



# IOWA ADMINISTRATIVE BULLETIN

Published Biweekly

VOLUME XXXIV  
December 28, 2011

NUMBER 13  
Pages 879 to 940

## CONTENTS IN THIS ISSUE

Pages 890 to 940 include **ARC 9929B** to **ARC 9934B**, **ARC 9936B** to **ARC 9943B** and **ARC 9945B** to **ARC 9951B**

### AGENDA

Administrative rules review committee . . . . . 883

### AGRICULTURAL DEVELOPMENT

#### AUTHORITY[25]

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]"umbrella"

Notice, Eligibility for beginning farmer  
tax credit program, 6.1 **ARC 9948B** . . . . . 890

### AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Filed Emergency After Notice, Swine  
exhibitions, 64.34, 64.35 **ARC 9942B** . . . . . 920

### ALL AGENCIES

Agency identification numbers . . . . . 888  
Citation of administrative rules . . . . . 881  
Schedule for rule making . . . . . 882

### HUMAN SERVICES DEPARTMENT[441]

Notice, Medicaid payment for vaccines,  
amendments to ch 78 **ARC 9940B** . . . . . 890

### INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]"umbrella"

Notice, Unfair trade practices—annuity  
disclosure, 15.61 to 15.68 **ARC 9941B** . . . . . 893

### IOWA FINANCE AUTHORITY[265]

Filed, Low-income housing tax credit  
program—2012 qualified allocation  
plan, 12.1, 12.2 **ARC 9950B** . . . . . 922

### IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Notice, Benefits; vesting, amendments to  
chs 2, 4, 7, 11, 12, 14 **ARC 9951B** . . . . . 906

### PROFESSIONAL LICENSURE DIVISION[645]

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Notice, Social workers—supervision,  
licensure, continuing education, 280.6,  
280.7, 280.14(3)"b"(3), 281.2 **ARC 9946B** . . . . . 910

Filed, Psychologists—licensure,  
discipline, amendments to chs 240, 242  
**ARC 9937B** . . . . . 923

Filed, Psychologists—discipline,  
242.2(12) **ARC 9945B** . . . . . 923

Filed, Respiratory care  
practitioners—licensure, discipline,  
261.8(1), 263.2(11) **ARC 9933B** . . . . . 924

Filed, Respiratory care  
practitioners—continuing education  
sponsors, 262.3(2) **ARC 9931B** . . . . . 925

Filed, Respiratory care  
practitioners—continuing education,  
262.4 **ARC 9932B** . . . . . 925

Filed, Social workers—renewal notices,  
280.9(1) **ARC 9934B** . . . . . 926

Filed, Social workers—discipline,  
283.2(11) **ARC 9930B** . . . . . 926

Filed, Speech pathologists and  
audiologists—licensure, board  
meetings, discipline, 300.11(1), 300.12,  
304.2(11) **ARC 9947B** . . . . . 927

### PUBLIC HEARINGS

Summarized list . . . . . 886

### REAL ESTATE COMMISSION[193E]

Professional Licensing and Regulation Bureau[193]

COMMERCE DEPARTMENT[181]"umbrella"

Filed, Enforcement of a protective clause,  
11.2 **ARC 9929B** . . . . . 928

**REVENUE DEPARTMENT[701]**

Notice, Scope of voluntary disclosure program, 3.1 **ARC 9949B** ..... 912

**STATE PUBLIC DEFENDER[493]**

INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella"

Filed, Administration; indigent defense fee claims, 1.3 to 1.5, 4.15(4), 10.7, 12.2 **ARC 9938B** ..... 928

**TREASURER OF STATE[781]**

Notice—Public funds interest rates ..... 916  
Filed, Unclaimed property, ch 9 **ARC 9936B** ..... 929

**VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]**

Notice, Veterans—programs and funds, amend chs 11, 14; rescind ch 12; adopt ch 17 **ARC 9939B** ..... 917

**VOTER REGISTRATION COMMISSION[821]**

Filed, Voter notifications, ch 12 **ARC 9943B** ..... 939

## 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]; workers' compensation rate filings [515A.6(7)]; usury rates [535.2(3)"a"]; and agricultural credit corporation maximum loan rates [535.12].

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

STEPHANIE A. HOFF, Administrative Code Editor

Telephone: (515)281-3355

Fax: (515)281-5534

### CITATION of Administrative Rules

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

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)

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).

## Schedule for Rule Making 2012

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

### PRINTING SCHEDULE FOR IAB

<u>ISSUE NUMBER</u>	<u>SUBMISSION DEADLINE</u>	<u>ISSUE DATE</u>
15	Friday, January 6, 2012	January 25, 2012
16	Friday, January 20, 2012	February 8, 2012
17	Friday, February 3, 2012	February 22, 2012

**PLEASE NOTE:**

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

If the filing deadline falls on a legal holiday, submissions made on the following Monday will be accepted.

**\*\*\*Note change of filing deadline\*\*\***

The Administrative Rules Review Committee will hold its regular, statutory meeting on Wednesday, January 4, 2012, at 9:30 a.m. in Room 22, State Capitol, Des Moines, Iowa. The following rules will be reviewed:

### **AGRICULTURAL DEVELOPMENT AUTHORITY[25]**

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]"umbrella"

Eligibility for beginning farmer tax credit program, 6.1 Notice **ARC 9948B** ..... 12/28/11

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

Iowa thoroughbred horse breeders' promotion fund, 62.2, 62.6 Notice **ARC 9918B** ..... 12/14/11

Swine exhibitions, 64.34, 64.35 Filed Emergency After Notice **ARC 9942B** ..... 12/28/11

### **COLLEGE STUDENT AID COMMISSION[283]**

EDUCATION DEPARTMENT[281]"umbrella"

Health care professional recruitment program, ch 14 Notice **ARC 9920B** ..... 12/14/11

### **EDUCATIONAL EXAMINERS BOARD[282]**

EDUCATION DEPARTMENT[281]"umbrella"

Cleanup of citations and outdated language, amendments to chs 1, 3, 5, 10, 11, 13, 15, 17, 20, 25 Notice **ARC 9924B** ..... 12/14/11

Disqualifying criminal convictions, 11.35(2)"a," 25.3(1)"b" Notice **ARC 9923B** ..... 12/14/11

Teacher intern license—options to obtain initial license, 13.9(7) Filed **ARC 9925B** ..... 12/14/11

### **EDUCATION DEPARTMENT[281]**

Accreditation standards—administration, school personnel, junior high program, 21st century learning skills, 12.3(3), 12.4, 12.5 Notice **ARC 9909B** ..... 12/14/11

Community colleges—approved providers of instructional course for drinking drivers, 21.31 Filed **ARC 9901B** ..... 12/14/11

Senior year plus program—student proficiency, regional academies, 22.2(2)"b"(3), 22.26, 22.27 Filed **ARC 9902B** ..... 12/14/11

Concurrent enrollment program—transportation, 22.12 Notice of Termination **ARC 9899B** ..... 12/14/11

Community college accreditation, 24.4 to 24.6 Notice of Termination **ARC 9900B** ..... 12/14/11

Community college accreditation, 24.4 to 24.6 Notice **ARC 9907B** ..... 12/14/11

High school equivalency diploma—test scoring, fees, 32.3, 32.5 to 32.7 Filed **ARC 9903B** ..... 12/14/11

Child development programs for at-risk children—grantee use of moneys received, 64.15 Filed **ARC 9904B** ..... 12/14/11

Supplementary weighting—regional academy, 97.1, 97.4 Notice **ARC 9908B** ..... 12/14/11

Business procedures and deadlines, ch 99 Notice **ARC 9916B** ..... 12/14/11

Child abuse reports—duties of school authorities, 102.5 Filed **ARC 9905B** ..... 12/14/11

### **ENVIRONMENTAL PROTECTION COMMISSION[567]**

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Air quality program—scope, services, funding options, 22.1(3)"b," 22.106, ch 30, 33.1, 33.2 Notice of Termination **ARC 9914B** ..... 12/14/11

Air quality—carbon dioxide emissions, 22.100, 33.1, 33.3(1) Filed Emergency After Notice **ARC 9906B** ..... 12/14/11

Drinking water, amendments to chs 40 to 43, 83 Filed **ARC 9915B** ..... 12/14/11

Annual reports of solid waste environmental management systems, ch 111 Notice **ARC 9919B** ..... 12/14/11

### **HUMAN SERVICES DEPARTMENT[441]**

Medicaid payment for vaccines, amendments to ch 78 Notice **ARC 9940B** ..... 12/28/11

Child care centers, 109.1, 109.12 Notice **ARC 9898B** ..... 12/14/11

### **INSURANCE DIVISION[191]**

COMMERCE DEPARTMENT[181]"umbrella"

Unfair trade practices—annuity disclosure, 15.61 to 15.68 Notice **ARC 9941B** ..... 12/28/11

Synthetic guaranteed investment contracts, ch 96 Filed **ARC 9926B** ..... 12/14/11

### **IOWA FINANCE AUTHORITY[265]**

Low-income housing tax credit program—2012 qualified allocation plan, 12.1, 12.2 Filed **ARC 9950B** ..... 12/28/11

### **IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]**

Benefits; vesting, amendments to chs 2, 4, 7, 11, 12, 14 Notice **ARC 9951B** ..... 12/28/11

**PHARMACY BOARD[657]**

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Patient counseling and instruction, 6.14	Filed	ARC 9910B	12/14/11
Hospital pharmacies—verbal medication orders, 7.1, 7.8(3)	Filed	ARC 9911B	12/14/11
Pharmacy practice—prescriptions, amendments to chs 8, 10, 21, 23	Filed	ARC 9912B	12/14/11
Pharmacy Internet sites, ch 24	Filed	ARC 9913B	12/14/11
Prescription monitoring program, 37.2, 37.4, 37.9	Notice	ARC 9921B	12/14/11

**PROFESSIONAL LICENSURE DIVISION[645]**

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Psychologists—licensure, discipline, amendments to chs 240, 242	Filed	ARC 9937B	12/28/11
Psychologists—discipline, 242.2(12)	Filed	ARC 9945B	12/28/11
Respiratory care practitioners—licensure, discipline, 261.8(1), 263.2(11)	Filed	ARC 9933B	12/28/11
Respiratory care practitioners—continuing education sponsors, 262.3(2)	Filed	ARC 9931B	12/28/11
Respiratory care practitioners—continuing education, 262.4	Filed	ARC 9932B	12/28/11
Social workers—supervision, licensure, continuing education, 280.6, 280.7, 280.14(3)"b"(3), 281.2	Notice	ARC 9946B	12/28/11
Social workers—renewal notices, 280.9(1)	Filed	ARC 9934B	12/28/11
Social workers—discipline, 283.2(11)	Filed	ARC 9930B	12/28/11
Speech pathologists and audiologists—licensure, board meetings, discipline, 300.11(1), 300.12, 304.2(11)	Filed	ARC 9947B	12/28/11

**PUBLIC SAFETY DEPARTMENT[661]**

Flammable and combustible liquids; liquefied natural gas, rescind ch 51; adopt ch 228

	Filed	ARC 9927B	12/14/11
Fire fighter training and certification, 251.101 to 251.103, 251.201, 251.204(1)	Filed	ARC 9928B	12/14/11
Adoption of updated federal standards for building accessibility, 302.1 to 302.11	Notice	ARC 9922B	12/14/11

**RACING AND GAMING COMMISSION[491]**

INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella"

Advance deposit wagering, 8.6	Filed Emergency	ARC 9897B	12/14/11
-------------------------------	-----------------	-----------	----------

**REAL ESTATE COMMISSION[193E]**

Professional Licensing and Regulation Bureau[193]

COMMERCE DEPARTMENT[181]"umbrella"

Enforcement of a protective clause, 11.2	Filed	ARC 9929B	12/28/11
--	-------	-----------	----------

**REVENUE DEPARTMENT[701]**

Scope of voluntary disclosure program, 3.1	Notice	ARC 9949B	12/28/11
--	--------	-----------	----------

**STATE PUBLIC DEFENDER[493]**

INSPECTIONS AND APPEALS DEPARTMENT[481]"umbrella"

Administration; indigent defense fee claims, 1.3 to 1.5, 4.15(4), 10.7, 12.2	Filed	ARC 9938B	12/28/11
--	-------	-----------	----------

**TREASURER OF STATE[781]**

Unclaimed property, ch 9	Filed	ARC 9936B	12/28/11
--------------------------	-------	-----------	----------

**VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]**

Veterans—programs and funds, amend chs 11, 14; rescind ch 12; adopt ch 17	Notice	ARC 9939B	12/28/11
---	--------	-----------	----------

**VOTER REGISTRATION COMMISSION[821]**

Voter notifications, ch 12	Filed	ARC 9943B	12/28/11
----------------------------	-------	-----------	----------

**ADMINISTRATIVE RULES REVIEW COMMITTEE MEMBERS**

Regular, statutory meetings are held the second Tuesday of each month at the seat of government as provided in Iowa Code section 17A.8. A special meeting may be called by the Chair at any place in the state and at any time.

Senator Merlin Bartz  
2081 410th Street  
Grafton, Iowa 50440

Senator Thomas Courtney  
2609 Clearview  
Burlington, Iowa 52601

Senator Wally Horn  
101 Stoney Point Road, SW  
Cedar Rapids, Iowa 52404

Senator John P. Kibbie  
P.O. Box 190  
Emmetsburg, Iowa 50536

Senator James Seymour  
901 White Street  
Woodbine, Iowa 51579

Joseph A. Royce  
**Legal Counsel**  
Capitol  
Des Moines, Iowa 50319  
Telephone (515)281-3084  
Fax (515)281-8451

Representative David Heaton  
510 East Washington Street  
Mt. Pleasant, Iowa 52641

Representative Jo Oldson  
4004 Grand Avenue, #302  
Des Moines, Iowa 50312

Representative Rick Olson  
3012 East 31st Court  
Des Moines, Iowa 50317

Representative Dawn Pettengill  
P.O. Box A  
Mt. Auburn, Iowa 52313

Representative Guy Vander Linden  
1610 Carbonado Road  
Oskaloosa, Iowa 52577

Brenna Findley  
**Administrative Rules Coordinator**  
Governor's Ex Officio Representative  
Capitol, Room 18  
Des Moines, Iowa 50319  
Telephone (515)281-5211

**EDUCATIONAL EXAMINERS BOARD[282]**

Cleanup of citations and outdated language, amendments to chs 1, 3, 5, 10, 11, 13, 15, 17, 20, 25 IAB 12/14/11 <b>ARC 9924B</b>	Room 3 Southwest, Third Floor Grimes State Office Building Des Moines, Iowa	January 4, 2012 1 p.m.
Disqualifying criminal convictions, 11.35(2)“a,” 25.3(1)“b” IAB 12/14/11 <b>ARC 9923B</b>	Room 3 Southwest, Third Floor Grimes State Office Building Des Moines, Iowa	January 4, 2012 1 p.m.

**EDUCATION DEPARTMENT[281]**

Accreditation standards— administration, school personnel, junior high program, 21st century learning skills, 12.3(3), 12.4, 12.5 IAB 12/14/11 <b>ARC 9909B</b>	State Board Room, Second Floor Grimes State Office Building Des Moines, Iowa	January 3, 2012 1 to 2 p.m.
Community college accreditation, 24.4, 24.6 IAB 12/14/11 <b>ARC 9907B</b>	State Board Room, Second Floor Grimes State Office Building Des Moines, Iowa	January 3, 2012 3 to 4 p.m.
Supplementary weighting— regional academy, 97.1, 97.4 IAB 12/14/11 <b>ARC 9908B</b>	State Board Room, Second Floor Grimes State Office Building Des Moines, Iowa	January 3, 2012 2 to 3 p.m.
Business procedures and deadlines, ch 99 IAB 12/14/11 <b>ARC 9916B</b>	State Board Room, Second Floor Grimes State Office Building Des Moines, Iowa	January 3, 2012 2 to 3 p.m.

**ENVIRONMENTAL PROTECTION COMMISSION[567]**

Annual reports of solid waste environmental management systems, ch 111 IAB 12/14/11 <b>ARC 9919B</b>	Conference Room 5E Wallace State Office Building Des Moines, Iowa	January 11, 2012 1 p.m.
---	---	----------------------------

**INSURANCE DIVISION[191]**

Unfair trade practices—annuity disclosure, 15.61 to 15.68 IAB 12/28/11 <b>ARC 9941B</b>	Insurance Division Offices 330 Maple St. Des Moines, Iowa	January 18, 2012 10 a.m.
---	---	-----------------------------

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]**

Benefits; vesting, amendments to chs 2, 4, 7, 11, 12, 14 IAB 12/28/11 <b>ARC 9951B</b>	IPERS 7401 Register Dr. Des Moines, Iowa	January 17, 2012 9 a.m.
---	--	----------------------------

**PROFESSIONAL LICENSURE DIVISION[645]**

Social workers—supervision, licensure, continuing education, 280.6, 280.7, 280.14(3), 281.2 IAB 12/28/11 <b>ARC 9946B</b>	Fifth Floor Conference Room 526 Lucas State Office Bldg. Des Moines, Iowa	January 17, 2012 9 to 10 a.m.
--	---	----------------------------------

**PUBLIC SAFETY DEPARTMENT[661]**

Adoption of updated federal  
standards for building  
accessibility, 302.1 to 302.11  
IAB 12/14/11 **ARC 9922B**

First Floor Public Conference Room  
Public Safety Headquarters Bldg.  
215 E. 7th St.  
Des Moines, Iowa

January 3, 2012  
10 a.m.

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.

ADMINISTRATIVE SERVICES DEPARTMENT[11]  
 AGING, DEPARTMENT ON[17]  
 AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]  
   Agricultural Development Authority[25]  
   Soil Conservation Division[27]  
 ATTORNEY GENERAL[61]  
 AUDITOR OF STATE[81]  
 BEEF INDUSTRY COUNCIL, IOWA[101]  
 BLIND, DEPARTMENT FOR THE[111]  
 CAPITAL INVESTMENT BOARD, IOWA[123]  
 CITIZENS’ AIDE[141]  
 CIVIL RIGHTS COMMISSION[161]  
 COMMERCE DEPARTMENT[181]  
   Alcoholic Beverages Division[185]  
   Banking Division[187]  
   Credit Union Division[189]  
   Insurance Division[191]  
   Professional Licensing and Regulation Bureau[193]  
     Accountancy Examining Board[193A]  
     Architectural Examining Board[193B]  
     Engineering and Land Surveying Examining Board[193C]  
     Landscape Architectural Examining Board[193D]  
     Real Estate Commission[193E]  
     Real Estate Appraiser Examining Board[193F]  
     Interior Design Examining Board[193G]  
   Savings and Loan Division[197]  
   Utilities Division[199]  
 CORRECTIONS DEPARTMENT[201]  
   Parole Board[205]  
 CULTURAL AFFAIRS DEPARTMENT[221]  
   Arts Division[222]  
   Historical Division[223]  
 EARLY CHILDHOOD IOWA STATE BOARD[249]  
 ECONOMIC DEVELOPMENT AUTHORITY[261]  
   City Development Board[263]  
 IOWA FINANCE AUTHORITY[265]  
 EDUCATION DEPARTMENT[281]  
   Educational Examiners Board[282]  
   College Student Aid Commission[283]  
   Higher Education Loan Authority[284]  
   Iowa Advance Funding Authority[285]  
   Libraries and Information Services Division[286]  
   Public Broadcasting Division[288]  
   School Budget Review Committee[289]  
 EGG COUNCIL, IOWA[301]  
 EMPOWERMENT BOARD, IOWA[349]  
 ENERGY INDEPENDENCE, OFFICE OF[350]  
 ETHICS AND CAMPAIGN DISCLOSURE BOARD, IOWA[351]  
 EXECUTIVE COUNCIL[361]  
 FAIR BOARD[371]  
 HUMAN RIGHTS DEPARTMENT[421]  
   Community Action Agencies Division[427]  
   Criminal and Juvenile Justice Planning Division[428]  
   Deaf Services Division[429]  
   Persons With Disabilities Division[431]

Latino Affairs Division[433]  
Status of African-Americans, Division on the[434]  
Status of Women Division[435]  
Status of Iowans of Asian and Pacific Islander Heritage[436]  
HUMAN SERVICES DEPARTMENT[441]  
INSPECTIONS AND APPEALS DEPARTMENT[481]  
Employment Appeal Board[486]  
Foster Care Review Board[489]  
Racing and Gaming Commission[491]  
State Public Defender[493]  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]  
LAW ENFORCEMENT ACADEMY[501]  
LIVESTOCK HEALTH ADVISORY COUNCIL[521]  
LOTTERY AUTHORITY, IOWA[531]  
MANAGEMENT DEPARTMENT[541]  
Appeal Board, State[543]  
City Finance Committee[545]  
County Finance Committee[547]  
NATURAL RESOURCES DEPARTMENT[561]  
Energy and Geological Resources Division[565]  
Environmental Protection Commission[567]  
Natural Resource Commission[571]  
Preserves, State Advisory Board for[575]  
PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591]  
PREVENTION OF DISABILITIES POLICY COUNCIL[597]  
PROPANE EDUCATION AND RESEARCH COUNCIL, IOWA[599]  
PUBLIC DEFENSE DEPARTMENT[601]  
Homeland Security and Emergency Management Division[605]  
Military Division[611]  
PUBLIC EMPLOYMENT RELATIONS BOARD[621]  
PUBLIC HEALTH DEPARTMENT[641]  
Professional Licensure Division[645]  
Dental Board[650]  
Medicine Board[653]  
Nursing Board[655]  
Pharmacy Board[657]  
PUBLIC SAFETY DEPARTMENT[661]  
RECORDS COMMISSION[671]  
REGENTS BOARD[681]  
Archaeologist[685]  
REVENUE DEPARTMENT[701]  
SECRETARY OF STATE[721]  
SHEEP AND WOOL PROMOTION BOARD, IOWA[741]  
TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION, IOWA[751]  
TRANSPORTATION DEPARTMENT[761]  
TREASURER OF STATE[781]  
TURKEY MARKETING COUNCIL, IOWA[787]  
UNIFORM STATE LAWS COMMISSION[791]  
VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]  
VETERINARY MEDICINE BOARD[811]  
VOLUNTEER SERVICE, IOWA COMMISSION ON[817]  
VOTER REGISTRATION COMMISSION[821]  
WORKFORCE DEVELOPMENT DEPARTMENT[871]  
Labor Services Division[875]  
Workers' Compensation Division[876]  
Workforce Development Board and Workforce Development Center Administration Division[877]

**ARC 9948B****AGRICULTURAL DEVELOPMENT AUTHORITY[25]****Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code section 175.2(2), the Agricultural Development Authority hereby gives Notice of Intended Action to amend Chapter 6, “Beginning Farmer Tax Credit Program,” Iowa Administrative Code.

