

COMMISSION MINUTES
February 11, 2025

IOWA TRANSPORTATION COMMISSION

Meeting Agenda / Commission Orders

February 11, 2025

Materials Conference Room – Iowa DOT Complex

Ames, Iowa

ITEM NUMBER	TITLE	SUBMITTED BY	PAGE
1:00 p.m.			
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TD-2025-67	* Federal Fiscal Year (FFY) 2026 Federal Aviation Administration Funding Preapplications	Shane Wright	67
1:20 p.m.	Adjourn		

* Action Item

On Tuesday, February 11, the Commission and staff will meet informally at 9:30 a.m. in the Materials Conference Room. Transportation-related matters will be discussed, but no action will be taken.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Director's Office Order No. D-2025-57
Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 11, 2025
Title Approve Minutes of the January 21, 2025 Commission Meeting

DISCUSSION/BACKGROUND:

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the minutes of the January 21, 2025 Commission meeting.

		Aye	Vote Nay	Pass
COMMISSION ACTION:	Anderson	_____	_____	_____
	Arnold	<u>X</u>	_____	_____
	Gaesser	<u>X</u>	_____	_____
	Moved by <u>Rielly</u> Seconded by <u>Juckette</u>	<u>X</u>	_____	_____
	Juckette	<u>X</u>	_____	_____
	Mulgrew Gronen	<u>X</u>	_____	_____
	Rielly	<u>X</u>	_____	_____
_____	Stutsman	<u>X</u>	_____	_____
Division Director	Legal	State Director		

Commissioner Stutsman called the meeting to order at 1:03 pm on February 11, 2025, at the Materials Conference Room in the Iowa DOT Complex, Ames, Iowa.

Commissioners present: Sally Stutsman, Ray Gaesser, Rich Arnold (remote), Linda Juckette, Mary Mulgrew Gronen, and Tom Rielly. Bill Anderson was not present.

D-2025-57

Stuart Anderson, Director, Transportation Development Division

Commissioner Stutsman asked if there was a motion to approve the minutes from the January 21, 2025, Commission meeting.

Commissioner Rielly moved and Commissioner Juckette seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

Commission Comments

None

DOT Comments

None

**DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER**

Division/Bureau/Office Transportation Development Division Order No. TD-2025-58
 Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 11, 2025
 Title Administrative Rules—761 IAC Chapter 163, Revitalize Iowa’s Sound Economy (RISE) Program

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 163 in accordance with Executive Order 10.

Proposed Chapter 163 implements a grant program utilizing the Revitalize Iowa’s Sound Economy (RISE) fund as described in Iowa Code chapter 315. The purpose of the RISE program is to promote economic development in Iowa through the establishment, construction, improvement, and maintenance of roads and streets. The RISE program is targeted toward value-adding activities to provide maximum economic impact to the state. Value-adding activities feed new dollars into the economy. As these dollars are circulated, the state experiences economic growth. Tourism activities that result in the attraction of out-of-state dollars to the state economy may also be targeted by the program. Residential development, local government facilities, local public schools, locally oriented business services and personal services are generally not value-adding activities and will rarely meet the intent of the program.

The RISE program is also administered to encourage economic diversification, new business opportunities, small business development, exporting, import substitution and tourism in Iowa.

The public comment period ended on December 17, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 163.

COMMISSION ACTION:			Vote	Aye	Nay	Pass
		Anderson	_____	_____	_____	_____
		Arnold	X	_____	_____	_____
		Gaesser	X	_____	_____	_____
Moved by	<u>Rielly</u>	Juckette	X	_____	_____	_____
		Mulgrew Gronen	X	_____	_____	_____
		Rielly	X	_____	_____	_____
		Stutsman	X	_____	_____	_____
_____	_____	_____				
Division Director	Legal	State Director				

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to RISE program and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 163, “RISE Program,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 315.10.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 312.2 and chapter 315.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 163 in compliance with Executive Order 10. Proposed Chapter 163 implements a grant program utilizing the Revitalize Iowa’s Sound Economy (RISE) fund as described in Iowa Code chapter 315. The purpose of the RISE program is to promote economic development in Iowa through the establishment, construction, improvement, and maintenance of roads and streets. The RISE program is targeted toward value-adding activities to provide maximum economic impact to the state. Value-adding activities feed new dollars into the economy. As these dollars are circulated, the state experiences economic growth. Tourism activities that result in the attraction of out-of-state dollars to the state economy may also be targeted by the program. Residential development, local government facilities, local public schools, locally oriented business services and personal services are generally not value-adding activities and will rarely meet the intent of the program.

The RISE program is also administered to encourage economic diversification, new business opportunities, small business development, exporting, import substitution and tourism in Iowa.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- October 2, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 17, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 17, 2024 10 to 10:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 833 405 957
December 17, 2024 1 to 1:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 380 796 904

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 163 and adopt the following **new** chapter in lieu thereof:

CHAPTER 163
RISE PROGRAM

761—163.1(315) General.

163.1(1) Definitions.

“*Brownfield site*” means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination.

“*Commission*” means the state transportation commission.

“*Direct jobs created*” refers to jobs new to the state in firms, developments, or sites specifically assisted by a RISE project.

“*Direct jobs retained*” refers to existing Iowa jobs that would otherwise be lost in firms, developments, or sites specifically assisted by a RISE project.

