Program (ECP) to repair permanent soil and water conservation practices damaged in 1993.

15.63(4) Ineligible lands or persons.

- a. SPLP funds shall not be used to reimburse other units of government.
- b. A person is not eligible to participate if the repairs of practices are started or completed before application is approved.

27—15.64 to 15.69 Reserved.

PART 7

27—15.70(161A) General conditions, eligible practice repair specifications and cost-share rates. The purpose of this part is to establish the general conditions, eligible practice repair specifications, and loan requirements for the assistance program authorized in 1994 Iowa Acts, chapter 1198, section 28.

27—15.71(161A) General conditions. The following general conditions shall be met.

15.71(1) Technician certification. SPLP practices shall not be funded unless the technician has inspected the site and has determined that the practice is needed and meets program and procedural requirements.

15.71(2) Limitation for funding.

- a. Loan funds shall only be used to support a project which restores a practice to its condition prior to the flood damage which occurred in 1993.
- b. Loan funds shall only be used by persons who receive assistance from USDA-ASCS under the Emergency Conservation Program (ECP).

27—15.72(161A) Eligible practices. Practices eligible for repair and funding are:

15.72(1) Permanent practices.

- a. *Diversion.* A channel with a supporting ridge on the lower side constructed across the slope to conduct excess runoff water to a suitable outlet.
- b. *Grade stabilization structure.* An earthen dam or embankment with a mechanical outlet (pipe conduit, drop spillway or chute outlet) to stabilize the flowline grade or control head cutting in a natural or constructed channel.
- c. *Grassed waterway or outlet.* A natural or constructed waterway or outlet, shaped and graded, on which suitable vegetation is established to conduct excess surface runoff water from terraces, diversions or natural watershed basins.
- d. *Terrace.* An earthen barrier or embankment constructed across the field slope using a combination of a ridge and channel to reduce field erosion and trap sediment. Types of terraces commonly referred to as broad-based, narrow-based, grassed backslope, basin, level, gradient and parallel are all considered permanent practices.
- e. *Underground outlet.* A conduit installed beneath the ground surface to collect surface water from terraces, diversions, water and sediment basins, and convey the water to a suitable outlet.
- f. *Water and sediment control basin.* A short earthen embankment with an underground outlet constructed across the slope in minor watercourses to reduce erosion and trap sediment.

15.72(2) Reserved.

27—15.73(161A) Standards and construction specifications.

15.73(1) The standards and construction specifications listed in 27—Chapter 10 and in this chapter and general conditions shall be met in all cases. The USDA-Soil Conservation Service standards and construction specifications in force on the date indicated in 27—Chapter 10 shall be used. To the extent of any inconsistency between the general conditions and the standards and construction specifications, the general conditions shall control.

15.73(2) Loan payments will be made for repairs to restore the practice to the condition it was in before 1993 or to restore the practice to a level called for in USDA-Soil Conservation Service standards

and construction specifications. The standards and construction specifications listed in 27—10.84(161A) shall apply.

27—15.74(161A) Amount of loan.

15.74(1) Minimum loan. The minimum loan application that will be approved under this program will be \$500.

15.74(2) Maximum loan. The maximum loan that a landowner may receive in one year pursuant to this program shall not exceed \$10,000.

15.74(3) Number of loans. There will be no limit to the number of loans an applicant can receive, except that an applicant shall be eligible for no more than \$10,000 in loans outstanding at any time under this program. Each approved application will be handled as a new loan.

15.74(4) Loan funds are to be used in combination with USDA-ASCS Emergency Conservation Program funds to pay up to 100 percent of the cost of repair.

27—15.75(161A) Repayment of loans.

15.75(1) *Loan period.* Each loan made under this chapter shall be for a period not to exceed five years.

15.75(2) *Repayment schedule.* Loans shall be paid back to the loan fund in equal yearly installments due March 1 of each year the loan is in effect.

15.75(3) *Repayment upon sale of land.* Loans made under this program shall come due for payment upon sale of the land on which those repairs were made. If the entire balance of the loan is not paid within ten days of the date of sale, a delinquent loan charge shall be applied as provided in subrule 15.75(5).

15.75(4) *Interest.* The loans shall bear no interest.

15.75(5) *Interest on delinquent loans.* The interest rate upon loans for which payment is delinquent shall accelerate immediately to the current legal usury limit. This is the maximum rate allowed by Iowa Code section 535.2, subsection 3, paragraph “a,” and it shall be applied to the entire unpaid principal, prorated for the period for which the installment is delinquent.

27—15.76 to 15.79 Reserved.

PART 8

27—15.80(161A) Reporting and accounting. Reports will be prepared in the same manner as provided in rule 27—10.91(161A).

These rules are intended to implement Iowa Code chapter 161A and 1994 Iowa Acts, chapter 1198, section 28.

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