The proposed amendment increases the maximum net worth for a beginning farmer to qualify for the Beginning Farmer Tax Credit Program. Additionally, the maximum net worth will be indexed annually to account for inflation.

Any interested person may make written suggestions or comments on the proposed amendment on or before January 17, 2012. Written comments should be addressed to Margaret Thomson, Iowa Department of Agriculture and Land Stewardship, Wallace State Office Building, 502 E. 9th Street, Des Moines, Iowa 50319. Comments may be submitted by fax to (515)281-6236 or by E-mail to [Margaret.Thomson@IowaAgriculture.gov](mailto:Margaret.Thomson@IowaAgriculture.gov).

The proposed amendment is subject to the Authority’s general waiver provision.

After analysis and review of this rule making, no adverse impact on jobs has been found. This amendment helps beginning farmers qualify for tax credits.

This amendment is intended to implement Iowa Code sections 175.3 and 175.5.

The following amendment is proposed.

Amend rule **25—6.1(175)**, definition of “Eligible applicant,” as follows:

“Eligible applicant” means an individual who has a net worth of less than \$300,000 and who satisfies \$343,000. The maximum net worth will be indexed annually based on the October 1 annual change in the United States Department of Agriculture’s Prices Paid by Farmers Index. The applicant must also satisfy all of the criteria contained in 2006 Iowa Acts, Senate File 2268, Iowa Code section 175.37 and provisions of these rules relating to recipient eligibility, and who operates or will must operate or intend to operate a farm.

**ARC 9940B****HUMAN SERVICES DEPARTMENT[441]****Notice of Intended Action**

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

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

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

Vaccines for Children (VFC) is a federal program administered in Iowa through the Iowa Department of Public Health. When providers enroll in the program, they receive covered vaccines at no cost. Therefore, no reimbursement for these vaccines has been allowed in the Iowa Medicaid program. However, if the VFC program stock is depleted, providers must administer vaccines acquired from other

## HUMAN SERVICES DEPARTMENT[441](cont'd)

sources. Iowa Medicaid has been paying for vaccines in these circumstances through the exception to policy (waiver) process, which is time-consuming and cumbersome.

The proposed amendments would allow Medicaid providers to bill Medicaid for a vaccine ordinarily furnished through the VFC program when the VFC program has no remaining stock of that vaccine. The amendments affect coverage limitations for physicians, hospital inpatient and outpatient services, home health agencies, screening centers, rural health centers, family planning clinics, other clinics, maternal health centers, birth centers, federally qualified health centers, advanced registered nurse practitioners, pharmacies (for influenza vaccine only), and local education agencies.

Any interested person may make written comments on the proposed amendments on or before January 31, 2012. Comments should be directed to Mary Ellen Imlau, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by E-mail to [policyanalysis@dhs.state.ia.us](mailto:policyanalysis@dhs.state.ia.us).

These amendments do not provide for waivers in specified situations because reimbursement for vaccines when VFC program stock is depleted will benefit the providers affected. Requests for the waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 249A.4.

The following amendments are proposed.

ITEM 1. Rescind paragraph **78.1(2)“e”** and adopt the following **new** paragraph in lieu thereof:

*e.* In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a physician must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 2. Amend paragraph **78.1(3)“f”** as follows:

*f.* ~~Payment will not be approved for vaccines which are available through the Vaccines for Children (VFC) program. In lieu of payment, vaccines available through the Vaccines for Children program shall be accessed from the department of public health~~ will be approved only if the VFC program stock has been depleted.

ITEM 3. Rescind paragraph **78.3(5)“b”** and adopt the following **new** paragraph in lieu thereof:

*b.* In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a hospital must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 4. Rescind subrule 78.9(11) and adopt the following **new** subrule in lieu thereof:

**78.9(11) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a home health agency must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 5. Rescind subrule 78.18(1) and adopt the following **new** subrule in lieu thereof:

**78.18(1)** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a screening center must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 6. Rescind subrule 78.21(3) and adopt the following **new** subrule in lieu thereof:

**78.21(3) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a rural health center must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 7. Rescind subrule 78.22(2) and adopt the following **new** subrule in lieu thereof:

**78.22(2)** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a family planning clinic must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

## HUMAN SERVICES DEPARTMENT[441](cont'd)

ITEM 8. Rescind subrule 78.23(4) and adopt the following **new** subrule in lieu thereof:

**78.23(4) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a clinic must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 9. Amend rule 441—78.25(249A) as follows:

**441—78.25(249A) Maternal health centers.** Payment will be made for prenatal and postpartum medical care, health education, and transportation to receive prenatal and postpartum services. Payment will be made for enhanced perinatal services for persons determined high risk. These services include additional health education services, nutrition counseling, social services, and one postpartum home visit. Maternal health centers shall provide trimester and postpartum reports to the referring physician. Risk assessment using Form 470-2942, Medicaid Prenatal Risk Assessment, shall be completed at the initial visit during a Medicaid member's pregnancy. If the risk assessment reflects a low-risk pregnancy, the assessment shall be completed again at approximately the twenty-eighth week of pregnancy. If the risk assessment reflects a high-risk pregnancy, referral shall be made for enhanced services. (See description of enhanced services at subrule 78.25(3).)

~~Vaccines available through the Vaccines for Children program under Section 1928 of the Social Security Act are not covered as maternal health center services. Maternal health centers that wish to administer those vaccines to Medicaid members shall enroll in the Vaccines for Children program and obtain the vaccines from the department of public health. Maternal health centers shall receive reimbursement for the administration of vaccines to Medicaid members.~~

**78.25(1) to 78.25(3)** No change.

**78.25(4) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a maternal health center must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

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

ITEM 10. Rescind subrule 78.30(2) and adopt the following **new** subrule in lieu thereof:

**78.30(2) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a birth center must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 11. Rescind paragraph **78.31(2)“h”** and adopt the following **new** paragraph in lieu thereof:

*h. Vaccines.* In order to be paid for the outpatient administration of a vaccine covered under the Vaccines for Children (VFC) program, a hospital must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 12. Rescind subrule 78.39(3) and adopt the following **new** subrule in lieu thereof:

**78.39(3) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a federally qualified health center must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 13. Rescind subrule 78.40(4) and adopt the following **new** subrule in lieu thereof:

**78.40(4) Vaccines.** In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, an advanced registered nurse practitioner must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

ITEM 14. Amend rule 441—78.42(249A) as follows:

**441—78.42(249A) Pharmacies administering influenza vaccine to children.** Payment will be made to a pharmacy for the administration of influenza vaccine available through the ~~vaccines~~ Vaccines for Children (VFC) program administered by the department of public health if the pharmacy is enrolled in the ~~vaccines for children~~ VFC program. ~~No payment~~ Payment will be made for the vaccine only if the VFC program stock has been depleted.

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

HUMAN SERVICES DEPARTMENT[441](cont'd)

ITEM 15. Rescind paragraph **78.50(1)“a”** and adopt the following **new** paragraph in lieu thereof:  
 a. In order to be paid for the administration of a vaccine covered under the Vaccines for Children (VFC) program, a local education agency must enroll in the VFC program. Payment for the vaccine will be approved only if the VFC program stock has been depleted.

## ARC 9941B

### INSURANCE DIVISION[191]

#### Notice of Intended Action

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

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

Pursuant to the authority of Iowa Code section 507B.12, the Insurance Division hereby gives Notice of Intended Action to amend Chapter 15, “Unfair Trade Practices,” Iowa Administrative Code.

Chapter 15 establishes certain minimum standards and guidelines of conduct by identifying unfair methods of competition and unfair or deceptive acts or practices in the business of insurance, as prohibited by Iowa Code chapter 507B. The proposed amendments are promulgated to conform to the Annuity Disclosure Model Regulation adopted by the National Association of Insurance Commissioners. The Division intends that persons and entities shall comply with the rules beginning July 1, 2012.

Any interested person may make written suggestions or comments on these proposed amendments on or before January 18, 2012. Such written materials should be directed to Rosanne Mead, Iowa Insurance Division, 330 Maple St., Des Moines, Iowa 50319; fax (515)281-3059; E-mail [rosanne.mead@iid.iowa.gov](mailto:rosanne.mead@iid.iowa.gov).

Also, there will be a public hearing on January 18, 2012, at 10 a.m. at the offices of the Iowa Insurance Division, 330 Maple St., Des Moines, Iowa, at which time persons may present their views about the amendments either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record.

Any persons who intend to attend the public hearing and have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 507B.

The following amendments are proposed.

ITEM 1. Amend rule 191—15.61(507B) as follows:

**191—15.61(507B) Purpose.** The purpose of ~~these rules~~ the rules in Division IV of this chapter is to provide standards for the disclosure of certain minimum information about annuity contracts to protect consumers and to foster consumer education. The rules specify the minimum information which must be disclosed, ~~and the method for disclosing it and the use and content of illustrations, if used,~~ in connection with the sale of annuity contracts. The goal of these rules is to ensure that purchasers of annuity contracts understand certain basic features of annuity contracts. ~~The rules in this division apply to all annuities not exempted under rule 15.62(507B) that are issued on or after July 1, 2004.~~

ITEM 2. Amend rule 191—15.62(507B) as follows:

**191—15.62(507B) Applicability and scope.** These rules apply to all annuities not exempted under this rule 191—15.62(507B) for which applications are taken on or after July 1, 2012, except that rule 191—15.66(507B) applies to all annuities not exempted under this rule 191—15.62(507B) which are in effect or for which applications are taken on or after January 1, 2013, and except that rule

## INSURANCE DIVISION[191](cont'd)

191—15.67(507B) applies to all annuity contracts not exempted under this rule 191—15.62(507B) which are in effect on or after July 1, 2012. These rules apply to all group and individual annuity contracts and certificates except:

~~15.62(1) Registered or nonregistered variable annuities or other registered products;~~

~~15.62(2) 15.62(1) Immediate and deferred annuities that contain no nonguaranteed elements;~~

~~15.62(3) 15.62(2) Annuities used to fund:~~

~~a. An employee pension plan which is covered by the Employee Retirement Income Security Act (ERISA);~~

~~b. A plan described by Section 401(a), 401(k) or 403(b) of the Internal Revenue Code, where the plan, for purposes of ERISA, is established or maintained by an employer;~~

~~c. A governmental or church plan defined in Section 414 of the Internal Revenue Code or a deferred compensation plan of a state or local government or a tax exempt organization under Section 457 of the Internal Revenue Code; or~~

~~d. A nonqualified deferred compensation arrangement established or maintained by an employer or plan sponsor.~~

This subrule Notwithstanding this subrule 15.62(2), these rules shall apply to annuities used to fund a plan or arrangement that is funded solely by contributions an employee elects to make whether on a pretax or after-tax basis, and where the insurance company has been notified that plan participants may choose from among two or more fixed annuity providers and there is a direct solicitation of an individual employee by a producer for the purchase of an annuity contract. As used in this subrule, direct solicitation shall not include any meeting held by a producer solely for the purpose of educating or enrolling employees in the plan or arrangement;

~~15.62(4) 15.62(3) Structured settlement annuities; and~~

~~15.62(5) 15.62(4) Charitable gift annuities as defined in Iowa Code chapter 508F<sub>2</sub>;~~

15.62(5) Nonregistered variable annuities issued exclusively to an accredited investor or qualified purchaser as those terms are defined by the Securities Act of 1933 (15 U.S.C. Section 77a et seq.), the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.), or the regulations promulgated under either of those acts, and offered for sale and sold in a transaction that is exempt from registration under the Securities Act of 1933 (15 U.S.C. Section 77a et seq.); and

15.62(6) Transactions involving variable annuities and other registered products in compliance with Securities and Exchange Commission (SEC) rules and Financial Industry Regulatory Authority (FINRA) rules relating to disclosures and illustrations, provided that compliance with rule 191—15.64(507B) shall be required after January 1, 2014, unless, or until such time as, the SEC has adopted a summary prospectus rule or FINRA has approved for use a simplified disclosure form applicable to variable annuities or other registered products.

a. Notwithstanding this subrule 15.62(6), the delivery of the Buyer's Guide is required in sales of variable annuities and, when appropriate, in sales of other registered products.

b. Nothing in this subrule 15.62(6) shall limit the commissioner's ability to enforce the provisions of these rules or to require additional disclosure.

ITEM 3. Adopt the following **new** definitions in rule **191—15.63(507B)**:

*"Buyer's Guide"* means the National Association of Insurance Commissioners' approved Annuity Buyer's Guide.

*"Funding agreement"* means an agreement for an insurer to accept and accumulate funds and to make one or more payments at future dates in amounts that are not based on mortality or morbidity contingencies.

*"Illustration"* means a personalized presentation or depiction that is prepared for and provided to an individual consumer and that includes nonguaranteed elements of an annuity contract over a period of years.

*"Market value adjustment"* or *"MVA"* is a positive or negative adjustment that may be applied to the account value or cash value of the annuity upon withdrawal, surrender, contract annuitization or death benefit payment based either on the movement of an external index or on the company's

## INSURANCE DIVISION[191](cont'd)

current guaranteed interest rate being offered on new premiums or new rates for renewal periods, if that withdrawal, surrender, contract annuitization or death benefit payment occurs at a time other than on a specified guaranteed benefit date.

ITEM 4. Amend rule 191—15.64(507B) as follows:

**191—15.64(507B) Standards for delivery of the disclosure document and Buyer's Guide.**

~~15.64(1) Delivery requirement.~~ When an insurer or an insurance producer receives an application for an annuity contract, the insurer or insurance producer shall provide the applicant the disclosure document described in rule 191—15.65(507B) and the Buyer's Guide to Fixed Deferred Annuities, hereafter "the Buyer's Guide," in the current form prescribed by the National Association of Insurance Commissioners or in language approved by the commissioner of insurance.

~~15.64(2)~~ **15.64(1) Delivery methods.** The documents required under this rule may be delivered as follows:

~~a.~~ When an application for an annuity contract is taken in a face-to-face meeting, ~~with an insurance producer, the insurance producer shall provide~~ the applicant shall be given at or before the time of application both the disclosure document described in rule 191—15.65(507B) and the Buyer's Guide, if any at or before the time of application.

~~b.~~ When an application for an annuity contract is taken by means other than a face-to-face meeting, ~~the insurer shall send the applicant~~ applicant shall be sent both the disclosure document and the Buyer's Guide no later than five business days after the completed application is received by the insurer.

~~c.~~ When an application is received as a result of direct solicitation through the mail, ~~the insurer may provide the Buyer's Guide and the disclosure document in the mailing which invites prospective applicants to apply for an annuity contract.:~~

(1) Providing a Buyer's Guide in a mailing inviting prospective applicants to apply for an annuity contract shall be deemed to satisfy the requirement that the Buyer's Guide be provided no later than five business days after receipt of the application.

(2) Providing a disclosure document in a mailing inviting a prospective applicant to apply for an annuity contract shall be deemed to satisfy the requirement that the disclosure document be provided no later than five business days after receipt of the application.

~~d.~~ When an application is received via the Internet, ~~the insurer may comply with this rule by taking reasonable steps to make the Buyer's Guide and disclosure document available for viewing and printing on the insurer's Web site.:~~

(1) Taking reasonable steps to make the Buyer's Guide available for viewing and printing on the insurer's Web site shall be deemed to satisfy the requirement that the Buyer's Guide be provided no later than five business days after receipt of the application.

(2) Taking reasonable steps to make the disclosure document available for viewing and printing on the insurer's Web site shall be deemed to satisfy the requirement that the disclosure document be provided no later than five business days after receipt of the application.

~~15.64(3)~~ **15.64(2) Free Buyer's Guide.** A solicitation for an annuity contract ~~which occurs~~ provided in other than in a face-to-face meeting shall include a statement that the proposed applicant may contact the Iowa insurance division for a free annuity Buyer's Guide. In lieu of the foregoing statement, an insurer may include a statement that the prospective applicant may contact the insurer for a free annuity Buyer's Guide.

~~15.64(4)~~ **15.64(3) Free-look period.** When the Buyer's Guide and disclosure document are not provided at or before the time of application, a free-look period of no less than 15 days shall be provided for the applicant to return the annuity contract without penalty. This free look shall run concurrently with any other free look provided under ~~the~~ state law or rule.

INSURANCE DIVISION[191](cont'd)

ITEM 5. Amend rule 191—15.65(507B) as follows:

**191—15.65(507B) Content of disclosure documents.** ~~Insurers shall define terms used in the disclosure statement in language that facilitates understanding by a typical individual within the segment of the public to which the disclosure statement is directed.~~

**15.65(1)** At a minimum, the following information shall be included in the disclosure document required to be provided under these rules:

~~**15.65(1) a.**~~ The generic name of the contract, the company product name, if different, and form number and the fact that it is an annuity;

~~**15.65(2) b.**~~ The insurer's legal name, and physical address, Web site address and telephone number;

~~**15.65(3) c.**~~ A description of the contract and its benefits, emphasizing its long-term nature, including examples where appropriate, including but not limited to:

~~a. (1)~~ The guaranteed, nonguaranteed and determinable elements of the contract, and the limitations of those elements, if any, and an explanation of how the elements and limitations operate The guaranteed and nonguaranteed elements of the contract, and their limitations, if any, including for fixed indexed annuities, the elements used to determine the index-based interest, such as the participation rates, caps or spread, and an explanation of how they operate;

~~b. (2)~~ An explanation of the initial crediting rate, specifying any bonus or introductory portion, the duration of the rate and the fact that rates may change from time to time and are not guaranteed An explanation of the initial crediting rate, or for fixed indexed annuities, an explanation of how the index-based interest is determined, specifying any bonus or introductory portion, the duration of the rate and the fact that rates may change from time to time and are not guaranteed;

~~c. (3)~~ Periodic income options both on a guaranteed and nonguaranteed basis;

~~d. (4)~~ Any value reductions caused by withdrawals from or surrender of the contract;

~~e. (5)~~ How values in the contract can be accessed;

~~f. (6)~~ The death benefit, if available, and how it will be calculated;

~~g. (7)~~ A summary of the federal tax status of the contract and any penalties applicable on withdrawal of values from the contract; and

~~h. (8)~~ Impact of any rider including, such as but not limited to, a guaranteed living benefit or a long-term care rider;

~~**15.65(4) d.**~~ Specific dollar amount or percentage charges and fees, listed with an explanation of how they apply; and

~~**15.65(5) e.**~~ Information about the current guaranteed rate or indexed crediting rate formula, if applicable, for new contracts that contains a clear notice that the rate is subject to change.