“*Economic development*” means private investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost. For the purposes of this

program, economic development is viewed from a statewide perspective rather than a local or substate, regional perspective and results in a net gain to the state.

“Funding commitment” means commission approval of the use of RISE funds for a project.

“Grant” means funds received for a RISE project with no provision for applicant repayment of principal.

“Immediate opportunity project,” one of the two types of RISE projects, is a roadway project that needs a funding commitment within a short time period and meets the threshold criteria in subrule 163.8(6). The project primarily provides improved access to a single economic unit, such as a county, a city, an industrial park, a plant or other business, a development site or a tourist attraction.

“Import substitution” means replacing inputs, products or services from out-of-state firms or locations with Iowa inputs, products or services.

“Jurisdiction” means the state, county, or city having legal authority over a road or street.

“Loan” means funds received for a RISE project with provision for applicant repayment of principal. A loan may involve the payment of interest charges.

“Local development project,” one of the two types of RISE projects, is a roadway project which is programmed through a semiannual competitive rating procedure. The project primarily provides improved access to either a single economic unit, such as a county, a city, an industrial park, a plant or other business, a development site or a tourist attraction, or to a portion of a metropolitan area.

“Project” means an eligible activity or cost or set of eligible activities or costs funded with RISE program funds. The two types of projects which may be funded under the RISE program are immediate opportunity projects and local development projects.

“RISE” means revitalize Iowa’s sound economy.

“Total capital investment” means the economic value of all permanent purchases, donations, or improvements directly associated with an economic development activity but not funded with RISE moneys, including land; improvements to land; buildings; equipment; furnishings; electric, gas, telephone, and other utilities; sanitary sewer and storm sewer extensions and hookups; and railroad spurs, access roads, parking lots, and other transportation facilities.

“Traffic impact analysis” means an analysis identifying system and immediate impacts associated with a proposed development to allow an assessment of the existing and future highway system’s safety, performance, maintenance, and capacity needs and includes all necessary information as requested by the department.

“Transportation justification” means the reasons given for a project from a transportation planning and engineering standpoint. The justification should address the current condition of existing roadways or bridges, the relationship of the project to connecting roads, anticipated total traffic, anticipated large truck traffic, proposed major design features, roadway function, and the reasons the proposed alternative was selected over other available alternatives.

“Value-adding activities” means activities that, through the employment of knowledge or labor, add value to a product, process or service that results in the creation of new wealth to the state.

163.1(2) Information and forms. Information, instructions and application forms may be obtained from the Local Systems Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; by telephone at 515.239.1738; or through the department’s website at www.iowadot.gov/systems_planning/Grant-Programs/Revitalize-Iowas-Sound-Economy-RISE-Program.

761—163.2(315) Administration of RISE program.

163.2(1) Purpose.

a. The purpose of the RISE program is to promote economic development in Iowa through the establishment, construction, improvement, and maintenance of roads and streets. The RISE program is targeted toward value-adding activities to provide maximum economic impact to the state. Value-adding activities feed new dollars into the economy. As these dollars are circulated, the state experiences economic growth. Tourism activities that result in the attraction of out-of-state dollars to the state economy may also be targeted by the program. Residential development, local government facilities, local public schools, locally oriented business services and personal services are generally not value-adding activities and will rarely meet the intent of the program.

b. The RISE program is also administered to encourage economic diversification, new business opportunities, small business development, exporting, import substitution and tourism in Iowa.

163.2(2) The RISE program is administered by the department as a statewide program, with projects evaluated primarily on the basis of economic development criteria rather than solely on the basis of transportation criteria. In carrying out its program responsibilities, the department:

a. Involves local officials in program development and periodic program review and evaluation, including evaluation of the accomplishments and effectiveness of the RISE program. However, all project funding decisions are the responsibility of the commission.

b. Simplifies application processes and administrative procedures to the maximum practicable extent.

c. Designs the RISE program administrative procedures to be flexible enough to meet county and city needs.

d. Ensures neutrality and fairness in the treatment of all applications submitted for funding under the RISE program.

e. Promotes intergovernmental cooperation on economic development.

f. Promotes the use of innovative financing mechanisms for RISE projects.

163.2(3) The commission is responsible for all RISE project funding commitments. All project funding commitments are made subject to the availability of RISE funds.

163.2(4) The department will annually prepare a written report indicating the amount and percentage of funds committed during the previous year on primary roads, secondary roads, city streets, state park roads and county conservation parkways.

761—163.3(312,315) Allocation and use of RISE funds.

163.3(1) *Allocation among roadway jurisdictions.* The RISE fund is allocated for use on primary, city, and county roads.

163.3(2) *Funding limited to public roads.* The use of RISE funds is limited to construction or improvement of primary roads, secondary roads, city streets, state park roads and county conservation parkways presently open to public use or ones that will be dedicated and open to public use in the future. RISE funds are not to be used for private road projects or for any other private purpose. Project activities eligible for funding under the RISE program are listed in rule 761—163.6(315).

163.3(3) *Use of county or city RISE funds on primary road projects.* Counties or cities may at their option make application to the department to apply RISE funds allocated for use on secondary road or city street projects toward primary road projects. Use of county or city RISE funds on primary road projects is to be approved by the commission.