**15.65(2)** Insurers shall define terms used in the disclosure statement in language that facilitates understanding by a typical individual within the segment of the public to which the disclosure statement is directed.

ITEM 6. Renumber rules **191—15.66(507B)** and **191—15.67(507B)** as **191—15.67(507B)** and **191—15.69(507B)**, respectively.

ITEM 7. Adopt the following **new** rule 191—15.66(507B):

**191—15.66(507B) Standards for annuity illustrations.**

**15.66(1)** An insurer or producer may elect to provide a consumer an illustration at any time, provided that the illustration is in compliance with this rule and:

a. Is clearly labeled as an illustration;

b. Includes a statement referring consumers to the disclosure document and Buyer's Guide provided to them at time of purchase for additional information about their annuity; and

c. Is prepared by the insurer or third party using software that is authorized by the insurer prior to its use, provided that the insurer maintains a system of control over the use of illustrations.

## INSURANCE DIVISION[191](cont'd)

**15.66(2)** An illustration furnished an applicant for a group annuity contract or contracts issued to a single applicant on multiple lives may be either an individual or composite illustration representative of the coverage on the lives of members of the group or the multiple lives covered.

**15.66(3)** The illustration shall not be provided unless accompanied by the disclosure document referenced in rules 191—15.64(507B) and 191—15.65(507B).

**15.66(4)** When an illustration is used, the illustration shall not:

*a.* Describe nonguaranteed elements in a manner that is misleading or has the capacity or tendency to mislead;

*b.* State or imply that the payment or amount of nonguaranteed elements is guaranteed; or

*c.* Be incomplete.

**15.66(5)** Costs and fees of any type shall be individually noted and explained in the illustration.

**15.66(6)** An illustration shall conform to the following requirements:

*a.* The illustration shall be labeled with the date on which it was prepared;

*b.* Each page, including any explanatory notes or pages, shall be numbered and show its relationship to the total number of pages in the disclosure document (e.g., the fourth page of a seven-page disclosure document shall be labeled “page 4 of 7 pages”);

*c.* The assumed dates of premium receipt and benefit payout within a contract year shall be clearly identified;

*d.* If the age of the proposed insured is shown as a component of the tabular detail, the age shown shall be issue age plus the numbers of years the contract is assumed to have been in force;

*e.* The assumed premium on which the illustrated benefits and values are based shall be clearly identified, including rider premium for any benefits being illustrated;

*f.* Any charges for riders or other contract features assessed against the account value or the crediting rate shall be recognized in the illustrated values and shall be accompanied by a statement indicating the nature of the rider benefits or the contract features and indicating whether or not they are included in the illustration;

*g.* Guaranteed death benefits and values available upon surrender, if any, for the illustrated contract premium shall be shown and clearly labeled as guaranteed;

*h.* The nonguaranteed elements underlying the nonguaranteed illustrated values shall be no more favorable than current nonguaranteed elements and shall not include any assumed future improvement of such elements. Additionally, nonguaranteed elements used in calculating nonguaranteed illustrated values at any future duration shall reflect any planned changes, including any planned changes that may occur after expiration of an initial guaranteed or bonus period;

*i.* In determining the nonguaranteed illustrated values for a fixed indexed annuity, the index-based interest rate and account value shall be calculated for three different scenarios: one to reflect historical performance of the index for the most recent 10 calendar years; one to reflect the historical performance of the index for the continuous period of 10 calendar years out of the last 20 calendar years that would result in the least index value growth (the “low scenario”); one to reflect the historical performance of the index for the continuous period of 10 calendar years out of the last 20 calendar years that would result in the most index value growth (the “high scenario”). The following requirements apply:

(1) The most recent 10 calendar years and the last 20 calendar years are defined to end on the prior December 31, except for illustrations prepared during the first three months of the year, for which the end date of the calendar year period may be the December 31 prior to the last full calendar year;

(2) If any index utilized in determination of an account value has not been in existence for at least 10 calendar years, indexed returns for that index shall not be illustrated. If the fixed indexed annuity provides an option to allocate account value to more than one indexed or fixed declared rate account, and one or more of those indexes has not been in existence for at least 10 calendar years, the allocation to such indexed account shall be assumed to be zero;

(3) If any index utilized in determination of an account value has been in existence for at least 10 calendar years but less than 20 calendar years, the 10-calendar-year periods that define the low and high scenarios shall be chosen from the exact number of years the index has been in existence;

## INSURANCE DIVISION[191](cont'd)

(4) The nonguaranteed elements, such as caps, spreads, participation rates or other interest crediting adjustments, used in calculating the nonguaranteed index-based interest rate shall be no more favorable than the corresponding current elements;

(5) If a fixed indexed annuity provides an option to allocate the account value to more than one indexed or fixed declared rate account:

1. The allocation used in the illustration shall be the same for all three scenarios; and

2. The 10-calendar-year periods resulting in the least and greatest index growth periods shall be determined independently for each indexed account option;

(6) The geometric mean annual effective rate of the account value growth over the 10-calendar-year period shall be shown for each scenario;

(7) If the most recent 10-calendar-year historical period experience of the index is shorter than the number of years needed to fulfill the requirement of subrule 15.66(8), the most recent 10-calendar-year historical period experience of the index shall be used for each subsequent 10-calendar-year period beyond the initial period for the purpose of calculating the account value for the remaining years of the illustration;

(8) The low and high scenarios:

1. Need not show surrender values (if different than account values);

2. Shall not extend beyond 10 calendar years (and therefore are not subject to the requirements of subrule 15.66(8) beyond subparagraph 15.66(8)“a”(1)); and

3. May be shown on a separate page. A graphical presentation shall also be included comparing the movement of the account value over the 10-calendar-year period for the low scenario, the high scenario and the most recent 10-calendar-year scenario; and

(9) The low and high scenarios should reflect the irregular nature of the index performance and should trigger every type of adjustment to the index-based interest rate under the contract. The effect of the adjustments should be clear; for example, additional columns showing how the adjustment applied may be included. If an adjustment to the index-based interest rate is not triggered in the illustration (because no historical values of the index in the required illustration range would have triggered it), the illustration shall so state;

*j.* The guaranteed elements, if any, shall be shown before corresponding nonguaranteed elements and shall be specifically referred to on any page of an illustration that shows or describes only the nonguaranteed elements (e.g., “see page 1 for guaranteed elements”);

*k.* The account or accumulation value of a contract, if shown, shall be identified by the name this value is given in the contract being illustrated and shown in close proximity to the corresponding value available upon surrender;

*l.* The value available upon surrender shall be identified by the name this value is given in the contract being illustrated and shall be the amount available to the contract owner in a lump sum after deduction of surrender charges, bonus forfeitures, contract loans, contract loan interest and application of any market value adjustment, as applicable;

*m.* Illustrations may show contract benefits and values in graphic or chart form in addition to the tabular form;

*n.* Any illustration of nonguaranteed elements shall be accompanied by a statement indicating that:

(1) The benefits and values are not guaranteed;

(2) The assumptions on which they are based are subject to change by the insurer; and

(3) Actual results may be higher or lower;

*o.* Illustrations based on nonguaranteed credited interest and nonguaranteed annuity income rates shall contain equally prominent comparisons to guaranteed credited interest and guaranteed annuity income rates, including any guaranteed and nonguaranteed participation rates, caps or spreads for fixed indexed annuities;

*p.* The annuity income rate illustrated shall not be greater than the current annuity income rate unless the contract guarantees are in fact more favorable;

*q.* Illustrations shall be concise and easy to read;

*r.* Key terms shall be defined and then used consistently throughout the illustration;

## INSURANCE DIVISION[191](cont'd)

- s. Illustrations shall not depict values beyond the maximum annuitization age or date;
- t. Annuitization benefits shall be based on contract values that reflect surrender charges or any other adjustments, if applicable; and
- u. Illustrations shall show both annuity income rates per \$1000.00 and the dollar amounts of the periodic income payable.

**15.66(7)** An annuity illustration shall include a narrative summary that includes the following unless provided at the same time in a disclosure document:

a. A brief description of any contract features, riders or options, whether guaranteed or nonguaranteed, shown in the basic illustration and the impact they may have on the benefits and values of the contract.

b. A brief description of any other optional benefits or features that are selected, but not shown in the illustration and the impact they have on the benefits and values of the contract.

c. Identification and a brief definition of column headings and key terms used in the illustration.

d. A statement containing in substance the following:

(1) For other than fixed indexed annuities:

This illustration assumes the annuity's current nonguaranteed elements will not change. It is likely that they **will** change and actual values will be higher or lower than those in this illustration but will not be less than the minimum guarantees.

The values in this illustration are not guarantees or even estimates of the amounts you can expect from your annuity. Please review the entire Disclosure Document and Buyer's Guide provided with your Annuity Contract for more detailed information.

(2) For fixed indexed annuities:

This illustration assumes the index will repeat historical performance and that the annuity's current nonguaranteed elements, such as caps, spreads, participation rates or other interest crediting adjustments, will not change. It is likely that the index **will not** repeat historical performance, the nonguaranteed elements **will** change, and actual values will be higher or lower than those in this illustration but will not be less than the minimum guarantees.

The values in this illustration are **not** guarantees or even estimates of the amounts you can expect from your annuity. Please review the entire Disclosure Document and Buyer's Guide provided with your Annuity Contract for more detailed information.

e. Additional explanations as follows:

(1) Minimum guarantees shall be clearly explained;

(2) The effect on contract values of contract surrender prior to maturity shall be explained;

(3) Any conditions on the payment of bonuses shall be explained;

(4) For annuities sold as an IRA or as a qualified plan or in another arrangement subject to the required minimum distribution (RMD) requirements of the Internal Revenue Code, the effect of RMDs on the contract values shall be explained;

(5) For annuities with recurring surrender charge schedules, a clear and concise explanation of what circumstances will cause the surrender charge to recur shall be included; and

(6) A brief description of the types of annuity income options available shall be explained, including:

1. The earliest or only maturity date for annuitization (as the term is defined in the contract);

2. For contracts with an optional maturity date, the periodic income amount for at least one of the annuity income options available based on the guaranteed rates in the contract, at the later of age 70 or 10 years after issue, but in no case later than the maximum annuitization age or date in the contract;

3. For contracts with a fixed maturity date, the periodic income amount for at least one of the annuity income options available, based on the guaranteed rates in the contract at the fixed maturity date; and

4. The periodic income amount based on the currently available periodic income rates for the annuity income option in numbered paragraph 15.66(7) "e"(6)"2" or "3," if desired.

## INSURANCE DIVISION[191](cont'd)

**15.66(8)** Following the narrative summary, an illustration shall include a numeric summary which shall include, at minimum, numeric values at the following durations:

- a. Either:
  - (1) The first 10 contract years; or
  - (2) The surrender charge period if longer than 10 years, including any renewal surrender charge period;
- b. Every tenth contract year up to the later of 30 years or age 70; and
- c. Either:
  - (1) The required annuitization age; or
  - (2) The required annuitization date.

**15.66(9)** If the annuity contains a market value adjustment, hereafter MVA, all of the following provisions apply to the illustration (Appendix V provides an illustration of an annuity containing an MVA that addresses paragraphs 15.66(9) "a" through "f" below.):

- a. The MVA shall be referred to as such throughout the illustration.
- b. The narrative shall include an explanation, in simple terms, of the potential effect of the MVA on the value available upon surrender.
- c. The narrative shall include an explanation, in simple terms, of the potential effect of the MVA on the death benefit.
- d. A statement, containing in substance the following, shall be included:

When you make a withdrawal, the amount you receive may be increased or decreased by a Market Value Adjustment (MVA). If interest rates on which the MVA is based go up after you buy your annuity, the MVA likely will decrease the amount you receive. If interest rates go down, the MVA will likely increase the amount you receive.
- e. Illustrations shall describe both the upside and the downside aspects of the contract features relating to the market value adjustment.
- f. The illustrative effect of the MVA shall be shown under at least one positive and one negative scenario. This demonstration shall appear on a separate page and be clearly labeled that it is information demonstrating the potential impact of an MVA.
- g. Actual MVA floors and ceilings as listed in the contract shall be illustrated.
- h. If the MVA has significant characteristics not addressed by paragraphs 15.66(9) "a" through "f," the effect of such characteristics shall be shown in the illustration.

**15.66(10)** A narrative summary for a fixed indexed annuity illustration also shall include the following unless provided at the same time in a disclosure document:

- a. An explanation, in simple terms, of the elements used to determine the index-based interest, including but not limited to, the following elements:
  - (1) The index(es) which will be used to determine the index-based interest;
  - (2) The indexing method – such as point-to-point, daily averaging, monthly averaging;
  - (3) The index term – the period over which indexed-based interest is calculated;
  - (4) The participation rate, if applicable;
  - (5) The cap, if applicable; and
  - (6) The spread, if applicable;
- b. The narrative shall include an explanation, in simple terms, of how index-based interest is credited in the indexed annuity;
- c. The narrative shall include a brief description of the frequency with which the company can reset the elements used to determine the indexed-based credits, including the participation rate, the cap, and the spread, if applicable; and
- d. If the product allows the contract holder to make allocations to declared-rate segment, then the narrative shall include a brief description of:
  - (1) Any options to make allocations to a declared-rate segment, both for new premiums and for transfers from the indexed-based segments; and

## INSURANCE DIVISION[191](cont'd)

(2) Differences in guarantees applicable to the declared-rate segment and the indexed-based segments.

**15.66(11)** A numeric summary for a fixed indexed annuity illustration shall include, at a minimum, the following elements:

- a. The assumed growth rate of the index in accordance with paragraph 15.66(6) "i";
- b. The assumed values for the participation rate, cap and spread, if applicable; and
- c. The assumed allocation between indexed-based segments and declared-rate segment, if applicable, in accordance with paragraph 15.66(6) "i."

**15.66(12)** If the contract is issued other than as applied for, a revised illustration conforming to the contract as issued shall be sent with the contract, except that nonsubstantive changes including, but not limited to, changes in the amount of expected initial or additional premiums and any changes in amounts of exchanges pursuant to Section 1035 of the Internal Revenue Code, rollovers or transfers, which do not alter the key benefits and features of the annuity as applied for will not require a revised illustration unless requested by the applicant.

ITEM 8. Amend renumbered rule 191—15.67(507B) as follows:

**191—15.67(507B) Report to contract owners.** For annuities in the payout period ~~with changes in that include nonguaranteed elements and for deferred annuities in the accumulation period of a deferred annuity~~, the insurer shall provide each contract owner with a report, at least annually, on the status of the contract that contains at least the following information:

- 15.67(1)** ~~1.~~ The beginning and ending date of the current report period;
- 15.67(2)** ~~2.~~ The accumulation and cash surrender value, if any, at the end of the previous report period and at the end of the current report period;
- 15.67(3)** ~~3.~~ The total amounts, if any, that have been credited, charged to the contract value or paid during the current report period; and
- 15.67(4)** ~~4.~~ The amount of outstanding loans, if any, as of the end of the current report period.

ITEM 9. Adopt the following **new** rule 191—15.68(507B):

**191—15.68(507B) Penalties.** In addition to any other penalties provided by the laws of this state, an insurer or producer that violates a requirement of these rules shall be guilty of a violation of Iowa Code chapter 507B.

ITEM 10. Adopt the following **new** Appendix V in **191—Chapter 15**:

## APPENDIX V

**Annuity Illustration Example**

[The following illustration is an example only and does not reflect specific characteristics of any actual product for sale by any company]

**ABC Life Insurance Company**

*Company Product Name*

Flexible Premium Fixed Deferred Annuity with a Market Value Adjustment (MVA)

An Illustration Prepared for John Doe by John Agent on mm/dd/yyyy

(Contact us at [Policyownerservice@ABCLife.com](mailto:Policyownerservice@ABCLife.com) or 555-555-5555.)

Sex: Male	Initial Premium Payment: \$100,000.00
Age at Issue: 54	Planned Annual Premium Payments: None
Annuitant: John Doe	Tax Status: Nonqualified
Oldest Age at Which Annuity Payments Can Begin: 95	Withdrawals: None Illustrated

INSURANCE DIVISION[191](cont'd)

<b>Initial Interest Guarantee Period</b>	5 Years
<b>Initial Guaranteed Interest Crediting Rates</b>	
First Year (reflects first year only interest bonus credit of 0.75%):	4.15%
Remainder of Initial Interest Guarantee Period:	3.40%
<b>Market Value Adjustment Period:</b>	5 Years
<b>Minimum Guaranteed Interest Rate After Initial Interest Guarantee Period*:</b>	3%

\*After the Initial Interest Guarantee Period, a new interest rate will be declared annually. This rate cannot be lower than the Minimum Guaranteed Interest Rate.

**Annuity Income Options and Illustrated Monthly Income Values**

This annuity is designed to pay an income that is guaranteed to last as long as the Annuitant lives. When annuity income payments are to begin, the income payment amounts will be determined by applying an annuity income rate to the annuity Account Value.

**Annuity income options include the following:**

- Periodic payments for Annuitant’s life
- Periodic payments for Annuitant’s life with payments guaranteed for a certain number of years
- Periodic payments for Annuitant’s life with payments continuing for the life of a survivor annuitant

**Illustrated Annuity Income Option:** Monthly payments for Annuitant’s life with payments guaranteed for 10-year period.

**Assumed Age When Payments Start:** 70

	Account Value	Monthly Annuity Income Rate/\$1,000 of Account Value*	Monthly Annuity Income
Based on Rates Guaranteed in the Contract	\$164,798	\$5.00	\$823.99
Based on Rates Currently Offered by the Company	\$171,976	\$6.50	\$1,117.84

\*If, at the time of annuitization, the annuity income rates currently offered by the company are higher than the annuity income rates guaranteed in the contract, the current rates will apply.

INSURANCE DIVISION[191](cont'd)

**ABC Life Insurance Company***Company Product Name*

Flexible Premium Fixed Deferred Annuity with a Market Value Adjustment (MVA)

An Illustration Prepared for John Doe by John Agent on mm/dd/yyyy

(Contact us at [Policyownerservice@ABCLife.com](mailto:Policyownerservice@ABCLife.com) or 555-555-5555.)

Contract Year/Age	Premium Payment	Values Based on Guaranteed Rates				Values Based on Assumption That Initial Guaranteed Rates Continue		
		Interest Crediting Rate	Account Value	Cash Surrender Value Before MVA	Minimum Cash Surrender Value After MVA	Interest Crediting Rate	Account Value	Cash Surrender Value Before and After MVA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1 / 55	\$ 100,000	4.15%	\$ 104,150	\$ 95,818	\$ 92,000	4.15%	\$ 104,150	\$ 95,818
2 / 56	0	3.40%	107,691	100,153	93,000	3.40%	107,691	100,513
3 / 57	0	3.40%	111,353	104,671	95,614	3.40%	111,353	104,671
4 / 58	0	3.40%	115,139	109,382	98,482	3.40%	115,139	109,382
5 / 59	0	3.40%	119,053	114,291	114,291	3.40%	119,053	114,291
6 / 60	0	3.00%	122,625	118,946	118,946	3.40%	123,101	119,408
7 / 61	0	3.00%	126,304	123,778	123,778	3.40%	127,287	124,741
8 / 62	0	3.00%	130,093	130,093	130,093	3.40%	131,614	131,614
9 / 63	0	3.00%	133,996	133,996	133,996	3.40%	136,089	136,089
10 / 64	0	3.00%	138,015	138,015	138,015	3.40%	140,716	140,716
11 / 65	0	3.00%	142,156	142,156	142,156	3.40%	145,501	145,501
16 / 70	0	3.00%	164,798	164,798	164,798	3.40%	171,976	171,976
21 / 75	0	3.00%	191,046	191,046	191,046	3.40%	203,268	203,268
26 / 80	0	3.00%	221,474	221,474	221,474	3.40%	240,255	240,255
31 / 85	0	3.00%	256,749	256,749	256,749	3.40%	283,972	283,972
36 / 90	0	3.00%	297,643	297,643	297,643	3.40%	335,643	335,643
41 / 95	0	3.00%	345,050	345,050	345,050	3.40%	396,717	396,717

For column descriptions, turn to page 3

**Column Descriptions**

- (1) **Ages** shown are measured from the Annuitant's age at issue.
- (2) **Premium Payments** are assumed to be made at the beginning of the Contract Year shown.

**Values Based on Guaranteed Rates**

- (3) **Interest Crediting Rates** shown are annual rates; however, interest is credited daily. During the Initial Interest Guarantee Period, values developed from the Initial Premium Payment are illustrated using the Initial Guaranteed Interest Rate(s) declared by the insurance company, which include an additional first year only interest bonus credit of 0.75%. The interest rates will be guaranteed for the Initial Interest Guarantee Period, subject to an MVA. After the Initial Interest Guarantee Period, a new renewal interest rate will be declared annually, but can never be less than the Minimum Guaranteed Interest Rate shown.
- (4) **Account Value** is the amount you have at the end of each year if you leave your money in the contract until you start receiving annuity payments. It is also the amount available upon the Annuitant's death if it occurs before annuity payments begin. The death benefit is not affected by surrender charges or the MVA.
- (5) **Cash Surrender Value Before MVA** is the amount available at the end of each year if you surrender the contract (after deduction of any Surrender Charge) but before the application of any MVA. Surrender charges are applied to the Account Value according to the schedule below until the surrender charge period ends, which may be after the Initial Interest Guarantee Period has ended.

<b>Years Measured from Premium Payment:</b>	1	2	3	4	5	6	7	8+
<b>Surrender Charges:</b>	8%	7%	6%	5%	4%	3%	2%	0%

- (6) **Minimum Cash Surrender Value After MVA** is the minimum amount available at the end of each year if you surrender your contract before the end of five years, no matter what the MVA is. The minimum is set by law. The amount you receive may be higher or lower than the cash surrender value due to the application of the MVA, but never lower than this minimum. Otherwise the MVA works as follows: If the interest rate available on new contracts offered by the company is LOWER than your Initial Guaranteed Interest Rate, the MVA will INCREASE the amount you receive. If the interest rate available on new contracts offered by the company is HIGHER than your Initial Guaranteed Interest Rate, the MVA will DECREASE the amount you receive. Page 4 of this illustration provides additional information concerning the MVA.

**Values Based on Assumption That Initial Guaranteed Rates Continue**

- (7) **Interest Crediting Rates** are the same as in Column (3) for the Initial Interest Guarantee Period. After the Initial Interest Guarantee Period, a new renewal interest rate will be declared annually. For the purposes of calculating the values in this column, it is assumed that the Initial Guaranteed Interest Rate (without the bonus) will continue as the new renewal interest rate in all years. The actual renewal interest rates are not subject to an MVA and will very likely NOT be the same as the illustrated renewal interest rates.
- (8) **Account Value** is calculated the same way as Column (4).
- (9) **Cash Surrender Value Before and After MVA** is the Cash Surrender Value at the end of each year assuming that Initial Guaranteed Interest Rates continue, and that the continuing rates are the rates offered by the company on new contracts. In this case, the MVA would be zero, and Cash Surrender Values before and after the MVA would be the same.

**Important Note:** This illustration assumes you will take **no** withdrawals from your annuity before you begin to receive periodic income payments. **Withdrawals will reduce both the annuity Account Value and the Cash Surrender Value.** You may make partial withdrawals of up to 10% of your account value each contract year without paying surrender charges. Excess withdrawals (above 10%) and full withdrawals will be subject to surrender charges.

**This illustration assumes the annuity's current interest crediting rates will not change. It is likely that they will change and actual values may be higher or lower than those in the illustration.**

**The values in this illustration are not guarantees or even estimates of the amounts you can expect from your annuity. For more information, read the annuity disclosure and annuity buyer's guide.**

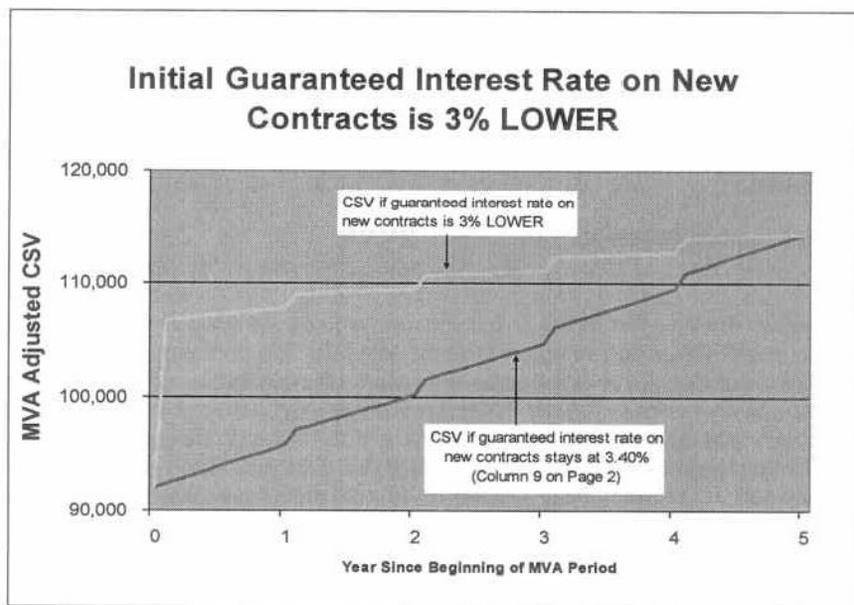
MVA-Adjusted Cash Surrender Values (CSVs) Under Sample Scenarios

The graphs below\* show MVA-adjusted Cash Surrender Values (CSVs) during the first five years of the contract, as illustrated on page 2 (\$100,000 single premium, a 5-year MVA Period) under two sample scenarios, as described below.

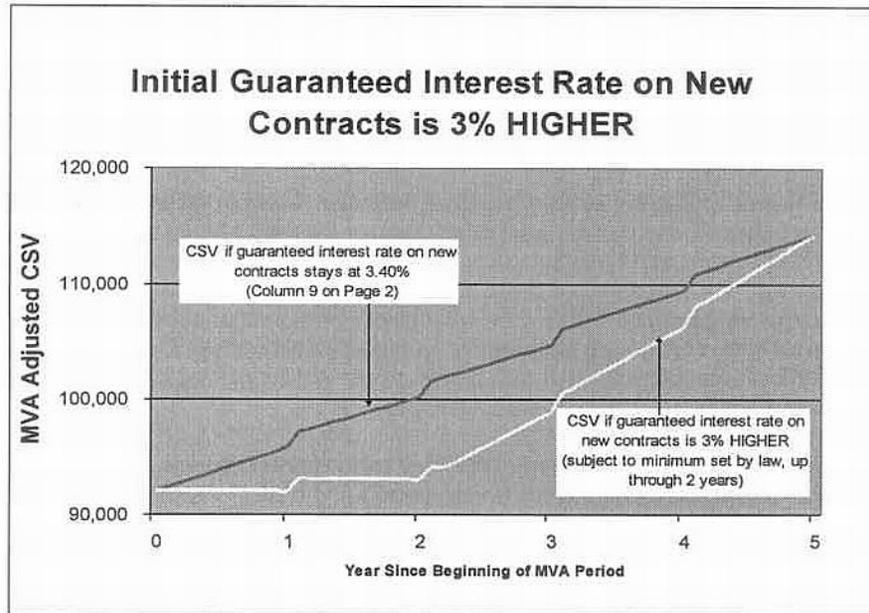
**Graph #1** shows if the interest rate on new contracts is 3% LOWER than your Initial Guaranteed Interest Rate, the MVA will increase the amount you receive (green line). The pink line shows the Cash Surrender Values if the Initial Guaranteed Interest Rates continue (from Column (9) on Page 2).

**Graph #2** shows if the interest rate on new contracts is 3% HIGHER than your Initial Guaranteed Interest Rate, the MVA will decrease the amount you receive, but not below the minimum set by law (Column (6) on Page 2), which in this scenario limits the decrease for the first 2 years (yellow line). The pink line shows the Cash Surrender Values if the Initial Guaranteed Interest Rates continue (from Column (9) on Page 2).

These graphs and the sample guaranteed interest rates on new contracts used are for demonstration purposes only and are not intended to be a projection of how guaranteed interest rates on new contracts are likely to behave.



INSURANCE DIVISION[191](cont'd)



\*Color not reproducible in the Iowa Administrative Code.

Page 4 of 4

**ARC 9951B**

## **IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]**

### **Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) hereby amends Chapter 2, “Investment Board,” Chapter 4, “Employers,” Chapter 7, “Service Credit and Vesting Status,” Chapter 11, “Application for, Modification of, and Termination of Benefits,” Chapter 12, “Calculation of Monthly Retirement Benefits,” and Chapter 14, “Death Benefits and Beneficiaries,” Iowa Administrative Code.

IPERS proposes the following amendments: to update a superseded citation to former Iowa Code chapter 19A; to implement new contribution rates for regular and special service members effective July 1, 2012; to adopt a vesting provision required by the IRS in IPERS' most recent determination letter ruling; to adopt a vesting interpretation necessitated by the description of pre-July 1, 2012, vesting contained in 2010 Iowa Acts, House File 2518, section 21; to adopt a lump sum paper warrant processing fee of \$1; to modify the method by which the lump sum present value is determined for preretirement death benefits for members with both regular and special service credits; and to clarify a death benefits provision relating to members who retire, are reemployed, and die without re-retiring.

In addition, multiple items are adopted or amended to conform the current rules to the requirements of 2010 Iowa Acts, House File 2518, primarily to reflect vesting changes, early retirement reduction, and average salary changes contained in that bill.

These amendments were prepared after consultation with IPERS' staff, IPERS' actuary and the Benefits Advisory Committee.

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

Any interested person may make written suggestions or comments on the proposed amendments on or before January 17, 2012. Such written suggestions or comments should be directed to the IPERS Administrative Rules Coordinator at IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. Persons who wish to present their comments orally may contact the IPERS Administrative Rules Coordinator at (515)281-3081. Comments may also be submitted by fax to (515)281-0045 or by E-mail to [adminrule@ipers.org](mailto:adminrule@ipers.org).

Also, a public hearing will be held on January 17, 2012, at 9 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

There are no waiver provisions included in the proposed amendments.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 97B.4 and 97B.15.

The following amendments are proposed.

ITEM 1. Amend rule **495—2.1(97B)**, numbered paragraph **“6,”** as follows:

6. In the event that it should become necessary to fill the chief investment officer position, the board may consult with, and make hiring recommendations to, the chief executive officer that are consistent with ~~provisions in Iowa Code sections 19A.2A and 19A.9(3)~~ the requirements of Iowa Code chapter 8A, subchapter IV.

ITEM 2. Amend paragraph **4.6(1)“b”** as follows:

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rule making that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	<u>Effective July 1, 2012</u>
<u>Combined rate</u>	<u>14.45%</u>
<u>Employer</u>	<u>8.67%</u>
<u>Employee</u>	<u>5.78%</u>

ITEM 3. Amend subrule 4.6(2) as follows:

**4.6(2)** Contribution rates for sheriffs and deputy sheriffs are as follows.

	<u>Effective July 1, 2007</u>	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011	<u>Effective July 1, 2012</u>
Combined rate	15.40%	15.04%	15.24%	17.88%	19.66%	<u>19.80%</u>
Employer	7.70%	7.52%	7.62%	8.94%	9.83%	<u>9.90%</u>
Employee	7.70%	7.52%	7.62%	8.94%	9.83%	<u>9.90%</u>

ITEM 4. Amend subrule 4.6(3) as follows:

**4.6(3)** Contribution rates for protection occupation are as follows.

	<u>Effective July 1, 2007</u>	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010	Effective July 1, 2011	<u>Effective July 1, 2012</u>
Combined rate	14.11%	14.08%	15.34%	16.59%	16.62%	<u>17.11%</u>
Employer	8.47%	8.45%	9.20%	9.95%	9.97%	<u>10.27%</u>
Employee	5.64%	5.63%	6.14%	6.64%	6.65%	<u>6.84%</u>

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 5. Adopt the following **new** paragraph **7.1(1)“e”**:

*e.* Notwithstanding paragraph 7.1(1)“*d*” above, effective July 1, 2012, a nonvested member who is not vested by age as of June 30, 2012, can only become vested by age if the member terminates employment at age 65 or older while in covered employment.

ITEM 6. Adopt the following **new** paragraph **7.3(1)“c”**:

*c.* Effective July 1, 2012, vesting by age and vesting by service shall be determined as provided in Iowa Code section 97B.1A(25)“*a*” through “*d*.” A member who is vested by age or by service as of June 30, 2012, shall remain vested following the implementation of new vesting requirements on July 1, 2012.

ITEM 7. Adopt the following **new** subrule 7.3(4):

**7.3(4)** *Benefit nonforfeitable upon attaining normal retirement age.* For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under Iowa Code sections 97B.49A through 97B.49D, is nonforfeitable upon attainment of normal retirement age, which: (1) prior to July 1, 2012, is age 55 or the completion of 16 quarters of IPERS covered employment, whichever is later; and (2) for members who are not vested under one of the methods under (1) on July 1, 2012, is age 65 or completion of 28 quarters of IPERS covered employment, whichever is later. The retirement benefit is subject to the provisions of Iowa Code section 97B.52A. This subrule is not to be construed as a reduction or limitation of rights heretofore existing, nor as an indication that vested benefits would be forfeitable before the stated age is attained.

ITEM 8. Adopt the following **new** subrule 7.3(5):

**7.3(5)** IPERS shall interpret Iowa Code section 97B.1A(25)“*a*”(3), as enacted in 2010 Iowa Acts, House File 2518, section 21, as follows: for periods prior to July 1, 2012, the phrase “has attained the age of fifty-five or greater while in covered employment” means “has attained the age of fifty-five or greater while an active member, as defined in Iowa Code section 97B.1A(3)”.

ITEM 9. Amend subrule **11.6(1)**, catchwords, as follows:

**11.6(1)** *Paper Monthly paper warrants processing fee.*

ITEM 10. Adopt the following **new** subrule 11.6(6):

**11.6(6)** *Lump sum paper warrants processing fee.* Effective April 1, 2012, and thereafter, IPERS shall charge \$1 for paper warrants issued in payment of all nonrecurring lump sum distributions. If a nonrecurring lump sum distribution is followed by a supplemental lump sum distribution due to the reporting of additional covered wages, the \$1 processing fee shall also be charged. This \$1 processing fee shall not apply to a direct rollover described under Iowa Code section 97B.53B (however, processing fees may be charged for multiple rollover requests), lump sum mandatory account distributions required under Iowa Code section 97B.48(5), mandatory lump sum distributions required under Internal Revenue Code Section 401(9), or warrants reissued in forged endorsement or other fraudulent payment situations.

ITEM 11. Adopt the following **new** paragraph **12.1(2)“f”**:

*f.* For the portion of the member’s retirement allowance based on service through June 30, 2012, the early retirement reduction shall be calculated as provided in paragraphs 12.1(2)“*a*” through “*e*.” For the portion of the retirement allowance based on years of service beginning July 1, 2012, and later, the member’s early retirement reduction shall be one-half of one percent for each month that the early retirement precedes the date the member attains age 65.

ITEM 12. Adopt the following **new** paragraph **12.1(7)“d”**:

*d.* Effective July 1, 2012, a nonvested member’s average covered wage shall be the member’s five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A)“*a*.”

ITEM 13. Adopt the following **new** paragraph **12.1(7)“e”**:

*e.* Effective July 1, 2012, for members vested as of June 30, 2012, the member’s average covered wage shall be the greater of the member’s three-year average covered wage calculated as provided under paragraphs 12.1(7)“*a*” through “*c*,” or the member’s five-year average covered wage calculated as provided in Iowa Code section 97B.1A(10A)“*a*.”

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

ITEM 14. Amend paragraph **12.4(1)“a”** as follows:

a. Members who ~~have a combined total of 16 quarters of service~~ are vested by service as defined in Iowa Code section 97B.1A(25)“d” may utilize the hybrid formula.

ITEM 15. Amend subparagraph **12.4(1)“b”(4)** as follows:

(4) Members ~~with less than 16 total quarters of service.~~ who are not vested by service as defined in Iowa Code section 97B.1A(25)“d.”

ITEM 16. Amend paragraph **12.4(2)“a”** as follows:

a. The member's ~~three-year~~ average covered wage shall be determined in the same manner as it is determined for the nonhybrid formula.

ITEM 17. Amend subrule 12.5(1) as follows:

**12.5(1)** For each ~~vested~~ member who is vested prior to July 1, 2012, but is retiring with less than four complete years of service, a monthly annuity shall be determined by applying the total reserve as of the effective retirement date (plus any retirement dividends standing to the member's credit on December 31, 1966) to the annuity tables in use by the system according to the member's age (or member's and contingent annuitant's ages, if applicable). If the member's retirement occurs before January 1, 1995, IPERS' revised 6.5 percent tables shall be used. If the member's retirement occurs after December 31, 1994, IPERS' 6.75 percent tables shall be used.

ITEM 18. Adopt the following **new** subrule 12.5(7):

**12.5(7)** For members who first become vested after June 30, 2012, the money purchase benefit calculated pursuant to this rule shall be provided to members who are not vested by service as defined in Iowa Code section 97B.1A(25)“d.”

ITEM 19. Adopt the following **new** subrule 12.7(7):

**12.7(7)** *Commencement of level payment option reduction.* The monthly benefit of a member who selects the level payment option shall be reduced beginning with the month after the member reaches age 62.

ITEM 20. Rescind paragraph **12.8(4)“b”** and adopt the following **new** paragraph in lieu thereof:

b. If the member would only qualify for a money purchase benefit under rule 495—12.5(97B) based solely on the period of reemployment, then the money purchase formula shall be used to compute the additional benefit amount due to the reemployment.

ITEM 21. Amend paragraph **12.8(4)“c”** as follows:

c. ~~If the reemployment period is 4 or more years~~ the member would qualify for a non-money purchase retirement allowance based solely on the period of reemployment, the benefit formula in effect as of the first month of entitlement (FME) for the reemployment period shall be used. If the FME is July 1998 or later, and the member has more than 30 years of service, including both original and reemployment service, the percentage multiplier for the reemployment period only will be at the applicable percentage (up to 65 percent) for the total years of service.

ITEM 22. Amend paragraph **14.12(2)“a,”** definition of “Accrued benefit,” as follows:

*“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 deceased member's earliest normal retirement age shall be determined under the regular or special service benefit formula for which the majority of the deceased member's service credits were reported~~ the monthly amount that would have been payable to the deceased member under Option 2 at the member's earliest normal retirement age shall be determined separately for regular and special service credits, and then combined.

ITEM 23. Amend subparagraph **14.12(2)“j”(2)** as follows:

(2) The recomputation provided under subparagraph (1) shall 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 reemployment, and is subject to the limitations of Iowa Code sections

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495](cont'd)

97B.48A, 97B.49A, 97B.49B, 97B.49C, 97B.49D, and 97B.49G. The recalculation/recomputations provided under subparagraph (1) shall 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 subparagraph shall be ~~equal to~~ the lump sum amount equal to the accumulated employee and accumulated employer contributions.

**ARC 9946B****PROFESSIONAL LICENSURE DIVISION[645]****Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code section 154C.4, the Board of Social Work hereby gives Notice of Intended Action to amend Chapter 280, “Licensure of Social Workers,” and Chapter 281, “Continuing Education for Social Workers,” Iowa Administrative Code.