163.3(4) *Type of projects.* The two types of projects that may be funded under the RISE program are immediate opportunity projects and local development projects as described in the following rules of this chapter:

a. Immediate opportunity projects: rule 761—163.8(315).

b. Local development projects: rule 761—163.9(315).

163.3(5) *Relationship of project.* The demonstrated relationship of a project to economic development is generally the main criterion employed in determining the priority for funding. The department will assign the lowest priority to a project if it involves a business with wages substantially below other area businesses or with a consistent record of law violations. In terms of project type, immediate opportunity projects are prioritized for all available RISE funds.

163.3(6) *Use of repaid funds.* RISE funds repaid to the department for any reason may be used for other projects or carried over to the next programming cycle. RISE funds repaid are to be credited to the share of the fund from which the project was originally funded.

163.3(7) *Carryover of funds.* The commission need not commit the spending of all RISE funds available during a programming cycle. Uncommitted city funds may be carried over to the next programming cycle or used for immediate opportunity projects. On June 30 of each year, all uncommitted county funds are to be credited to the secondary road fund.

163.3(8) *Reserve for future needs and contingencies.* The commission will monitor RISE fund commitments and expected RISE fund cash flow and take actions necessary to ensure that funds remain

available for anticipated present and future immediate opportunity project needs and other contingencies. Such actions may include placing a moratorium on the receipt and award of local development RISE applications, placing a limit on RISE dollars awarded to each project, or taking other actions at the discretion of the commission.

761—163.4(315) Project financing and funding shares.

163.4(1) *Financing.* Applicants may choose to propose grant financing for any RISE project. Applicants are encouraged to propose below-market rate interest loans, no interest loans, or partial principal payback rather than grant financing for RISE projects. The extent to which a project will return moneys to the RISE fund is to be considered in project evaluation processes. Final financial terms for all RISE projects are subject to negotiation between the department and the applicant and approval by the commission.

163.4(2) *Funding shares.* Applicants may propose the proportions and sources of RISE and non-RISE funds to be used for a project. Use of RISE funds are subject to commission approval.

761—163.5(315) Eligibility of applicants and joint applications.

163.5(1) *Applicant eligibility.* All incorporated cities and all counties in the state of Iowa are eligible to apply for and receive funds under the RISE program. The department is also eligible to initiate projects and receive funds under this program but need not formally apply for funds. Private firms or developers or other agencies are not eligible to apply directly for funds but are encouraged to work with county or city governments in seeking funding for projects. In any case, all projects are to be let by the applicant or through the department's contracts and specifications bureau and in accordance with all applicable laws and rules.

163.5(2) *Joint applications.* Joint applications from two or more counties or cities are encouraged when mutual action supports economic development. Joint applications are to designate a lead county or city to serve as a principal contact point for the department.

761—163.6(315) Project activities eligible and ineligible for RISE funds.

163.6(1) *Eligible activities.* Project activities or costs eligible for RISE funding and that may be counted as part of the non-RISE participation in immediate opportunity and local development roadway projects include only the following:

a. Roadway resurfacing, rehabilitation, modernization, upgrading, reconstruction or initial construction, including grading and drainage, paving, erosion control, pavement overlays, and shoulder widening and stabilization.

b. Bridge and culvert repair, modernization, replacement or initial construction.

c. Roadway intersection and interchange improvements, including warranted traffic signalization when it is integral to the improvement.

d. Public transportation system improvements, including but not limited to bus shelters, bus turnouts, and passenger information signage, when they are integral to the roadway improvement.

e. Bicycle and pedestrian infrastructure improvements, including but not limited to sidewalks, at-grade pedestrian crossings, bike lanes, and separated bike lanes, when they are integral to the roadway improvement.

f. Right-of-way acquisition costs, including but not limited to appraisals, negotiation, compensation, and cultural resources surveys necessary to comply with applicable local, state and federal laws, rules and regulations.

g. Construction or improvement of motorist rest areas, welcome centers, and information centers.

h. Design engineering costs leading to construction plan development and construction inspection costs associated with RISE-financed projects.

i. County and city bond principal and interest payments associated only with RISE projects. No financing expenses incurred prior to funding commitment are eligible, and no administrative or legal expenses may be reimbursed. The bond term is limited to the expected useful life of the roadway.

j. Storm drainage and storm sewer costs to the extent needed for draining the roadway.

k. Reconstruction or adjustment of utilities, including but not limited to water, sanitary sewer, electric, telephone, and natural gas, when utilities are located on private property and replacement or relocation due to project construction is necessary or when said utilities are located in the public right-of-way and agreements in place allow for compensation to the utility if relocation is necessary.

l. Costs associated with the acquisition of local, state and federal permits are limited to those directly related to the roadway construction.

m. Costs of modifications to railroad facilities are limited to those necessary to construct the RISE roadway, including but not limited to construction, hiring flaggers, and engineering performed by the railroad or the railroad's contractor, that are consistent with an executed agreement between the railroad and the roadway jurisdiction.