The amendments in Items 1 and 2 clarify acceptable supervision by electronic means. The amendments allow for the use of videoconferencing technology when master level licensees are receiving supervision towards an independent level license.

The amendments in Items 3 to 7 update the requirements for a licensee's supervised professional practice. The amendments are required to ensure that licensees are properly prepared for independent practice. Before an independent level licensee provides supervision to a master level licensee who is working towards completing a supervised professional practice, the supervisor will be required to have been licensed at the independent level, and to have practiced at the independent level for at least 4,000 hours, over a period of three years. Rules currently require 2,000 hours over a period of two years. Supervisors would also be required to have continuing education or coursework in the area of supervision. The continuing education hours earned in the area of supervision can be used as part of the 27 hours required of all licensees for renewal, so no additional financial burden would be placed on the licensee. The amendments also clarify what is required for a supervision plan. The plan would be reviewed by the Board of Social Work prior to the start of supervision instead of at the end of the supervised professional practice. This change will assure licensees that their supervision plan meets the expectations of the Board. These requirements would not go into effect for new supervised professional practices until July 1, 2013.

The amendment in Item 8 clarifies the examination requirements for licensure by endorsement. This change will reduce the need for the Board to consider petitions for waiver.

The amendment in Item 9 clarifies the requirements for reactivation of a license that has been inactive for more than five years. This change will reduce the need for the Board to consider petitions for waiver.

The amendments in Items 10 to 12 require independent level licensees who are providing supervision for a supervised professional practice to earn three hours of continuing education in supervision. The continuing education hours earned in the area of supervision can be used as part of the 27 hours required of all licensees for renewal, so no additional financial burden would be placed on the licensee. The requirement would not go into effect until July 1, 2013.

Any interested person may make written comments on the proposed amendments no later than January 17, 2012, addressed to Tony Alden, Professional Licensure Division, Department of Public Health, Lucas State Office Building, Des Moines, Iowa 50319-0075; E-mail [tony.alden@idph.iowa.gov](mailto:tony.alden@idph.iowa.gov).

## PROFESSIONAL LICENSURE DIVISION[645](cont'd)

A public hearing will be held on January 17, 2012, from 9 to 10 a.m. in the Fifth Floor Conference Room 526, Lucas State Office Building, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the proposed amendments.

After analysis and review of this rule making, no adverse impact on jobs exists. This rule making seeks to clarify existing regulations rather than add additional regulations for social workers.

These amendments are intended to implement Iowa Code sections 147.10, 147.11, 147.34, 147.36, 154C.4, and 272C.2.

The following amendments are proposed.

ITEM 1. Renumber subparagraph **280.6(1)“d”(2)** as **280.6(1)“d”(3)**.

ITEM 2. Adopt the following new subparagraph **280.6(1)“d”(2)**:

(2) Supervision by electronic means is acceptable if:

1. The system utilized is an interactive, real-time system that provides for visual and audio interaction between the licensee and the supervisor; and
2. The first two meetings are face to face and in person.

ITEM 3. Amend paragraph **280.6(3)“b”** as follows:

*b.* Have a minimum of ~~2,000~~ 4,000 hours of practice earned over a period of ~~two~~ three years of practice beyond receipt of a license to practice independent social work in Iowa or the equivalent license from another state. This requirement shall apply to all supervised professional practices that commence on or after July 1, 2013.

ITEM 4. Reletter paragraphs **280.6(3)“c”** to **“g”** as **280.6(3)“d”** to **“h.”**

ITEM 5. Adopt the following new paragraph **280.6(3)“c”**:

*c.* Complete at least 6 hours of training in social work practice supervision or one social work master level course in supervision. This requirement shall apply to all supervised professional practices that commence on or after July 1, 2013.

ITEM 6. Amend relettered paragraph **280.6(3)“d”** as follows:

*d.* Establish and maintain a plan throughout the supervisory period.

(1) Such a plan must be kept by the supervisor for a period of two years and must be submitted to the board upon its request for audit within 30 days from receipt of the request. The plan for supervision shall include:

(~~1~~) 1. The name, license number, date of licensure, address, ~~and~~ telephone number, and e-mail address (when available) of supervisor;

(~~2~~) 2. The name, license number, address, ~~and~~ telephone number, and e-mail address (when available) of supervisee;

3. The agency, institution, or organization providing the experience;

4. The nature, duration, and frequency of supervision, including:

- The number of hours of supervision per week;
- The supervisor/supervisee’s face-to-face meetings schedule;
- The methodology for transmission of case information;
- For group supervision, a duration not to exceed 60 hours;

(~~3~~) 5. The beginning date of ~~clinical work experience under supervision~~ supervised professional practice and estimated date of completion;

(~~4~~) A plan for direct supervision hours, including frequency of supervisor/supervisee’s face-to-face meetings;

(~~5~~) A plan for any group supervision;

(~~6~~) 6. The goals and objectives for the ~~clinical work experience~~ supervised professional practice; and

(~~7~~) 7. The signatures of the supervisor and supervisee, and the dates of signatures.

(2) A plan for supervision must be filed with the board prior to the start of the supervised professional practice. The board shall complete review of the plan and provide a decision on the plan no

## PROFESSIONAL LICENSURE DIVISION[645](cont'd)

later than 45 days after receipt of the plan, unless additional information is requested. This requirement shall apply to all supervised professional practices that commence on or after July 1, 2013.

ITEM 7. Adopt the following **new** paragraph **280.6(3)“i”**:

*i.* A supervisee shall submit in writing any change in supervisors within 10 days of the occurrence. The new supervisor shall submit, within 30 days of the change, a revised supervision plan for board approval.

ITEM 8. Amend rule **645—280.7(154C)**, numbered paragraph **“5,”** as follows:

5. Provides official copies of the appropriate or higher level examination score sent directly from the ASWB; and

ITEM 9. Amend subparagraph **280.14(3)“b”(3)**, introductory paragraph, as follows:

(3) Verification of ~~taking and~~ passing the ASWB examination within the last five years at the appropriate or higher level as follows:

ITEM 10. Renumber subrules **281.2(3)** to **281.2(6)** as **281.2(4)** to **281.2(7)**.

ITEM 11. Adopt the following **new** subrule 281.2(3):

**281.2(3)** Requirement of supervisors. For licensure at the independent level, persons serving in a supervisory role must complete 3 hours of continuing education in supervision.

ITEM 12. Adopt the following **new** subrule 281.2(8):

**281.2(8)** The requirement of 3 hours of continuing education in supervision in subrule 281.2(3) shall apply to all licensees providing supervision on or after July 1, 2013.

**ARC 9949B**

**REVENUE DEPARTMENT[701]**

**Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code sections 17A.3 and 421.17, the Department of Revenue hereby gives Notice of Intended Action to amend Chapter 3, “Voluntary Disclosure Program,” Iowa Administrative Code.

The proposed amendment to rule 701—3.1(421,422,423) broadens the scope of the Department’s voluntary disclosure program to include all unregistered business entities and persons, not just those located outside Iowa. The purpose of the voluntary disclosure program is to encourage unregistered business entities and persons to voluntarily contact the Department regarding unreported Iowa source income.

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

Any person who believes that the application of the discretionary provisions of this amendment would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any.

Any interested person may make written suggestions or comments on this proposed amendment on or before January 17, 2012. Such written comments should be directed to the Iowa Department of Revenue, Policy Section, P.O. Box 10457, Des Moines, Iowa 50306.

Persons who want to convey their views orally should contact the Policy Section, Policy and Communications Division, Department of Revenue, at (515)281-8036 or at the Department of Revenue offices on the fourth floor of the Hoover State Office Building.

Requests for a public hearing must be received by January 17, 2012.

## REVENUE DEPARTMENT[701](cont'd)

After analysis and review of this rule making, the Department has determined that because this rule making will help businesses remain operational, it may have a positive impact on jobs and job growth.

This amendment is intended to implement Iowa Code chapters 421, 422 and 423.

The following amendment is proposed.

Amend rule 701—3.1(421,422,423) as follows:

**701—3.1(421,422,423) Scope of the voluntary Voluntary disclosure program.**

**3.1(1)** *Scope of the voluntary disclosure program.* Any person ~~located outside of Iowa~~ who is subject to Iowa tax or tax collection responsibilities may be eligible for the voluntary disclosure program. Being subject to Iowa tax may occur when a person has Iowa source income or has representatives or other presence in Iowa. Certain activities by such persons may create Iowa tax return filing requirements for Iowa source income, as defined in ~~701—subrule 3.1(4)~~ 3.1(3), not previously reported. In addition, activities may also result in tax liabilities that are past due and owing.

**3.1(2)** *Purpose of the voluntary disclosure program.* The purpose of the voluntary disclosure program is to encourage unregistered business entities and persons to voluntarily contact the department regarding unreported Iowa source income. The person or the person's representative may initially contact the department on an anonymous basis. Anonymity of the taxpayer can be maintained until the voluntary disclosure agreement is executed by the taxpayer and the department. The voluntary disclosure program may be used by the department and the taxpayer to report previous periods of Iowa source income and to settle outstanding tax, penalty and interest liabilities, but it must also ensure future tax compliance by the taxpayer.

~~3.1(4)~~ **3.1(3)** *Type of taxes eligible.* Only taxes, penalties and interest related to Iowa source income are eligible for settlement under the voluntary disclosure program. For purposes of this rule, "Iowa source income" means the tax base and the tax collection responsibility for the following enumerated taxes: corporate income tax, franchise tax, fiduciary income tax, withholding income tax, individual income tax, local option school district income surtax, state sales tax, state use tax, motor fuel taxes, cigarette and tobacco taxes, and local option taxes.

~~3.1(2)~~ **3.1(4)** *Eligibility of the taxpayer.* The department has discretion to determine who is eligible for participation in the voluntary disclosure program. In making the determination, the department may consider the following factors:

- ~~a.~~ *The location of the person must be outside of Iowa;*
- ~~b.~~ *a. The person must be subject to Iowa tax on Iowa source income or have Iowa tax collection responsibilities;*
- ~~c.~~ *b. The person must not currently be under audit or examination by the department or under criminal investigation by the department;*
- ~~d.~~ *c. The person must not have had any prior contact with the department or a representative of the department which could lead to audit or assessment associated with the tax types or tax periods sought to be addressed under the program;*
- ~~e.~~ *d. The type and extent of activities resulting in Iowa source income;*
- ~~f.~~ *e. Failure to report the Iowa source income or pay any liability was not due to fraud, intentional misrepresentation, an intent to evade tax, or willful disregard of Iowa tax laws; and*
- ~~g.~~ *f. Any other factors which are relevant to the particular situation.*

~~3.1(3)~~ **3.1(5)** *Application to participate in the voluntary disclosure program.*

*a.* To apply for the voluntary disclosure program, the person or the person's representative must submit a written application to the Nonfiler Unit, Compliance Division, Iowa Department of Revenue, P.O. Box 10456, Des Moines, Iowa 50306-0456. To be valid, an application must include the following:

- ~~a.~~ *(1) The types of taxes involved;*
- ~~b.~~ *(2) Separate statements evidencing compliance with each of the eligibility requirements set forth in ~~701—subrule 3.1(2)~~ 3.1(4);*
- ~~c.~~ *(3) A complete and accurate description of the person's activities resulting in Iowa source income, the source of the Iowa source income or Iowa tax collection responsibilities, the type and dates,*

## REVENUE DEPARTMENT[701](cont'd)

if available, of the activities in Iowa, a description of the product or service sold in Iowa, and the number of activity occurrences in Iowa per year or whether the activities in Iowa per year were continuous;

~~d.~~ (4) The reason for noncompliance with Iowa tax law;

e. (5) An estimation of the amount of unpaid Iowa tax by the tax type and applicable tax period(s);  
and

f. (6) Any other matters which are relevant to the particular situation.

b. The department reserves the right to request additional information that the department determines is necessary to determine or approximate the liability due, and to determine the applicant's eligibility, the accuracy of information presented and statements asserted by the applicant, and the terms of the voluntary disclosure agreement.

~~3.1(4)~~ **3.1(6)** *Acceptance or rejection of an application for the voluntary disclosure program.* The department has the discretion to determine if an applicant meets all of the requirements for the voluntary disclosure program. The department will notify an applicant in writing regarding whether the applicant's application for participation in the program is accepted or rejected. Rejection of an application prior to the execution of an agreement may be based on the applicant's ineligibility; the applicant's noncompliance in submitting information, documents, evidence, or returns within the time period as requested by the department; misrepresentation of a material fact by the applicant or the applicant's representative; or the department's determination that the matter may be best handled by using other means of administration.

~~3.1(5)~~ **3.1(7)** *Terms of the voluntary disclosure agreement.*

a. *Discretion.* The department has the discretion to settle all outstanding Iowa source income tax, penalty and interest liabilities of the eligible applicant. Settlement terms are on a case-by-case basis. The existence of the voluntary disclosure agreement and the terms of the agreement are to be held confidential by all parties to the agreement. Items considered by the department in determining the settlement terms include: the type of tax; the tax periods at issue; the reason for noncompliance; whether the tax is a trust fund tax; the types of activities resulting in the Iowa source income; the frequency of the activities that resulted in the Iowa source income; and any other matters which are relevant to the particular situation.

b. *Maximum scope of audit.* If a taxpayer initiates the contact with the department and is eligible for the voluntary disclosure program and complies with the agreement terms, the maximum prior years for which the department will generally audit and pursue settlement and collection will be five years, absent an intent to defraud, the making of material misrepresentations of fact, or an intent to evade tax.

c. *Future filing requirement.* All voluntary disclosure agreements must require that the applicant file future Iowa tax returns, unless the activity by the applicant resulting in the Iowa source income has changed or there has been a change in the law, rules, or court cases which dictate a different result.

d. *Audit and assessment rights.* The department reserves the right to audit all returns, spreadsheets or other documents submitted by the applicant or a third party to verify the facts and whether the terms of the voluntary disclosure agreement have been met. The department may audit information submitted by the applicant at any time within the allowed statutory limitation period. The department may also assess any tax, penalty, and interest found to be due in addition to the amount of original tax reported. The statute of limitations for assessment and statute of limitations for refunds begin to run as provided by law.

~~3.1(6)~~ **3.1(8)** *Commencement of the voluntary disclosure agreement.* The voluntary agreement commences on the date of the execution of the voluntary disclosure agreement. Execution of the agreement is complete when the agreement is executed by the taxpayer and the department's authorized personnel. Prior to the execution of the voluntary disclosure agreement by the taxpayer and the department, the taxpayer is not protected from the department's regular audit process if the identity of the taxpayer, as an applicant, is unknown to the department. However, if the department has knowledge of the taxpayer's identity, as an applicant, the department will not take audit action against the taxpayer during the voluntary disclosure process. However, if a voluntary disclosure agreement is not reached, the department may assess tax, penalty and interest as provided by law at the time the identity of the applicant becomes known to the department.

## REVENUE DEPARTMENT[701](cont'd)

~~3.1(7)~~ **3.1(9)** *Voiding a voluntary disclosure agreement.*

*a. Authority.* The department also has the authority to declare a voluntary disclosure agreement null and void subsequent to the execution of the agreement. The department may void the contractual agreement if the department determines that a misrepresentation of a material fact was made by the person or a third party representing the person to the department. The department may also void a voluntary disclosure agreement if the department determines any of the following has occurred:

~~a.~~ (1) The person does not submit information requested by the department within the time period specified by the department, including any extensions granted by the department;

~~b.~~ (2) The person fails to file future Iowa returns as agreed to in the voluntary disclosure agreement;

~~c.~~ (3) The person does not pay the agreed settlement liability within the time period designated by the department, including any extensions of time that may be granted by the department;

~~d.~~ (4) The person does not remit all taxes imposed upon or collected by the person for all subsequent tax periods and all tax types that are subject to the voluntary disclosure agreement;

~~e.~~ (5) The person fails to prospectively comply with Iowa tax law. Whether the person has failed to prospectively comply with Iowa tax law is determined by the department on a case-by-case basis;

~~f.~~ (6) The person, based on a determination by the department, materially understates the person's tax liability; or

~~g.~~ (7) The person has made a material breach of the terms of the voluntary disclosure agreement.

*b. Audit rights.* Voiding of the agreement results in nonenforceability of the agreement by the applicant and allows the department to proceed to assess tax, penalty and interest for that person's Iowa source income or tax collection responsibilities for all periods within the statute of limitations. The department reserves the right to audit all returns, spreadsheets or other documents submitted by the applicant or a third party and to make an assessment for all tax, penalty and interest owed, if the applicant is justifiably rejected for the voluntary disclosure program or the agreement between the person and the department is declared by the department to be null and void. If the voluntary disclosure agreement is voided or the application for the program is rejected and the department issues an assessment, the taxpayer may protest the assessment pursuant to 701—Chapter 7 and raise the issue of the propriety of voiding the voluntary disclosure agreement or rejecting the application. If the department does not issue an assessment, but does reject the application or voids the agreement, such action is not subject to appeal under 701—Chapter 7, but is considered to be “other agency action” as set forth in Iowa Code section 17A.19(3). See *Purethane Inc. v. Iowa State Board of Tax Review*, 498 N.W.2d 706 (Iowa 1993).

~~3.1(8)~~ **3.1(10)** *Partnerships, partners, “S” corporations, shareholders in “S” corporations, trusts, and trust beneficiaries.* Once the department has initiated an audit or investigation of any type of partnership, partners of the partnership, “S” corporations, a shareholder in an “S” corporation, a trust, or trust beneficiaries, the department is deemed to have initiated an audit or investigation of the entity and of all those who receive Iowa source income from or have an interest in such an entity for purposes of eligibility under subrule ~~3.1(2)~~ **3.1(4)** for participation in the voluntary disclosure program.

~~3.1(9)~~ **3.1(11)** *Transfer or assignment.* The terms of the voluntary disclosure agreement are valid and enforceable by and against all parties, including their transferees and assignees.

~~3.1(10)~~ **3.1(12)** *Confidentiality.* The terms of each voluntary disclosure contract are determined on a case-by-case basis. Except as may be specifically required by law or preexisting written agreement, the existence of a voluntary disclosure agreement and the terms of the voluntary disclosure agreement are to be held confidential by the parties to the voluntary disclosure agreement, their representatives, transferees, and assignees. Disclosure of the existence of a voluntary disclosure agreement or the terms of such an agreement in a manner contrary to this rule may result in the agreement being declared null and void at the discretion of the nondisclosing party.

## TREASURER OF STATE

### Notice—Public Funds Interest Rates

In compliance with Iowa Code chapter 74A and section 12C.6, the committee composed of Treasurer of State Michael L. Fitzgerald, Superintendent of Credit Unions JoAnn Johnson, Superintendent of Banking James M. Schipper, and Auditor of State David A. Vaudt have established today the following rates of interest for public obligations and special assessments. The usury rate for December is 4.25%.

#### INTEREST RATES FOR PUBLIC OBLIGATIONS AND ASSESSMENTS

74A.2 Unpaid Warrants .....	Maximum 6.0%
74A.4 Special Assessments .....	Maximum 9.0%

RECOMMENDED Rates for Public Obligations (74A.3) and School District Warrants (74A.7). A rate equal to 75% of the Federal Reserve monthly published indices for U.S. Government securities of comparable maturities. All Iowa Banks and Iowa Savings Associations as defined by Iowa Code section 12C.1 are eligible for public fund deposits as defined by Iowa Code section 12C.6A.

The rate of interest has been determined by a committee of the state of Iowa to be the minimum interest rate that shall be paid on public funds deposited in approved financial institutions. To be eligible to accept deposits of public funds of the state of Iowa, a financial institution shall demonstrate a commitment to serve the needs of the local community in which it is chartered to do business. These needs include credit services as well as deposit services. All such financial institutions are required to provide the committee with a written description of their commitment to provide credit services in the community. This statement is available for examination by citizens.

New official state interest rates, effective December 13, 2011, setting the minimums that may be paid by Iowa depositories on public funds are listed below.

#### TIME DEPOSITS

7-31 days .....	Minimum .05%
32-89 days .....	Minimum .05%
90-179 days .....	Minimum .05%
180-364 days .....	Minimum .05%
One year to 397 days .....	Minimum .10%
More than 397 days .....	Minimum .40%

These are minimum rates only. The one year and less are four-tenths of a percent below average rates. Public body treasurers and their depositories may negotiate a higher rate according to money market rates and conditions.

Inquiries may be sent to Michael L. Fitzgerald, Treasurer of State, State Capitol, Des Moines, Iowa 50319.

**ARC 9939B****VETERANS AFFAIRS, IOWA DEPARTMENT OF[801]****Notice of Intended Action**

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

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

Pursuant to the authority of Iowa Code section 35A.5(12), the Iowa Department of Veterans Affairs hereby gives Notice of Intended Action to amend Chapter 11, “Injured Veterans Grant Program,” to rescind Chapter 12, “County Grant Program for Veterans,” to amend Chapter 14, “Veterans Trust Fund,” and to adopt new Chapter 17, “Veterans License Fee Fund,” Iowa Administrative Code.

The rules in Chapter 11 describe eligibility for the Injured Veterans Grant Program. These amendments clarify eligibility for additional payments and bring the rules more in line with statute.

The rules in Chapter 12 outline the County Grant Program for Veterans which is now obsolete. A new program is covered in Chapter 7, “County Commissions of Veteran Affairs Fund and Training Program.” The amendment rescinds and reserves Chapter 12.

The rules in Chapter 14 describe eligibility and procedures for the Veterans Trust Fund. These amendments allow the Commission the flexibility to waive income thresholds in certain circumstances.

Proposed new Chapter 17 pertains to the Veterans License Fee Fund.

Any interested person may make written suggestions or comments on these proposed amendments on or before January 17, 2012. Such written materials should be directed to the Executive Director, Iowa Department of Veterans Affairs, Camp Dodge, Bldg. #3663, 7105 NW 70th Avenue, Johnston, Iowa 50131; by telephone (515)242-5331; or by fax (515)242-5659.

The Department of Veterans Affairs does not intend to grant waivers under the provisions of these rules, other than as may be allowed under the Department’s general rules regarding waivers.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 35A.11, 35A.13, 35A.14, and 35A.16.

The following amendments are proposed.

ITEM 1. Amend rule 801—11.1(35A) as follows:

**801—11.1(35A) Purpose.** ~~The purpose and legislative intent of this program are is to provide immediate financial assistance to an injured a veteran during recovery and rehabilitation from an injury or illness received in the line of duty in a combat zone or in a designated hostile fire zone so that family members of the veteran may be with the veteran during the veteran’s recovery from an injury received in the line of duty in a combat zone or in a zone where the veteran was receiving hazardous duty pay after September 11, 2001.~~

ITEM 2. Amend rule 801—11.2(35A) as follows:

**801—11.2(35A) Grant amounts.**

**11.2(1)** Grants will be paid by the Iowa department of veterans affairs in increments of \$2,500 up to a maximum of \$10,000 in the following manner:

## VETERANS AFFAIRS, IOWA DEPARTMENT OF[801](cont'd)

- \$2,500 . . . . . When veteran is medically evacuated from the combat zone following a combat-related injury.
- \$2,500 . . . . . 30 days after evacuation date if still hospitalized, receiving medical treatment or rehabilitation services by the military or Veterans Administration; does not include follow-up appointments.
- \$2,500 . . . . . 60 days after evacuation date if still hospitalized, receiving medical treatment or rehabilitation services by the military or Veterans Administration; does not include follow-up appointments.
- \$2,500 . . . . . 90 days after evacuation date if still hospitalized, receiving medical treatment or rehabilitation services by the military or Veterans Administration; does not include follow-up appointments.

**11.2(2)** Treatment or services must be provided in a location that is not the veteran's home of record.

ITEM 3. Amend subrule 11.3(2) as follows:

**11.3(2)** In addition to the requirements set out in subrule 11.3(1), an eligible veteran must meet all of the following conditions:

- a. The veteran must have sustained ~~an~~ a combat-related injury or illness in a combat zone or hostile fire zone; and
- b. The combat-related injury or illness was serious enough to require medical evacuation from the combat zone to a military hospital or the injury or illness required at least 30 consecutive days of hospitalization at a military hospital; and
- c. The combat-related injury or illness was or is considered by the military to have been received in the line of duty, based upon the circumstances known at the time of evacuation; or injury or illness.

ITEM 4. Amend subparagraph **11.4(1)“a”(5)** as follows:

(5) Date on which veteran was medically evacuated from combat theater and verification of combat-related injury.

ITEM 5. Amend subrule 11.4(2) as follows:

**11.4(2)** *Process for present and future injured veterans.*

~~a. The department will establish contact with the appropriate level of command or the casualty assistance office of each military service component to develop a combat casualty tracking system. (For example, the adjutant general of Iowa serves as the command authority for providing the department with accurate data to track all combat injured veterans assigned to the Iowa national guard.)~~

~~b. a. When the department receives an official casualty notification from a designated service office that a veteran has been medically evacuated from a combat zone, the department will assign a case manager to serve as a point of contact for the next of kin designated on the veteran's DD93. The case manager will, within 48 hours, confirm Iowa residency of the veteran or, in the case of a nonresident, confirm that the veteran is or was a member of a national guard unit located in this state prior to mobilization and was injured while serving in that national guard unit and is not eligible to receive a similar grant from another state for that injury and provide the department with gather the required data to disburse the first grant payment. The check will be made payable to the veteran and mailed or presented to the veteran or next of kin. The case manager will then maintain weekly contact with the service component and the next of kin to track the treatment progress of the veteran and ensure that subsequent grant payments are disbursed in a timely manner.~~

~~e. b. Grant payments will be stopped if the veteran is returned to duty or when medical or rehabilitative treatment is discontinued.~~

~~c. If an eligible combat-injured veteran is not medically evacuated, the 30 days of continuous treatment must occur within 12 months of the injury.~~

## VETERANS AFFAIRS, IOWA DEPARTMENT OF[801](cont'd)

ITEM 6. Rescind and reserve **801—Chapter 12**.

ITEM 7. Amend subrule 14.3(1) as follows:

**14.3(1) Income.** For the purposes of this chapter, an applicant's household income, including VA pension benefits, service-connected disability income, and social security income, shall not exceed 200 percent of the federal poverty guidelines for the number of family members living in the primary residence in effect on the date the application is received by the county director of veterans affairs. Federal poverty guidelines shall be those guidelines established by the Iowa department of human services for the veteran's family size. The commission shall adjust the guidelines on July 1 of each year to reflect the most recent federal poverty guidelines. The commission may waive the income threshold if all income is from a fixed source and all other sources of assistance have been exhausted.

ITEM 8. Amend subrule 14.4(1) as follows:

**14.4(1) Travel expenses for wounded veterans, and their spouses, directly related to follow-up medical care.** Travel expenses under this subrule include the unreimbursed cost of airfare, lodging, and a per diem of \$25 per day for required out-of-state medical travel that exceeds 125 miles from the veteran's home. Spouses may be reimbursed for in-state lodging and a per diem of \$25 per day when visiting a veteran who is in a hospital for medical care related to a service-connected disability. The distance from the veteran's home to the hospital must exceed 100 miles. The veteran or the veteran's spouse shall provide such evidence as the commission may require, which includes but is not limited to evidence the injury or disability is service-connected, the necessity of treatment in a particular facility, and documentation of expenses. The maximum amount for lodging reimbursement shall be \$90. The maximum amount of aid payable in a consecutive 12-month period under this subrule is \$1,000. The commission may waive the income threshold for this benefit.

ITEM 9. Adopt the following **new** paragraph **14.4(9)"d"**:

*d.* The commission may waive the income threshold for this benefit.

ITEM 10. Adopt the following **new** 801—Chapter 17:

CHAPTER 17  
VETERANS LICENSE FEE FUND

**801—17.1(35A) Purpose.** These rules establish authorized expenditures from the veterans license fee fund.

**801—17.2(35A) Moneys.** Moneys in this fund may be used for the administrative expenses related to the business of the Iowa commission of veterans affairs, to include mileage, per diem, conference call capabilities, printing costs for quarterly meetings, and expenses incurred for hearings at the Iowa Veterans Home.

**801—17.3(35A) Expenditures.** Moneys in this fund may be used for expenditures that have the intent to benefit all Iowa veterans. (Examples include benefit books, educational materials, and research.)

**801—17.4(35A) Administration.** This fund will be administered by the department.

These rules are intended to implement Iowa Code section 35A.11.

## ARC 9942B

## AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

## Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code sections 163.1, 166D.1, and 166D.13(4), the Department of Agriculture and Land Stewardship hereby amends Chapter 64, "Infectious and Contagious Diseases," Iowa Administrative Code.

The amendments update the rules by eliminating the pseudorabies testing and isolation requirements for swine returning home or to a purchaser's herd from a fair, exhibition or sale. Swine exhibition sponsors would be required to preregister and send a postevent report to the Department.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9836B** on November 2, 2011. No comments were received from the public. These amendments are identical to those published under Notice.

Pursuant to Iowa Code section 17A.5(2)"b"(2), the Department finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments be made effective January 1, 2012. The amendments confer a benefit upon the public because they will facilitate participation in certain swine shows. In addition, 2011 Iowa Acts, House File 557, becomes effective January 1, 2012, and the January 1 effective date for these amendments will reduce possible confusion about applicability of these changes.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement 2011 Iowa Acts, House File 557.

These amendments will become effective January 1, 2012.

The following amendments are adopted.

ITEM 1. Amend rule 21—64.34(163), catchwords, as follows:

**21—64.34(163) Health requirements for exhibition of livestock, poultry and birds at the state fair, and district shows and exhibitions.**

ITEM 2. Rescind subparagraph **64.34(4)"b"(3)**.

ITEM 3. Amend rule 21—64.35(163), introductory paragraph, as follows:

**21—64.35(163) Health requirements for exhibition of livestock, poultry and birds at county exhibitions.** Each county fair shall have an official veterinarian who will inspect all livestock, poultry and birds when they are unloaded or shortly thereafter. No Certificate of Veterinary Inspection will be required on livestock, poultry and birds exhibited at a county 4-H or FFA show. Quarantined animals or animals from quarantined herds cannot be exhibited. Evidence of warts, ringworm, footrot, pinkeye, draining abscesses or any other contagious or infectious condition will eliminate the animal from the show.

ITEM 4. Amend subrules 64.35(1) and 64.35(2) as follows:

**64.35(1) Swine exhibition requirements.** ~~Swine exhibitors shall present to the veterinarian the following: a signed affidavit stating that the swine did not originate from a quarantined herd and that, to the best of the exhibitor's knowledge, swine dysentery has not been in evidence in the exhibitor's herd for the past 12 months; and, for swine originating from a Stage IV or lower status county, a record of a negative pseudorabies test performed within 30 days before the exhibition, subject to 64.35(2). No pseudorabies testing is required for swine that originate from a Stage V county. "Swine exhibition" means an exhibit, demonstration, show, or competition involving an event on the state fairgrounds, a county fair, or other exhibition event. The sponsor of the exhibition must retain an Iowa licensed veterinarian to supervise the health of the swine at the exhibition location. The sponsor must electronically file the approved registration form and obtain approval from the state veterinarian at least 30 days before the event. The registration form includes the name of the exhibition and the address and telephone number of its location; the name, address and telephone number of the veterinarian; and the~~

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

date of the planned exhibition. Sales of swine will not be allowed unless the event has been registered and received approval from the state veterinarian 30 days prior to the event.

64.35(2) *Exceptions Swine exhibition report required.* No testing for pseudorabies shall be required at an exhibition that involves only market classes of swine, provided the animals are consigned directly to a slaughter establishment from the exhibition. The site from which the exhibited swine originate must have a current pseudorabies monitored status, or the exhibited swine must originate from a Stage IV or higher status county. Swine leaving the exhibition from a market class must be consigned and move directly to a slaughtering establishment. All market swine from Stage II counties must be vaccinated against pseudorabies. The sponsor of the swine exhibition shall electronically submit to the department the approved report form within five business days after the conclusion of the exhibition. The form includes the name of the exhibition and the address and telephone number of its location; the name, address and telephone number of the veterinarian; the date that the exhibition occurred; the name, address and telephone number of the owner of the swine; and the address and telephone number of the premises from which the swine was moved after the exhibition if such premises is a different premises.

[Filed Emergency After Notice 12/7/11, effective 1/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

## ARC 9950B

## IOWA FINANCE AUTHORITY[265]

## Adopted and Filed

Pursuant to the authority of Iowa Code sections 16.5(1)“r,” 16.52 and 17A.3(1)“b,” the Iowa Finance Authority hereby amends Chapter 12, “Low-Income Housing Tax Credits,” Iowa Administrative Code.

These amendments replace the 2011 qualified allocation plan with the 2012 qualified allocation plan (“QAP”), which is incorporated by reference in rule 265—12.1(16).

Notice of Intended Action was published in the Iowa Administrative Bulletin on November 2, 2011, as **ARC 9837B**. The Authority received public comment on the QAP and made certain changes to the QAP based on those comments. The Authority changed the adoption date set forth in the final sentence of rule 265—12.1(16) and in the third sentence of rule 265—12.2(16) from the amendments published under Notice. The Authority also struck the sentence in rule 265—12.1(16) that stated that the qualified allocation plan includes the plan, application, and the application instructions, as the application and the instructions were not finalized before December 7, 2011.

The Iowa Finance Authority adopted these amendments on December 7, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 16.5(1)“r,” 16.52, 17A.12, and 17A.16 and Internal Revenue Code Section 42.

These amendments will become effective on February 1, 2012.

The following amendments are adopted.

ITEM 1. Amend rule 265—12.1(16) as follows:

**265—12.1(16) Qualified allocation plan.** The qualified allocation plan entitled Iowa Finance Authority Low-Income Housing Tax Credit Program ~~2011~~ 2012 Qualified Allocation Plan shall be the qualified allocation plan for the allocation of ~~2011~~ 2012 low-income housing tax credits consistent with IRC Section 42 and the applicable Treasury regulations and Iowa Code section 16.52. ~~The qualified allocation plan includes the plan, application, and the application instructions.~~ The qualified allocation plan is incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2). The qualified allocation plan does not include any amendments or editions created subsequent to ~~November 24, 2010~~ December 7, 2011.

ITEM 2. Amend rule 265—12.2(16) as follows:

**265—12.2(16) Location of copies of the plan.** The qualified allocation plan can be reviewed and copied in its entirety on the authority’s Web site at <http://www.iowafinanceauthority.gov>. Copies of the qualified allocation plan, application, and all related attachments and exhibits shall be deposited with the administrative rules coordinator and at the state law library and shall be available on the authority’s Web site. The plan incorporates by reference IRC Section 42 and the regulations in effect as of ~~November 24, 2010~~ December 7, 2011. Additionally, the plan incorporates by reference Iowa Code section 16.52. These documents are available from the state law library, and information about these statutes, regulations and rules is on the authority’s Web site.

[Filed 12/7/11, effective 2/1/12]

[Published 12/28/11]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9937B****PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 147.76, the Board of Psychology hereby amends Chapter 240, "Licensure of Psychologists," and Chapter 242, "Discipline for Psychologists," Iowa Administrative Code.

These amendments clarify the requirements for supervisors; clarify the requirements for and increase flexibility in the supervised professional experience; allow applicants who were matriculated in a doctoral program of psychology as of January 12, 2005, to be considered for licensure if the Board determines that the doctoral program is equivalent to programs meeting specified criteria in subrule 240.3(3); remove a title designation that is duplicative of the health service training program requirements and remove supervision of unlicensed persons who are licensed in other states; clarify the organized health service training program requirements and revise the total number of hours to be consistent with the Association of Psychology Postdoctoral and Internship Centers (APPIC); clarify that the Board accepts the passing score established by the Association of State and Provincial Psychology Boards (ASPPB) for the examination; remove the requirement that the Board send a renewal notice by regular mail to licensees to be consistent with Iowa law; and rescind the requirements for mental, physical, or clinical competency examinations, as these requirements are now stated in Chapter 4 of the rules for the Professional Licensure Division.

Notice of Intended Action was published in the Iowa Administrative Bulletin on August 10, 2011, as **ARC 9673B**. A public hearing was held on September 7, 2011, from 10 to 11 a.m. in Conference Room 415, Lucas State Office Building. One public comment was received in support of the adoption of new subrule 240.3(4). There were no public comments received that oppose these amendments. Two corrections have been made to the amendments published under Notice. In Item 2, subrule 240.3(3), introductory paragraph, the word "this" has been changed to "these." In addition, an acronym has been corrected in Item 10, introductory paragraph of subrule 240.7(2).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 21, 147, 154B and 272C.

These amendments will become effective February 1, 2012.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Chs 240, 242] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 9673B**, IAB 8/10/11.

[Filed 12/6/11, effective 2/1/12]

[Published 12/28/11]

[For replacement pages for IAC, see IAC Supplement 12/28/11.]

**ARC 9945B****PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 147.76, the Board of Psychology hereby adopts an amendment to Chapter 242, "Discipline for Psychologists," Iowa Administrative Code.

This amendment clarifies that conviction of a crime includes when the judgment of conviction or sentence was deferred.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 5, 2011, as **ARC 9798B**. A public hearing was held on November 2, 2011, from 10:30 to 11 a.m. in the Fifth Floor Board Conference Room, Lucas State Office Building. No public comments were received. This amendment is identical to that published under Notice.

## PROFESSIONAL LICENSURE DIVISION[645](cont'd)

After analysis and review of this rule making, no impact on jobs has been found.  
 This amendment is intended to implement Iowa Code chapters 21, 147, 154B and 272C.  
 This amendment will become effective on February 1, 2012.  
 The following amendment is adopted.

Amend subrule 242.2(12) as follows:

**242.2(12)** Conviction of a crime related to the profession or occupation of the licensee or the conviction of any crime that would affect the licensee's ability to practice psychology within the profession, regardless of whether the judgment of conviction or sentence was deferred. A copy of the record of conviction or plea of guilty shall be conclusive evidence.

[Filed 12/7/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9933B**

**PROFESSIONAL LICENSURE DIVISION[645]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 152B.6, the Board of Respiratory Care hereby amends Chapter 261, "Licensure of Respiratory Care Practitioners," and Chapter 263, "Discipline for Respiratory Care Practitioners," Iowa Administrative Code.

The amendments remove the requirement for renewal notices to be sent by regular mail and clarify that conviction of a crime includes when the judgment of conviction or sentence was deferred.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9595B** on July 13, 2011. A public hearing was held on August 10, 2011, but no one attended. No public comments were received. These amendments are identical to those published under Notice.

The Board of Respiratory Care adopted the amendments on November 15, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 21, 147, 152B and 272C.

These amendments will become effective February 1, 2012.

The following amendments are adopted.

ITEM 1. Amend subrule 261.8(1) as follows:

**261.8(1)** The biennial license renewal period for a license to practice respiratory care shall begin on April 1 of an even-numbered year and end on March 31 of the next even-numbered year. ~~The board shall send a renewal notice by regular mail to each licensee at the address on record at least 60 days prior to the expiration of the license.~~ The licensee is responsible for renewing the license prior to its expiration. Failure of the licensee to receive ~~the~~ notice does not relieve the licensee of the responsibility for renewing the license.

ITEM 2. Amend subrule 263.2(11) as follows:

**263.2(11)** Conviction of a crime related to the profession or occupation of the licensee or the conviction of any crime that would affect the licensee's ability to practice within the profession, regardless of whether the judgment of conviction or sentence was deferred. A copy of the record of conviction or plea of guilty shall be conclusive evidence.

[Filed 11/30/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9931B**

**PROFESSIONAL LICENSURE DIVISION[645]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 152B.6, the Board of Respiratory Care hereby amends Chapter 262, "Continuing Education for Respiratory Care Practitioners," Iowa Administrative Code.

The amendments remove language that references an approved continuing education sponsor. The change makes rules consistent with changes made in 2007 that removed Board approval of continuing education sponsors.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9780B** on October 5, 2011. A public hearing was held on October 25, 2011, but no one attended. No public comments were received. No changes were made to the amendments published under Notice.

The Board of Respiratory Care adopted the amendments on November 15, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 21, 147, 152B and 272C.

These amendments will become effective February 1, 2012.

The following amendments are adopted.