163.6(2) Ineligible activities. Activities or costs ineligible for RISE funding and that are excluded from the non-RISE participation in immediate opportunity or local development roadway projects include but are not limited to the following:

a. Any and all costs incurred prior to a funding commitment by the commission notwithstanding rule 761—163.7(315).

b. Routine roadway, bridge and culvert maintenance, including but not limited to pothole filling, crack sealing, seal coating, patching, shoulder maintenance, gravel or earth roadway maintenance, and bridge painting.

c. Winter roadway and bridge maintenance, including but not limited to snow plowing, sanding, and salting.

d. Overhead and operating costs associated with eligible project activities, including auditing.

e. Expenses associated with the preparation and submission of applications for RISE funding.

f. Predesign engineering, feasibility or alignment studies and other planning expenses.

g. Traffic signalization, except as an integral part of a roadway project.

h. Pavement marking and traffic signs, except as an integral part of a roadway project.

i. Utility construction, reconstruction or adjustment, except for those activities or costs described in subrule 163.6(1).

j. Safety appurtenances, except as an integral part of a roadway project.

k. Lighting, except as an integral part of a roadway project.

l. Lighting energy and maintenance costs.

m. Sidewalks, bicycle paths, and railroad-highway crossings, except when replacing those facilities in service and affected by the project or as an integral part of a roadway project.

n. Parking expenditures, including those for structures, lots, meters, paving, and marking whether for on-street or off-street parking.

o. Nonroadway transportation expenditures, including those for railway, aviation, public transportation, and inland waterway facilities and equipment.

p. Purchase of furnishings, construction equipment, and personal property.

q. General government expenses and expenses associated with the provision of any public service that are not eligible for RISE program assistance.

r. Donated right-of-way.

761—163.7(315) Advance eligibility of land acquisition and preliminary design costs incurred prior to funding commitment by commission.

163.7(1) Need for advance eligibility. If there is extreme urgency involving land acquisition or preliminary design and a necessity to protect or preserve a project corridor or to proceed with the preparation of project construction plans prior to a RISE funding commitment, a potential applicant may submit a written request to the department for a determination of advance eligibility to incur costs for land acquisition or preliminary design immediately. A determination of advance eligibility by the department will allow specified costs incurred prior to a funding commitment by the commission to be eligible for reimbursement with RISE funding without jeopardizing the project's eligibility for funding approval but does not imply or guarantee that the commission will commit RISE funding to a subsequent application.

163.7(2) Request, justification and review. The request is to be received by the department prior to the expenditure and is to include justification regarding the extreme urgency and necessity to incur costs prior to a RISE funding commitment. A request for land acquisition is to also include a description of the land to be acquired, a summary of the estimated costs, and a map showing the parcels to be acquired. Preliminary design requests are to include a description of the project scope, location map, and proposed cross section. If the request will include consultant design costs, a draft agreement between the jurisdiction and the consultant is to be submitted that includes the scope of services to be rendered. Costs for RISE application preparation and submission or project feasibility, route alignment studies or other planning expenses as cited in paragraphs 163.6(2) “e” and “f” remain ineligible for RISE funding and are not to be included in a request for determination of advance eligibility. The department will review the submittal and provide written confirmation of the determination of advance eligibility following receipt of a request consistent with this rule.

163.7(3) Eligibility of costs for reimbursement. Any cost incurred before the request is received by the department will be ineligible for reimbursement. Costs receiving a determination of advance eligibility are to be noted in the subsequent RISE funding application submitted to the department. Land acquired or design work completed following a determination of advance eligibility will not be eligible for reimbursement with RISE funds if the property acquired or design work completed is not necessary to construct the proposed RISE project included in the subsequent application. Design costs receiving a determination of advance eligibility are not to exceed 10 percent of the total construction costs for the project. An application for funding that includes the expenditure is to be received by the department within two years following the determination of advance eligibility, or the costs may become ineligible for RISE funding.

761—163.8(315) Immediate opportunity projects.

163.8(1) General provisions. The following provisions are applicable to immediate opportunity projects:

- a. Immediate opportunity projects may be located on primary roads, secondary roads, city streets, state park roads or county conservation parkways.
- b. There is no limit on the number of applications per county or city that will be considered for RISE funding.
- c. Counties and cities may apply for single-year or multiyear funding. Multiyear funding is to be limited to funding commitments from no more than three program years’ allocations.
- d. Applicants may use staff from other counties or cities, areawide planning organizations, areawide economic development organizations, or other jurisdictions to prepare application materials or administer projects.
- e. An adequate transportation justification for the roadway project is to be provided. The proposed improvement need not be designed prior to project application, but the concept is to generally be reasonable from a transportation planning and engineering standpoint and detailed enough to enable project cost estimates to be developed.

163.8(2) Contents of applications. Each application for an immediate opportunity project is to contain the following:

- a. General information, including the applicant’s name, contact person, mailing address, telephone number, local economic development area and history of efforts in the area, and other information of a general nature about the project proposal and the associated economic development activity.
- b. Cost information, including the estimated total capital investment involved with the associated economic development activity, the estimated total cost of the roadway project, the amount of RISE funds requested for the roadway project, and the amount of non-RISE funds to be used to match or supplement RISE funding. Itemized breakdowns (showing the item, cost, and funding source) are to be included for the total capital investment, the total roadway project cost, the RISE funds requested, and the non-RISE funds to be used to match or supplement RISE funding.
- c. Data showing the impact of the associated economic development activity, including the number of direct jobs created or direct jobs retained. Jobs created as a result of jobs being displaced

elsewhere in the state are not to be considered direct jobs created for the purpose of evaluating the application.