ITEM 1. Rescind paragraph **262.3(2)"e."**

ITEM 2. Reletter paragraphs **262.3(2)"f"** and **"g"** as **262.3(2)"e"** and **"f."**

[Filed 11/30/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9932B**

**PROFESSIONAL LICENSURE DIVISION[645]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 152B.6, the Board of Respiratory Care hereby amends Chapter 262, "Continuing Education for Respiratory Care Practitioners," Iowa Administrative Code.

The amendment rescinds duplicate language pertaining to continuing education audits that is already found in rule 645—4.11(272C), audit of continuing education.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9594B** on July 13, 2011. A public hearing was held on August 10, 2011, but no one attended. No public comments were received. No changes were made to the amendment published under Notice.

The Board of Respiratory Care adopted the amendment on November 15, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code chapters 21, 147, 152B and 272C.

This amendment will become effective February 1, 2012.

The following amendment is adopted.

Rescind and reserve rule **645—262.4(152B,272C)**.

[Filed 11/30/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9934B****PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 154C.4, the Board of Social Work hereby amends Chapter 280, "Licensure of Social Workers," Iowa Administrative Code.

The amendment removes the requirement for the Board to send renewal notices by regular mail to licensees.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9750B** on September 21, 2011. A public hearing was held on October 17, 2011, in the Fifth Floor Board Conference Room, Lucas State Office Building. Public comment was received in opposition to the amendment. This amendment is identical to that published under Notice.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code chapters 21, 147, 154C and 272C.

This amendment will become effective February 1, 2012.

The following amendment is adopted.

Amend subrule 280.9(1) as follows:

**280.9(1)** The biennial license renewal period for a license to practice social work shall begin on January 1 of odd-numbered years and end on December 31 of the next even-numbered year. Every licensee shall renew on a biennial basis. ~~The board shall send a renewal notice by regular mail to each licensee at the address on record at least 60 days prior to the expiration of the license.~~ The licensee is responsible for renewing the license prior to its expiration. Failure of the licensee to receive the notice does not relieve the licensee of the responsibility for renewing the license.

[Filed 12/1/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9930B****PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 154C.4, the Board of Social Work hereby amends Chapter 283, "Discipline for Social Workers," Iowa Administrative Code.

The amendment clarifies that conviction of a crime includes when the judgment of conviction or sentence was deferred. In addition, the proposed amendment changes the word "felony" to "crime" to be consistent with Iowa Code chapter 147 requirements.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9596B** on July 13, 2011. A public hearing was held on August 10, 2011, in the Fifth Floor Board Conference Room, Lucas State Office Building. No public comments were received. This amendment is identical to that published under Notice.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code chapters 21, 147, 154C and 272C.

This amendment will become effective February 1, 2012.

The following amendment is adopted.

Amend subrule 283.2(11) as follows:

**283.2(11)** Conviction of a ~~felony~~ crime related to the profession or occupation of the licensee or the conviction of any ~~felony~~ crime that would affect the licensee's ability to practice ~~social work~~ within the

## PROFESSIONAL LICENSURE DIVISION[645](cont'd)

profession, regardless of whether the judgment of conviction or sentence was deferred. A copy of the record of conviction or plea of guilty shall be conclusive evidence.

[Filed 11/28/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9947B****PROFESSIONAL LICENSURE DIVISION[645]****Adopted and Filed**

Pursuant to the authority of Iowa Code section 147.76, the Board of Speech Pathology and Audiology hereby amends Chapter 300, "Licensure of Speech Pathologists and Audiologists," and Chapter 304, "Discipline for Speech Pathologists and Audiologists," Iowa Administrative Code.

These amendments remove outdated language to be consistent with Iowa Code chapter 147, define requirements for conducting board meetings and clarify that conviction of a crime includes when the judgment of conviction or sentence was deferred.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 5, 2011, as **ARC 9767B**. A public hearing was held on October 25, 2011, from 8 to 8:30 a.m. in the Fifth Floor Board Conference Room 526, Lucas State Office Building. No public comment was received on the proposed amendments.

Since publication of the Notice, one change has been made to be consistent with language used by the other licensure boards in the Bureau of Professional Licensure. In Item 1, the last sentence of subrule 300.11(1) was changed to read as follows: "Failure of the licensee to receive notice from the board does not relieve the licensee of the responsibility for renewing the license."

These amendments were adopted by the Iowa Board of Speech Pathology and Audiology on December 2, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 21, 147, 154F and 272C.

These amendments will become effective February 1, 2012.

The following amendments are adopted.

ITEM 1. Amend subrule 300.11(1) as follows:

**300.11(1)** The biennial license renewal period for a license to practice speech pathology or audiology shall begin on January 1 of an even-numbered year and end on December 31 of the next odd-numbered year. ~~The board shall send a renewal notice by regular mail to each licensee at the address on record at least 60 days prior to expiration of the license.~~ The licensee is responsible for renewing the license prior to its expiration. Failure of the licensee to receive the notice from the board does not relieve the licensee of the responsibility for renewing the license.

ITEM 2. Adopt the following **new** rule 645—300.12(17A,147,272C):

**645—300.12(17A,147,272C) Board meetings.**

**300.12(1)** Board meetings shall be governed in accordance with Iowa Code chapter 21, and board proceedings shall be conducted to ensure that all members have equal rights, privileges and obligations.

**300.12(2)** A majority of the members of the board shall constitute a quorum.

**300.12(3)** The board shall discuss all motions prior to a vote to allow for full and free discussion of every motion.

**300.12(4)** Official action, including filing of formal charges or imposition of discipline, requires a majority vote of members present.

PROFESSIONAL LICENSURE DIVISION[645](cont'd)

ITEM 3. Amend subrule 304.2(11) as follows:

**304.2(11)** Conviction of a crime related to the profession or occupation of the licensee or the conviction of any crime that would affect the licensee's ability to practice within the profession, regardless of whether the judgment of conviction or sentence was deferred. A copy of the record of conviction or plea of guilty shall be conclusive evidence.

[Filed 12/7/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9929B**

**REAL ESTATE COMMISSION[193E]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 543B.9 and 543B.18, the Real Estate Commission hereby amends Chapter 11, "Brokerage Agreements and Listings," Iowa Administrative Code.

The amended rule 193E—11.2(543B) requires that a licensee furnish to an owner by both regular mail and certified mail, return receipt requested, or by personal delivery with written receipt a list of the names and contact information of persons to whom the property was presented during the active term of the listing and for whom protection is sought.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9753B** on September 21, 2011. One comment was received from the public on September 28, 2011, concerning the proposed amendment. The comment resulted in changing the word "addresses" to "contact information."

The change was accepted by the Real Estate Commission on October 13, 2011, and adopted by the Commission on November 17, 2011.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code chapter 543B.

This amendment shall become effective on February 1, 2012.

The following amendment is adopted.

Amend rule 193E—11.2(543B) as follows:

**193E—11.2(543B) Enforcing a protective clause.** To enforce a protective clause beyond the expiration of an exclusive listing contract, there must be a provision for the protective clause in the listing contract which establishes a definite protection period. The In writing and prior to the expiration of the listing, the broker must furnish to the owner listing party in writing, by both regular mail and certified mail, return receipt requested, and prior to the expiration of the listing the names and addresses available contact information of persons to whom the property was presented during the active term of the listing and for whom protection is sought. Delivery shall be by personal service with written acknowledgment of receipt, or by both regular mail and certified mail, return receipt requested.

[Filed 11/28/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9938B**

**STATE PUBLIC DEFENDER[493]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 13B.4(8), the State Public Defender hereby amends Chapter 1, "Administration," Chapter 4, "Public Records and Fair Information Practices," Chapter 10,

STATE PUBLIC DEFENDER[493](cont'd)

“Eligibility Guidelines for Court-Appointed Counsel,” and Chapter 12, “Claims for Indigent Defense Services,” Iowa Administrative Code.

These amendments update rules and terminology to reflect current practice, rescind unnecessary rules, and further explain state public defender practices regarding the denial of indigent defense fee claims by attorneys appointed contrary to Iowa Code section 815.10.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 9817B** on November 2, 2011. No substantive comments were received from the public. These amendments are identical to those published under Notice.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapters 13B and 815.

These amendments will become effective February 1, 2012.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [1.3 to 1.5, 4.15(4), 10.7, 12.2] is being omitted. These amendments are identical to those published under Notice as **ARC 9817B**, IAB 11/2/11.

[Filed 12/7/11, effective 2/1/12]

[Published 12/28/11]

[For replacement pages for IAC, see IAC Supplement 12/28/11.]

## **ARC 9936B**

### **TREASURER OF STATE[781]**

#### **Adopted and Filed**

Pursuant to the authority of Iowa Code section 556.26, the Treasurer of State rescinds Chapter 9, “Unclaimed Property,” Iowa Administrative Code, and adopts new Chapter 9 with the same title.

These rules are necessary to provide definitions, guidelines, and reporting requirements for holders of unclaimed property. New Chapter 9 also provides clarification and documentation necessary for owners of unclaimed property to recover their lost assets.

Notice of Intended Action was published in the Iowa Administrative Bulletin on October 19, 2011, as **ARC 9813B**. A public hearing was held November 9, 2011. Most comments were in support of the rules, with some clarifications requested. The following clarifications were made:

- Changing the definition of “retained asset account” in rule 781—9.3(556).
- Clarifying subrule 9.4(3) pertaining to the reporting of fees and the aggregate threshold.
- Clarifying when to report an abandoned IRA account in paragraph 9.6(1)“a.”

After analysis and review of this rule making, no impact on jobs has been found.

These rules are intended to implement Iowa Code chapter 556.

These rules shall become effective February 1, 2012.

The following amendment is adopted.

Rescind 781—Chapter 9 and adopt the following new chapter in lieu thereof:

#### CHAPTER 9 UNCLAIMED PROPERTY

**781—9.1(556) Purpose.** Iowa Code chapter 556 authorizes the treasurer of state to establish administrative rules that are necessary for the purpose of carrying out the provisions of Iowa Code chapter 556, the uniform disposition of unclaimed property Act.

This rule is intended to implement Iowa Code chapter 556.

**781—9.2(556) Forms.** The following approved forms will be used by the unclaimed property division:

## TREASURER OF STATE[781](cont'd)

**9.2(1)** Claim Form, together with, as applicable, the Affidavit of Lost Certificate, Affidavit of Administration, and Affidavit of Distributory Responsibility as well as other applicable affidavits, is the form required by the division for a claimant to file and support a claim relative to unclaimed property held in custody by the division.

**9.2(2)** Safe Deposit Box Inventory Form is the form that may be used by holders in the inventory and reporting of contents of safe deposit boxes reportable under the Act.

**9.2(3)** Holder Report Forms UP1 (also referred to as Holder Verification Form or Holder Report Cover Sheet) and UP2 are the forms holders are required to use to report unclaimed property.

**9.2(4)** Holder Reimbursement Form (or a form by another name that this office distributes to reimburse an owner or holder) is the form holders are required to use to request that the state pay an owner directly or to seek reimbursement from the state in cases when the holder has paid the claim of a reappearing owner, pursuant to Iowa Code section 556.14(5).

This rule is intended to implement Iowa Code chapter 556.

**781—9.3(556) Definitions.** In addition to the terms defined in Iowa Code section 556.1, the following words or terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“*Act*” means the uniform disposition of unclaimed property Act, Iowa Code chapter 556.

“*Aggregate property*” means individual items of intangible property with a value of less than \$50 each, which have been “aggregated” by a holder and reported and delivered to the division in a lump sum.

“*Book shares*” means debt or equity securities which are maintained in book entry form only and for which no physical certificate was or is issued.

“*Claimant*” means a person or legal entity entitled to reclaim abandoned property in the possession of the division. A claimant may be an original owner, legal representative, or successor in interest.

“*Contract auditor*” means any person or entity engaged or hired by the treasurer or the division to provide unclaimed property examination services. “Contract auditor” includes agents, employees and any subcontractor engaged by a contract auditor or engaged by its subcontractors.

“*Credits, advance payments, overpayments, refunds, or credit memoranda,*” for purposes of Iowa Code section 556.1(12), means current accounts receivable of a business association that have not been reduced to a check or other form of payment. “Credits, advance payments, overpayments, refunds, or credit memoranda,” for purposes of Iowa Code section 556.1(12), shall not include uncashed checks or other unclaimed payments due and owing to a business association for its provision of goods or services, with respect to any other type of obligation.

“*Custodial property*” means property transferred to a custodian for a minor under the provisions of (1) the Iowa UTMA, (2) the Uniform Transfer to Minors Act, (3) the Uniform Gifts to Minors Act, or (4) a substantially similar Act of another state if, at the time of the transfer, the transferor, the minor, or the custodian is a resident of the designated state or the custodial property is located in the designated state.

“*Division*” means the Iowa unclaimed property division within the Iowa treasurer of state’s office that has the responsibility of administering the Act.

“*Dormancy fee*” means a service charge, dormancy charge, inactive account fee, escheat fee, minimum balance fee, maintenance fee, unclaimed property fee, or any other charge that results in the reduction of an account balance or property value, which is not directly related to a transaction initiated by an owner.

“*Dormancy period*” means the statutorily specified span of time after which an owner’s failure to indicate an interest in property will result in the property’s being presumed abandoned and subject to reporting and delivery to the division.

“*Due diligence*” means the efforts required to be undertaken by a holder of unclaimed property to find the rightful owner of such property before the property is delivered to the division.

“*Finder*” means a person hired or engaged to assist owners, heirs or other persons in the recovery of unclaimed property reported under the Act.

## TREASURER OF STATE[781](cont'd)

“*Finder agreement*” means an agreement to pay a fee, commission, or other compensation to a finder to identify, locate, deliver, recover, or assist in the recovery of unclaimed property reported under the Act.

“*Funds for liquidation*” means unclaimed funds which are held by a holder on behalf of an owner of debt or equity securities and which are owing as a result of the liquidation of the securities issuer.

“*Indication of interest*” means an action by an owner with respect to the owner’s property which indicates that the owner is aware of the existence of the property and intends for the property not to be presumed abandoned. Examples of an owner’s indication of interest include, but are not limited to, the following: an owner-initiated deposit or withdrawal from an account; notification to a holder of a change of address specific to the account; and any communication, such as written or electronic correspondence, telephone call or person-to-person conversation between an owner and a holder (or the agent of a holder), which can be documented and which reflects an owner’s awareness of the existence of the property.

“*Intangible property*” means such property as described in Iowa Code section 556.1(12).

“*Iowa uniform transfer to minors Act*” or “*Iowa UTMA*” means Iowa Code chapter 565B.

“*Last activity date*” means the last verifiable date of owner-initiated activity or contact with respect to unclaimed property.

“*Matured bond principal*” means unclaimed funds which are held by a holder for a bond holder pending the bond holder’s redemption of debt securities.

“*Retained asset account*” means any mechanism whereby the settlement of proceeds payable under a life insurance policy is accomplished by the insurer, or an entity acting on behalf of the insurer, depositing the proceeds into an account with check or draft writing privileges, where those proceeds are retained by the insurer pursuant to a supplementary contract not involving annuity benefits.

“*Tangible property*” means the physical contents of a safe deposit box or other safekeeping repository, or physical items held as collateral by a banking organization, financial organization, or business association, that are reportable and deliverable to the division.

“*Treasurer*” means the treasurer of the state of Iowa.

“*Undelivered shares*” means unclaimed physically issued debt or equity securities, which were returned to the issuer by the post office as undeliverable, or which were otherwise never delivered into the possession of the owner.

“*Underlying shares*” means unclaimed physically issued debt or equity securities which are presumably in the possession of an owner.

“*Unexchanged shares*” means unclaimed debt or equity securities which are held by a holder on behalf of an owner, pending the owner’s surrender of obsolete debt or equity securities in conjunction with an acquisition, merger, recapitalization, or similar mandatory corporate action.

This rule is intended to implement Iowa Code section 556.1.

**781—9.4(556) Dormancy fees and related charges.**

**9.4(1)** Iowa Code chapter 556 authorizes the following dormancy fees:

*a.* Lawful charges withheld from abandoned demand, savings, or matured time deposits held by a financial organization.

*b.* Charges on un-presented travelers checks and money orders, when a valid and enforceable contract to assess the charges exists, and the issuer regularly imposes such charges and does not regularly reverse or otherwise cancel such charges for the benefit of the owner.

*c.* Charges on un-presented checks, drafts, or similar instruments on which a financial organization is directly liable, where a valid and enforceable written contract to assess the charges exists and the holder regularly imposes such charges and does not regularly reverse or otherwise cancel such charges for the benefit of the owner.

*d.* Deductions from the face value of a gift certificate or gift card resulting from untimely presentment or usage, where a valid and enforceable written contract was provided in conjunction with the issuance of the gift certificate or gift card, and the issuer of the gift certificate or gift card regularly imposes and does not regularly reverse or otherwise cancel the deduction for the benefit of the owner.

**9.4(2)** Dormancy fees not authorized by Iowa Code chapter 556 are prohibited.

## TREASURER OF STATE[781](cont'd)

**9.4(3)** Except for unclaimed accounts of less than \$50 at the time of reporting, all dormancy fees assessed against an unclaimed account must be disclosed in the report of unclaimed property filed with the division.

This rule is intended to implement Iowa Code section 556.2.

**781—9.5(556) Reporting and delivery of safe deposit box contents.**

**9.5(1)** Safe deposit boxes or other safekeeping depositories that have been abandoned shall be opened and inventoried in the presence of at least two employees of the holder.

**9.5(2)** The holder shall list the contents of each box inventoried and provide that list to the division. The Safe Deposit Box Inventory Form or any financial institution's internal inventory form may be used and provided to the division.

**9.5(3)** The property and a copy of the inventory shall then be sealed for safekeeping until delivered to the owner or to the division when required by the Act. The holder may not convert the property to cash or reduce cash property to check; all property is to be delivered in its original form and "as is" to the owner or, if required, to the division.

**9.5(4)** Property transferred to the division shall be packaged in a reasonably protective manner to prepare for transportation to the division. Property should be delivered to the division via certified mail or insured courier. The holder assumes all risk of loss pending receipt of the property by the division.

This rule is intended to implement Iowa Code section 556.2.

**781—9.6(556) Reporting of individual retirement accounts (IRAs) and other retirement accounts.**

**9.6(1)** The reporting and delivery of property in an individual retirement account, defined contribution plan, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States shall be extended until three years after the earliest of the following has occurred:

- a. The date of unsuccessful distribution;
- b. The date of the required distribution, as stated in agreements governing the account; or
- c. The date specified in the income tax laws of the United States by which a distribution must occur in order for the owner to avoid a tax penalty.

**9.6(2)** In reporting individual retirement accounts and other retirement accounts, holders shall include the name, address, and social security number of the account beneficiary, to the extent such information is known.

This rule is intended to implement Iowa Code section 556.7.

**781—9.7(556) Reporting of certificates of deposit and other time deposits.** If an automatically renewable time deposit or nonrenewable time deposit is deemed abandoned prior to its initial maturity, the time for the reporting and delivery of the time deposit to the division will be extended to the date of maturity or three years from the date at which the abandonment period commenced, whichever is later.

This rule is intended to implement Iowa Code section 556.7.

**781—9.8(556) Indication of interest by an owner in a certificate of deposit or other time deposit.**

**9.8(1)** The following acts by the owner of a time deposit shall constitute nonabandonment of the time deposit:

a. Consent in writing to a renewal of the time deposit at or about the time of renewal and signed by the owner, given by delivery of the original or a signed facsimile or an e-mail transmission of the facsimile initiated by the owner, or demonstrated by the existence of a memorandum or other record on file with the holder made at the time of renewal; or

b. The owner, within three years after the earlier of the maturity date or the date of the owner's last indication of interest in the deposit, has:

(1) Increased or decreased the amount or presented the passbook or other similar evidence of the deposit for the crediting of interest due;

## TREASURER OF STATE[781](cont'd)

(2) Communicated in writing with the financial organization concerning the time deposit, including requesting that the time deposit be redeemed;

(3) Otherwise demonstrated an indication of interest in the deposit as evidenced by a memorandum or other record on file prepared by an employee of the financial organization;

(4) Owned other property to which subparagraphs 9.8(1) "b"(1), (2), and (3) above apply and the financial organization communicates with the owner about the deposit that would otherwise be presumed abandoned under this subrule in writing at the address to which communications regarding the other property regularly are sent; or

(5) Had another relationship other than time or demand deposits, such as, but not limited to, a safe deposit box, mortgage, stocks, bonds or other investments, with the financial organization concerning which the owner has:

1. Communicated in writing with the banking or financial organization; or

2. Demonstrated an indication of interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization.

**9.8(2)** Consent to renewal of a time deposit shall be presumed and the owner will be deemed to have demonstrated an indication of interest in a time deposit when the financial organization sends the owner notice of the renewal via first-class mail, address correction requested, and the notice is not returned to the financial organization by the post office for reason of nondelivery; provided, however, the financial organization must maintain a system for tracking and documenting return mail.