(1) To expedite the review, the applicant is to provide the following data for each business included in the project justification: a list of in-state competitors; a list of in-state suppliers; the percentage of out-of-state sales; the effect on import substitution; long-range growth potential; and a list of all current and anticipated employment positions, both full- and part-time, the hourly wage for each, and the turnover rate.

(2) The applicant is to certify that each business will give hiring preference to residents of the state or local area, except for out-of-state employees offered a transfer to Iowa.

d. A preliminary project concept statement for the roadway project, including maps showing site characteristics, such as zoning, platting, subdivision boundaries, and corporate limits; a sketch plan; and a justification for the transportation improvement. In most cases, a sketch plan should include a simple plan and profile defining the horizontal and vertical geometrics and a typical roadway cross section defining pavement, shoulders, foreslope, and backslope or border treatment. The transportation justification should address topics such as the current condition of existing roadways or bridges, the relationship of the project to connecting roads, and ingress to and egress from the site, as well as the current flow of traffic on the development site, anticipated total traffic and large truck traffic, proposed major design features of the proposed improvement, the intended roadway function, how the proposed improvement is consistent with other local plans, and the reason the proposed alternative was selected over other alternatives. The department may request completion of a traffic impact analysis to supplement the transportation justification before it is reviewed.

e. A time schedule for the total development, including the roadway project and the associated economic development activity.

f. A formal resolution passed by the governing body of the jurisdiction responsible or to be responsible for the road or street to be constructed or improved. The resolution is to state that the project will be adequately maintained and dedicated to public use for a minimum of 20 years after completion of the project and that land provided access by the proposed improvement will be developed according to rule 761—163.2(315). The resolution is to also certify that the project meets the threshold criteria cited in paragraph 163.8(6)“*a*” and that any business assisted by the project that acquires or merges with an Iowa corporation within three years following the RISE application intends to make a good-faith effort to hire the workers of the merged or acquired company.

g. Documentation showing that the threshold criteria of subrule 163.8(6) have been met.

163.8(3) *Submission of applications.* Applications are to be submitted on a form provided by the department and may be submitted at any time. Once an application has been submitted, no further information concerning that application is accepted by the department from the applicant unless specifically requested by the department. Applications may be withdrawn by the applicant and resubmitted at any time. Resubmitted applications are to be dated accordingly.

163.8(4) *Incomplete applications.* An applicant is to fully complete the official application form and provide all other information identified in this chapter before the application will be considered by the commission.

163.8(5) *Verification of application materials.* Complete applications are reviewed to verify the figures or statements in the applications. This may include site visits. If inaccuracies, omissions, or errors are found, the commission may rescind the commitment of funds or reevaluate the application based on the correct information. If an applicant loses funding through this process, the commission has complete discretion concerning the disposition of those funds, including awarding them to other applicants or carrying them over to the next programming cycle.

163.8(6) *Threshold criteria.* Funding commitment decisions for immediate opportunity projects are made on an individual basis. There is no competitive ranking of project applications. In order to gain a funding commitment, an application is to meet all of the following threshold criteria:

a. The project is to be related to an immediate, nonspeculative opportunity for permanent job creation or retention. The applicant county or city (or its agent) should be in the process of negotiating a location or retention decision with a developer or firm.

b. The applicant is to demonstrate that an immediate funding commitment is essential to influence the job location or retention decision.

c. The applicant is to demonstrate that necessary arrangements have been made for nonroadway factors (e.g., labor force training, zoning, sewer, water, police and fire protection, financing, and permits) essential for the proposed job creation or job retention activity.

d. The applicant is to commit to providing at least 20 percent non-RISE financial participation in the roadway project, except the commission may approve a participation amount that is less than 20 percent if it determines that the applicant city or county is economically distressed.

e. There is to be a strong likelihood that the total development, including the roadway project, can be completed in a timely manner. It is up to the applicant to identify a time schedule and maintain it. This time schedule may be adjusted for such reasons, including but not limited to the project involves unusually complex engineering studies, extensive real estate negotiations, extensive analysis for environmental clearances, or unusually complex planning for associated development. The commission may withdraw funding if time schedules have been misrepresented or have not been maintained.

163.8(7) Review and funding of applications.

a. Department staff reviews complete immediate opportunity project applications and may consult with other organizations with economic development responsibilities. As part of the review, the staff evaluates the effect of the proposed project on the state economy using the following factors: consistency with the state economic development plan; diversification of the state economy; the impact on in-state suppliers, competitors, and import substitution; percentage of out-of-state sales; the quality of employment positions; and the record of law violations. This review is to be performed within a reasonable period of time after receipt of the application. Following this review, complete applications meeting the threshold criteria of subrule 163.8(6) are to be forwarded to the commission for action at its next meeting.

b. The commission may fund all or any part of an application and may make a conditional funding commitment. In making its decision, the commission will consider the amount of total capital investment per RISE dollar requested and the amount of RISE dollars requested per job created or retained.

c. The commission may deny funding for projects that will not result in net job creation or job retention from a statewide point of view, for instance, projects that simply involve the relocation of jobs or other economic activity within Iowa.

d. Immediate opportunity project applications may, at the discretion of the commission, be considered as applications for local development projects and included in the current round of local development project programming, regardless of the deadlines stated in subrule 163.9(3). However, immediate opportunity project applications submitted solely to circumvent the deadlines for local development project applications are not to be considered in this manner.

761—163.9(315) Local development projects.

163.9(1) General provisions. The following provisions are applicable to local development projects:

a. Local development projects may be located on primary roads, secondary roads, city streets, state park roads or county conservation parkways.

b. There is no limit on the number of applications per county or city that will be considered for RISE funding.

c. Counties and cities may apply for single-year or multiyear funding. Multiyear funding is to be limited to funding commitments from no more than three program years' allocations.

d. Applicants may use staff from other counties or cities, areawide planning organizations, areawide economic development organizations, or other jurisdictions to prepare application materials or administer projects.

e. An adequate transportation justification for the roadway project is to be provided. The proposed improvement need not be designed prior to project application, but the concept is to generally be reasonable from a transportation planning and engineering standpoint and detailed enough to enable project cost estimates to be developed.

163.9(2) Contents of applications. Each application for a local development project is to contain the following:

a. General information, including the applicant's name, contact person, mailing address, telephone number, local economic development program and history of efforts in the area, and other information of a general nature about the project proposal and the associated economic development activity.

b. Cost information, including the estimated total capital investment involved with the associated economic development activity, the estimated total cost of the roadway project, the amount of RISE funds requested for the roadway project, and the amount of non-RISE funds to be used to match or supplement RISE funding. Itemized breakdowns (showing the item, cost and funding source) are to be included for the total capital investment, the total roadway project cost, the RISE funds requested, and the non-RISE funds to be used to match or supplement RISE funding.

c. Data showing the impact of the associated economic development activity, including the number of direct jobs created or retained. Jobs created as a result of jobs being displaced elsewhere in the state are not to be considered direct jobs created for the purpose of evaluating the application.

(1) To expedite the review, the applicant is to provide the following data for each business included in the project justification: a list of in-state competitors; a list of in-state suppliers; the percentage of out-of-state sales; the effect on import substitution; long-range growth potential; and a list of all current and anticipated employment positions, both full- and part-time, the hourly wage for each, and the turnover rate.

(2) The applicant is to certify that each business will give hiring preference to residents of the state or local area, except for out-of-state employees offered a transfer to Iowa.

d. A preliminary project concept statement for the roadway project, including maps showing site characteristics such as zoning, platting, subdivision boundaries, and corporate limits; a sketch plan; and a justification for the transportation improvement. In most cases, a sketch plan should include a simple plan and profile defining the horizontal and vertical geometrics and a typical roadway cross section defining pavement, shoulders, foreslope, and backslope or border treatment. The transportation justification should address topics such as the current condition of existing roadways or bridges, the relationship of the project to connecting roads, and ingress to and egress from the site, as well as the current flow of traffic on the development site, anticipated total traffic and large truck traffic, proposed major design features of the proposed improvement, the intended roadway function, how the proposed improvement is consistent with other local plans, and the reason the proposed alternative was selected over other alternatives. The department may request completion of a traffic impact analysis to supplement the transportation justification before it is reviewed.

e. A time schedule for the total development, including the roadway project and the associated economic development activity.

f. A formal resolution passed by the governing body of the jurisdiction responsible or to be responsible for the road or street to be constructed or improved. The resolution is to state that the project will be adequately maintained and dedicated to public use for a minimum of 20 years after completion of the project and that land provided access by the proposed improvement will be developed according to rule 761—163.2(315). The resolution is to also certify that any business assisted by the project that acquires or merges with an Iowa corporation within three years following the RISE application intends to make a good-faith effort to hire the workers of the merged or acquired company.

g. A summary showing that necessary arrangements have been made for nonroadway factors (e.g., zoning, sewer, water, police and fire protection, financing, and permits) essential for the proposed economic development activity.

163.9(3) Submission of applications. Applications are to be submitted on a form provided by the department.

a. Applications may be submitted at any time. However, in order to be considered in the current round of programming, complete applications are to be received by the department or postmarked no later than February 1 or September 1.

b. Once an application has been submitted, no further information concerning that application is accepted by the department from the applicant unless specifically requested by the department.

Applications may be withdrawn by the applicant and resubmitted at any time. Resubmitted applications are to be dated accordingly.

163.9(4) *Incomplete applications.* An applicant is to fully complete the official application form and provide all other information identified in this chapter before the application will be considered by the commission. An applicant is to be notified if an application is incomplete.

163.9(5) *Verification of application materials.* Complete applications are reviewed to verify the figures or statements in the applications. This may include site visits. If inaccuracies, omissions, or errors are found, the commission may rescind the commitment of funds or reevaluate the application based on the correct information. If an applicant loses funding through this process, the commission has complete discretion concerning the disposition of those funds, including awarding them to other applicants or carrying them over to the next programming cycle.

163.9(6) *Rating factors.* The following factors and potential rating points are to be used in assessing applications for local development projects. Assessment of these factors is to be the responsibility of the department.

a. Development potential. This factor measures the degree of certainty involved in the economic development activity to be supported by the proposed RISE project and the potential for future job growth. Maximum points: 35.

b. Economic impact. This factor measures the economic impact of the development activity to be supported by the proposed RISE project, including the number of direct jobs assisted, investment leveraging, the percentage of out-of-state sales and in-state suppliers, the impact on competition and diversification, and the quality of job factors. Maximum points: 20.

c. Local commitment and initiative. This factor measures the level of effort being put forth by the applicant to attract economic development and the adequacy of the supporting infrastructure. Maximum points: 35 (includes 5 points for the remediation or redevelopment of a brownfield site).

d. Transportation need. This factor measures the condition and quality of existing road or street service. Maximum points: 4.

e. Area economic need. This factor measures the economic condition of the area. Maximum points: 6.