**9.8(3)** The date on which the owner has last demonstrated an indication of interest in and awareness of the owner's time deposit, as defined in paragraph 9.8(1) "a" above, or the date of maturity if no conduct evidencing such interest is made, whichever is earlier, shall begin the three-year abandonment period. However, when a written communication mailed to an owner is returned marked "undeliverable" or "unclaimed," the date of receipt by the financial organization of the returned mailing shall be deemed to begin the abandonment period. When periodic interest checks are issued on a time deposit, the abandonment period will commence on the date of an uncashed interest check, and the time deposit will be considered abandoned if all subsequent interest checks continue to remain uncashed through the entire statutory abandonment period, unless there is other conduct by the owner demonstrating an indication of interest in the time deposit as specified elsewhere in this subrule and applicable statutory law.

This rule is intended to implement Iowa Code section 556.7.

**781—9.9(556) Reporting of retained asset accounts.** Funds held in a retained asset account maintained by a life insurance company on behalf of a beneficiary shall be reported and delivered to the division if the beneficiary has failed to take such actions demonstrating an indication of interest in the account for a period of three years.

This rule is intended to implement Iowa Code section 556.9.

**781—9.10(556) Information required to be included in report.**

**9.10(1)** All Holder Report Forms submitted to the division must include, to the extent such information is available to the holder, the following information:

a. The owner's (and as applicable/available, the beneficiary's) name;

b. The owner's (and as applicable/available, the beneficiary's) last-known address;

c. The owner's (and as applicable/available, the beneficiary's) social security or federal tax identification number;

d. Account number, policy number, or other similar account relationship identifier;

e. Check number, certificate number, or other similar property identifier;

f. Date of owner's last indication of interest; and

g. Date the property became payable or distributable.

**9.10(2)** The division may find the Holder Report Form as nonconforming and may seek a revision of the form under any of the following circumstances:

a. Form does not include complete information;

## TREASURER OF STATE[781](cont'd)

- b.* Form does not reconcile to the property remittance;
- c.* Form is not verified;
- d.* Form is not verified by the appropriate individual as required by statute;
- e.* Form reflects unauthorized service or other owner charges assessed by the holder;
- f.* Form includes property which is not subject to Iowa Code chapter 556;
- g.* Form has been filed electronically and cannot be read or converted by the division.

This rule is intended to implement Iowa Code section 556.11.

**781—9.11(556) Early reporting of unclaimed property.**

**9.11(1)** A holder may request permission to report and deliver property to the division before it is presumed abandoned by sending a written request to the division.

**9.11(2)** The request must identify the property to be reported and delivered and the reasons for requesting permission to report and deliver the property prior to the date it is presumed abandoned.

**9.11(3)** The division may, at its sole discretion, consent to early reporting and delivery according to terms and conditions prescribed by the division.

This rule is intended to implement Iowa Code section 556.11.

**781—9.12(556) Due diligence.** Holders shall exercise reasonable and necessary due diligence consistent with good business practice in attempting to reactivate dormant accounts and to locate owners of unclaimed property.

This rule is intended to implement Iowa Code section 556.11.

**781—9.13(556) Reporting aggregate amounts to the division.** Holders may report in aggregate to the division items of property with a value of under \$50. Holders are encouraged not to aggregate unclaimed dividend checks, oil royalties, and other payments of a recurring nature, regardless of the item value.

This rule is intended to implement Iowa Code section 556.11.

**781—9.14(556) Regulation of finders.**

**9.14(1)** Pursuant to Iowa Code section 556.11(10), agreements or contracts between finders and owners to pay compensation to recover or assist in the recovery of abandoned property are unenforceable if made within 24 months of the date the property was received by the division. In no case shall the finder fees or compensation exceed 15 percent of the amount of the property subject to claim.

**9.14(2)** A claim form signed by a finder shall not be reviewed by the division. The apparent owner or owner's legal representative shall make direct contact with the division and sign the claim form. All communication regarding the claim will be sent to the claimant. A signed, dated and notarized copy of any original agreement or contract between a finder and an owner shall be included with the filing of any claim. Handwritten agreements or contracts will not be accepted.

**9.14(3)** Owner information shall be reproduced in a format to be determined by the treasurer at least annually and shall be provided to anyone requesting the information for a fee of \$20 per copy. The fee shall be paid in the form of an official check or money order and made payable to the State of Iowa. All fees for owner information shall be received by the division before the owner information is made available.

This rule is intended to implement Iowa Code section 556.11.

**781—9.15(556) Disposition of safe deposit box contents.**

**9.15(1)** Except as stated in subrules 9.15(2) and 9.15(3), the contents of safe deposit boxes and other tangible property received by the division shall be held by the division for not less than one year, after which time the property will be offered through public sale.

**9.15(2)** Medals awarded for military service in the armed forces of the United States shall not be auctioned.

## TREASURER OF STATE[781](cont'd)

**9.15(3)** If the treasurer determines, after investigation and after an attempt to dispose of the unclaimed property in accordance with the Act, that the probable cost of sale exceeds the value of the property, the treasurer may destroy or otherwise dispose of the property at any time.

This rule is intended to implement Iowa Code section 556.17.

**781—9.16(556) Filing of owner claims.**

**9.16(1)** All claims for abandoned property shall be filed with the division on the division's claim form or such other documents as the division finds acceptable.

**9.16(2)** The claim form shall be completed in its entirety and must include the following information:

- a. Social security number or tax identification number, or both, of all claimants;
- b. Signature of claimant(s). If the claim is over \$200 or includes stock(s) or safe deposit box contents, the signature must be notarized.

**9.16(3)** The treasurer shall consider any claim filed under the Act.

This rule is intended to implement Iowa Code section 556.19.

**781—9.17(556) Documentation of claims by individuals.** A claimant should provide the following supporting documentation with claims, as applicable, if the claim is being made by the person that is set forth as the apparent owner of the unclaimed property in the report filed with the division:

**9.17(1)** A copy of the claimant's driver's license or other government-issued identification.

**9.17(2)** A copy of a document verifying the claimant's social security number.

**9.17(3)** A document showing the claimant's address as it was reported to the division may be required if the holder did not report the social security number to the division. Examples of relevant documentation include a federal Form W-2, pay stub, bank statement, expired driver's license, stock certificate, college transcript, report card, marriage certificate, divorce decree, birth certificate, or an original (not a copy) of a postmarked envelope addressed to the claimant.

**9.17(4)** If the claimant's name has changed, copies of supporting documentation showing the name change.

**9.17(5)** If the property subject to claim is a joint account, each surviving claimant must provide:

- a. The claimant's signature, a copy of the claimant's driver's license, and a document verifying the social security number for each joint owner; or
- b. Where one or more joint owners are deceased, a copy of the deceased joint owner's death certificate.

**9.17(6)** If the property subject to claim is being claimed in the capacity of a guardian or conservator or under a power of attorney, the claimant must provide:

- a. A copy of the letter of appointment;
- b. Documentation identifying the claimant and the owner; and
- c. If the owner is a minor, a copy of the owner's birth certificate and a document verifying the owner's social security number. No power of attorney filed by a finder will be recognized by the division for the purpose of making a claim.

**9.17(7)** If the property subject to claim is a security, in addition to the documentation required by this rule, the claimant must provide the original stock certificate(s).

**9.17(8)** If the property subject to claim is being claimed in the capacity of an executor or administrator, the claimant shall submit evidence as outlined in the Affidavit of Administration as provided by the treasurer of state.

This rule is intended to implement Iowa Code section 556.19.

**781—9.18(556) Documentation of claims by business entities.**

**9.18(1)** Businesses must provide the following supporting documentation with their claims, as applicable:

- a. Proof of authority to conduct business on behalf of the entity, such as corporate resolution or other documentation deemed suitable by the treasurer.

- b. Documentation setting forth the claimant's FEIN number.

## TREASURER OF STATE[781](cont'd)

*c.* A copy of the claimant's biennial report as filed with the office of the secretary of state or a copy of a current corporate tax return.

**9.18(2)** Claimants filing on behalf of businesses that are no longer in existence must additionally provide documentation that the claimant is the successor in interest to the rights of the discontinued business entity.

This rule is intended to implement Iowa Code section 556.19.

**781—9.19(556) Certification of entitlement by claimant.**

**9.19(1)** The claimant shall affirmatively certify that the claimant is the true owner of the unclaimed property and agree to hold harmless and indemnify the division, its employees, and the state in the event of a superior claim to such property by another claimant or person.

**9.19(2)** If the subject property is more than \$200, is security-related, or is a safe deposit box, the signature of the claimant must be notarized by a notary public or be guaranteed by an officer of a financial institution.

This rule is intended to implement Iowa Code section 556.19.

**781—9.20(556) Claims by holders for owner reimbursements.** A holder may make payment to the apparent owner and file a proof of payment with the division. Upon receiving reimbursement from the division, the holder shall assume liability for the claimed assets and indemnify and hold harmless the division from all future claims related to the claimed assets.

This rule is intended to implement Iowa Code section 556.19.

**781—9.21(556) Claims to custodial property under the Iowa UTMA or similar Acts.**

**9.21(1)** A claim to custodial property may be made by the custodian of the property, or the legal representative thereof, provided that the minor has not yet reached the age of 21 years.

**9.21(2)** Upon reaching the age of 21 years, a minor may file a claim to custodial property.

This rule is intended to implement Iowa Code section 556.19.

**781—9.22(556) Claimant interest in unclaimed property.**

**9.22(1)** The division shall have the authority to determine a claimant's interest in unclaimed property.

**9.22(2)** An apparent owner's interest in unclaimed property held by the division may not be transferred to a third party except in the following circumstances:

*a.* As a remnant asset in bankruptcy;

*b.* Under an agreement that assigns the apparent owner's interest in the unclaimed property where the agreement is otherwise valid and meets the following criteria:

(1) The agreement is made at least 24 months after the date payment or delivery is made under Iowa Code section 556.13;

(2) The agreement is in writing and signed by the apparent owner; and

(3) The agreement discloses the nature and value of the property and the name and address of the person in possession of the property.

**9.22(3)** Notwithstanding subrule 9.22(2), the interest of a deceased apparent owner may pass pursuant to the Iowa probate code and related statutory provisions.

**9.22(4)** For the purposes of the Act, a money judgment against an apparent owner does not create an interest in the specific property held by the division on behalf of the apparent owner.

This rule is intended to implement Iowa Code section 556.19.

**781—9.23(556) Approval of claims.** Each claim submitted to the division must receive two levels of approval. Claims over a cash value of \$5000 must receive three levels of approval.

**9.23(1)** Level One approval shall be obtained from the division staff person(s) who receives the claim form. This approval shall be given if it is determined that the claimant has submitted all documentation required. If any documentation is missing when a claim form is sent to the division for approval, division staff will mail a letter to the claimant explaining what documentation is missing from the claimant's

## TREASURER OF STATE[781](cont'd)

submission. Level One approval shall then be applied only if all required documentation is subsequently submitted by the claimant.

**9.23(2)** Level Two approval shall be obtained from the division staff person(s) designated to approve claims at this level.

**9.23(3)** Level Three approval shall be required for claims over a cash value of \$5000 and shall be obtained from the division staff person(s) designated to approve claims at this level.

This rule is intended to implement Iowa Code section 556.19.

**781—9.24(556) Payment of claims.**

**9.24(1)** Claims shall be paid as follows:

*a.* In the case of cash claims, approval shall cause the claim to become part of the settlement process. The settlement file will be submitted to the department of administrative services for payment. State warrants will be mailed or may be obtained from the treasurer's office.

*b.* In the case of a claim requiring the transfer of stock and mutual fund shares, Level Two or Three approval shall result in the division's sending a letter to a third-party agent responsible for the transfer of ownership of the stocks/mutual funds, instructing the agent to have ownership of the appropriate number of shares of the property reregistered in the name of the claimant.

**9.24(2)** In the case of safe deposit box contents that have not been liquidated, the claimant may assume physical custody of the contents from the division. The claimant may also request that the contents be mailed to the claimant. Any contents mailed to claimants will be sent via United States Postal Service (USPS). The division is not responsible for items lost, damaged, or not delivered by the USPS.

**9.24(3)** Payment for all claims made to an owner who has been assisted by a finder shall be made only to the owner and in no instance to the finder.

This rule is intended to implement Iowa Code section 556.19.

**781—9.25(556) Surety bonds.** If the property subject to claim is a security and the original stock certificate is not available, in addition to the documentation required by rules 781—9.16(556) and 781—9.17(556), the claimant must complete the Affidavit of Lost Certificate. The treasurer of state may require the claimant to furnish the treasurer with a surety bond containing terms and provisions acceptable to the treasurer and issued by a corporate surety. The claimant shall be responsible for all premiums, costs, fees or other expenses associated with any such surety bond.

This rule is intended to implement Iowa Code section 556.20.

**781—9.26(556) Examination of holders.** The division may conduct an examination of a holder if the division has reason to believe a holder has failed to report or has underreported unclaimed property pursuant to the Act.

**9.26(1)** *Examination and review.* The treasurer may authorize employees of the treasurer and contract auditors to conduct examinations and review records in the course of an examination.

**9.26(2)** *Examination entrance letter.* The division shall send an examination entrance letter to holders selected for examination.

**9.26(3)** *Examination records request.* Holders subject to examination are required to comply with any and all requests for records that are made by the division or any contract auditor conducting an examination.

**9.26(4)** *Examination entrance conference.* The division, at its option, shall conduct an examination entrance conference with a holder prior to the commencement of an examination, at which the division shall identify the examination period and describe the general examination methods that will be used including, but not limited to, any estimation techniques that may be utilized.

This rule is intended to implement Iowa Code section 556.23.

**781—9.27(556) Estimation.** The division may use estimation techniques where no holder records exist or the records are insufficient to determine the holder's obligation due pursuant to the Act.

TREASURER OF STATE[781](cont'd)

**9.27(1)** *Report of the examination findings.* Upon completion of an examination, the division shall provide a written report reflecting the total unclaimed property reporting liability and, pursuant to the Act, any interest due on amounts due and owing for failure to report and deliver property due and payable for prior years. The division has the discretion to hold a conference with the holder to provide the written report.

**9.27(2)** *Delivery of examination findings by the holder.* The holder shall deliver to the division within 30 calendar days any unclaimed property and interest due to the division based upon the examination findings.

**9.27(3)** *Examination closure letter.* Upon receipt of the examination report and delivery of unclaimed property resulting from the examination, the division shall issue an examination closure letter informing the holder that the examination is closed.

This rule is intended to implement Iowa Code section 556.23.

**781—9.28(556) Appeal of examination findings.** A holder may appeal the examination findings of the division.

**9.28(1)** The holder may utilize the appeals process after receipt of the examination report from the division.

**9.28(2)** Failure to submit the appeal request within 30 calendar days shall constitute an acceptance of the total unclaimed property reporting liability findings.

**9.28(3)** The holder shall submit to the division a written request for an appeal along with all supporting documentation.

**9.28(4)** The division shall contact the holder and schedule an appeal meeting within 20 calendar days of receipt of the holder's appeal request.

**9.28(5)** An appeal review shall be conducted at which time the holder shall present evidence supporting the holder's basis of the appeal.

**9.28(6)** Based on the evidence and additional information presented during the appeal, the division will render a decision. Such decision will be written and sent to the holder within 30 calendar days of the appeal meeting.

**9.28(7)** The holder shall file a report with the division and deliver unclaimed property to the division reflecting the unclaimed property reporting liability and interest due on amounts due and owing as determined by the division within 30 calendar days.

This rule is intended to implement Iowa Code section 556.23.

**781—9.29(556) Entering into contracts with contract auditors.** The treasurer may enter into contracts with persons, pursuant to procedures prescribed by the treasurer, for the sole purpose of examining the records of holders to determine compliance with the Act. The treasurer may consider any relevant factors when entering into a contract for services requested in the performance of an unclaimed property examination.

This rule is intended to implement Iowa Code chapter 556.

**781—9.30(556) Guidelines.** Contract auditors shall adhere to the following guidelines.

**9.30(1)** Contract auditors shall not participate in examinations in which such participation could be construed or perceived as a conflict of interest. Should the contract auditor believe that it could not conduct an assigned examination due to a conflict of interest or for any other reason, the contract auditor shall notify the division. The division shall then determine whether recusal of the contract auditor from the assignment is appropriate or necessary. If the contract auditor is recused from conducting the examination of a holder, another contract auditor may be assigned.

**9.30(2)** Contract auditors shall maintain strict confidentiality of any nonpublic records or documents gathered during the course of an examination in accordance with the auditors' contract.

**9.30(3)** Contract auditors shall properly document their review and make their working papers gathered during examinations available on demand for review by the treasurer and the attorney general's office.

TREASURER OF STATE[781](cont'd)

**9.30(4)** Upon request, contract auditors shall provide the holder with relevant copies of working papers supporting any calculation made of unclaimed property reportable and deliverable to the treasurer.

**9.30(5)** Contract auditors shall maintain working papers for a minimum of seven years following the completion of the examination assignment, the delivery of unclaimed property, the resolution of any appeal, or the finality of judgment in any litigation, whichever is later.

**9.30(6)** Contract auditors shall conduct examinations consistent with the Act and other applicable law, policies of the treasurer, generally accepted accounting principles, generally accepted auditing standards, and any relevant examination rules promulgated pursuant to the Act as they relate to the reporting and delivery of unclaimed property from holders or persons.

This rule is intended to implement Iowa Code chapter 556.

[Filed 12/5/11, effective 2/1/12]

[Published 12/28/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.

**ARC 9943B**

## **VOTER REGISTRATION COMMISSION[821]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 47.1 and 17A.3, the Voter Registration Commission hereby adopts new Chapter 12, "Voter Notifications," Iowa Administrative Code.

New Chapter 12 requires county commissioners to send a notice to a voter when the voter's primary or general election polling place is permanently changed. Currently, voters across the state are treated inconsistently when polling place locations are permanently changed. Some voters receive notices mailed to their residences, and other voters must rely on the election publications or contact the county commissioner's office to determine the location of the voter's polling place. Rule 821—12.1(48A) requires county commissioners to notify all active voters affected by a permanent primary or general election polling place change of their new polling place location. The rule provides commissioners with the discretion to send notices to each household with an active registered voter affected by the polling place change or to each active registered voter.

This amendment was published under Notice of Intended Action in the Iowa Administrative Bulletin as **ARC 9810B** on October 19, 2011. No public comments were received. However, during the Administrative Rules Review Committee (ARRC) meeting on November 1, 2011, Senator Bartz requested additional information on potential costs of this rule to counties. This additional information was provided to the ARRC on November 8, 2011, as requested. This amendment is identical to that published under Notice of Intended Action.

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 48A.26.

This amendment will become effective February 1, 2012.

The following amendment is adopted.

Adopt the following **new** 821—Chapter 12:

### CHAPTER 12 VOTER NOTIFICATIONS

**821—12.1(48A) Primary and general election polling place change—voter notification required.** When a precinct polling place used for the primary or general election is permanently changed by the county commissioner pursuant to Iowa Code section 49.10, the county commissioner shall mail every registered voter with a status of "active" who is affected by the change a notification informing the voter of the change. The county commissioner may either send a notice of the change to each household at which a voter with a status of "active" is registered or send notice of the change

## VOTER REGISTRATION COMMISSION[821](cont'd)

to each registered voter with a status of “active.” The notification shall be sent at the time the polling place change is made.

This rule is intended to implement Iowa Code section 48A.26.

[Filed 12/7/11, effective 2/1/12]

[Published 12/28/11]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 12/28/11.