163.9(7) *Review and funding of applications.*

a. The staff of the department reviews and rates complete local development project applications and may consult with other organizations with economic development responsibilities. As part of the review, the staff evaluates the effect of the proposed project on the state economy using the following factors: consistency with the state economic development plan; diversification of the state economy; the impact on in-state suppliers, competitors, and import substitution; percentage of out-of-state sales; the quality of employment positions; and the record of law violations. Complete applications are to be forwarded to the commission for a funding commitment action within a reasonable period of time after the application deadline. An application considered but not funded in one programming cycle is not to be considered in a subsequent cycle without resubmittal by the applicant.

b. The commission may fund all or any part of an application and may make a funding commitment conditional upon adherence to a specific time schedule, realization of a development prospect, or fulfillment of other agreements.

761—163.10(315) Project administration.

163.10(1) *Agreement.* After a funding commitment has been made for a project, the department enters into a project agreement with the applicant. The agreement is to delineate responsibilities for project planning, design, right-of-way, contracting, construction and materials inspection, and documentation. The agreement is to identify any additional stipulations regarding the project relating to specific jobs to be created or retained and land development contingencies consistent with rule 761—163.2(315). Procedures for documenting compliance with the agreement terms will also be identified in the agreement. By executing the agreement, the applicant agrees to comply with all local, state, and federal laws and rules and regulations that may apply to the project.

163.10(2) *Project payments.* Payments from the RISE fund to counties or cities are to be made on a cost reimbursement basis, and financial participation is to be limited to the maximum percentage

allowed by the funding commitment. The non-RISE financial participation is to include only those items listed as eligible for RISE funding and may be in the form of cash, the value of design engineering and construction inspection services, or the cost of eligible advance right-of-way acquisitions or preliminary design pursuant to rule 761—163.7(315). Grants from other state agencies or programs may also contribute to the non-RISE financial participation if their laws and rules allow. The applicant is to provide documentation to the department supporting the value of any noncash contribution to the project. The department has the sole authority to determine the value of noncash contributions. Contributions made by a third party may be allowed.

163.10(3) *Project expenditures incurred prior to agreement.* Project expenditures incurred after the commission has made a funding commitment, but before execution of the agreement, are eligible for reimbursement if a project agreement is subsequently executed. Reimbursement is to be paid following execution of the agreement.

163.10(4) *Remedies for noncompliance with project agreement.* The commission may revoke funding commitments, demand repayment of RISE funds loaned or granted or take both actions when the county or city has not fulfilled the terms of the project agreement.

163.10(5) *Cost overruns.* RISE funds committed for projects are for a maximum dollar amount. Cost overruns are the responsibility of the administering jurisdiction.

163.10(6) *Audit.* The department may audit all project costs incurred for compliance with the agreement, including costs that are part of the matching contribution. All force account work performed by a county or city on the project is to be audited.

These rules are intended to implement Iowa Code section 312.2 and chapter 315.

TD-2025-58

Stuart Anderson, Director, Transportation Development Division

Commissioner Stutsman commented that while it may seem they are moving through these rule actions quickly, they did have an opportunity to review and discuss at their workshop in the morning.

Stuart Anderson explained that the rulemaking proposes to rescind and repromulgate Chapter 163 in accordance with Executive Order 10.

Proposed Chapter 163 implements a grant program utilizing the Revitalize Iowa's Sound Economy (RISE) fund as described in Iowa Code chapter 315. The purpose of the RISE program is to promote economic development in Iowa through the establishment, construction, improvement, and maintenance of roads and streets. The RISE program is targeted toward value-adding activities to provide maximum economic impact to the state. Value-adding activities feed new dollars into the economy. As these dollars are circulated, the state experiences economic growth. Tourism activities that result in the attraction of out-of-state dollars to the state economy may also be targeted by the RISE program.

The RISE program is also administered to encourage economic diversification, new business opportunities, small business development, exporting, import substitution, and tourism in Iowa.

The public comment period ended on December 17, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the Notice of Intended Action attached to the Commission Order.

It is recommended that the Commission approve repromulgating Chapter 163.

Commissioner Rielly moved and Commissioner Mulgrew Gronen seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Transportation Development Division Order No. TD-2025-59
Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 11, 2025
Title Administrative Rules-761 IAC Chapter 165, Recreational Trails Program

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 165 in accordance with Executive Order 10.

Proposed Chapter 165 implements a statewide trails program as described in Iowa Code chapter 465B. The recreational trails program provides funds to establish recreational trails in Iowa for the use, enjoyment and participation of the public.

The public comment period ended on December 17, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 165.

COMMISSION ACTION:

Moved by Juckette Seconded by Gaesser

	Aye	Nay	Pass
Anderson			
Arnold	X		
Gaesser	X		
Juckette	X		
Mulgrew Gronen	X		
Rielly	X		
Stutsman	X		

Division Director Legal State Director

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

**Proposing rulemaking related to recreational trails program
and providing an opportunity for public comment**

The Transportation Department hereby proposes to rescind Chapter 165, “Recreational Trails Program,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 465B.2.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 465B.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 165 in compliance with Executive Order 10. Proposed Chapter 165 implements a statewide trails program as described in Iowa Code chapter 465B. The recreational trails program provides funds to establish recreational trails in Iowa for the use, enjoyment and participation of the public.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- October 2, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 17, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 17, 2024
11 to 11:30 a.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 602 779 338

December 17, 2024
2 to 2:30 p.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 377 975 306

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 165 and adopt the following **new** chapter in lieu thereof:

CHAPTER 165 RECREATIONAL TRAILS PROGRAM

761—165.1(465B) General.

165.1(1) Definitions.

“*Authority*” means a state or local government agency, municipal corporation, county or nonprofit organization having authority and responsibility for a trail.

“*Commission*” means the state transportation commission.

“*Recreational trail*” means a thoroughfare or track across land or snow, used for recreational purposes, such as pedestrian activities, including wheelchair use; skating or skateboarding; equestrian activities, including carriage driving; nonmotorized snow trail activities, including skiing; bicycling or use of other human-powered vehicles; providing access to aquatic or water activities; and motorized vehicular activities, including all-terrain vehicle riding, motorcycling, snowmobiling, use of off-road light trucks, or use of other off-road motorized vehicles.

“*Recreational trails funds*” means funds appropriated for the acquisition, construction, and improvement of recreational trails.

165.1(2) Information and forms. Information, instructions and application forms may be obtained from the Local Systems Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone 515.239.1252; or through the department's website at www.iowadot.gov/systems_planning/Grant-Programs/-Federal-and-State-Recreational-Trails.

761—165.2(465B) Program administration.

165.2(1) Purpose. The recreational trails program provides funds to establish recreational trails in Iowa for the use, enjoyment and participation of the public. The department administers the recreational trails fund as a statewide program.

165.2(2) Funding.

a. The commission is solely responsible for all funding commitments and determines the projects to be funded, subject to the availability of recreational trails funds. The commission may approve, modify, or deny an application. The commission may fund all or part of a project and may make funding conditional upon adherence to a time schedule or to fulfillment of an agreement.

b. The commission need not commit all funds available during a programming cycle. The commission may reserve unexpended or repaid funds for the next programming cycle or for anticipated present and future project needs and other contingencies.

c. Project costs that exceed the commission's funding commitment are not eligible for reimbursement from the recreational trails fund. Reimbursement for project costs is limited to the percentage match approved by the commission and actual eligible project costs incurred.

761—165.3(465B) Applicant eligibility.

165.3(1) A state or local government agency, a municipal corporation, a county or a nonprofit organization is eligible to apply for and receive funds from the recreational trails program.

165.3(2) A private business or developer is not eligible to apply directly for funds from the recreational trails program.

761—165.4(465B) Project eligibility.

165.4(1) *Public use.* The recreational trails program is limited to the acquisition, construction or improvement of recreational trails open for public use or trails that will be dedicated to public use upon completion. A private trail project or a project for a private purpose is not eligible for funding under this program.

165.4(2) *Criteria.* A proposed recreational trails project is to meet all of the following:

a. The project is to be part of a local, areawide, regional or statewide plan.

b. The trail route is to be designed to allow enjoyment of scenic views or points of historical interest and to maximize safety. The route may use existing roads, streets or parkways, if the normal flow of motor vehicle traffic will not be hindered; abandoned railroad corridors; utility corridors; or new right-of-way as necessary.

c. The project is to include a contribution of at least 25 percent matching funds.

d. Matching funds may include grants from other state agencies or programs if their laws and rules allow and the donation of in-kind labor, materials, equipment, and services from a third party. The department has the sole authority to determine the value of noncash contributions. The value of donated land may be an eligible matching contribution if:

(1) The land is donated after the commission's funding commitment, and

(2) The value is based on a real estate appraisal acceptable to the department. The appraisal is subject to review and approval by the department after a funding commitment has been made.

761—165.5(465B) Eligible project costs.

165.5(1) *Land.* Land acquisition costs, including but not limited to appraisals, negotiation, compensation and cultural resources surveys necessary to comply with applicable local, state and federal laws, rules and regulations, are eligible project costs. Land may be acquired by lease, easement or fee simple and as allowed by Iowa Code section 6A.21. The performance of land negotiation and acquisition activities is not the responsibility of the department, although the department may provide advisory services.

165.5(2) *Other eligible costs.* Other project costs that are eligible for funding are limited to the following:

a. Trail surfacing, resurfacing, rehabilitation, modernization, upgrading and reconstruction, including pavement repairs and overlays and shoulder widening and stabilization; or initial trail construction, including grading, drainage, paving and erosion control.

b. Bridge and culvert repair, modernization, replacement or initial construction.

c. Roadway intersection and interchange improvements, including warranted traffic signalization that is an integral part of the project.

d. Construction or improvement of rest areas, information centers, waysides, permanent interpretive displays, lighting and rest rooms, including the costs of utility connections that are an integral part of the project.

e. Design engineering costs leading to construction plan development and construction inspection costs directly associated with the project.

f. Storm drainage and storm sewer costs to the extent needed for draining the trail.

g. Reconstruction or adjustment of utilities, including but not limited to water, sanitary sewer, electric, telephone, and natural gas when utilities are located on private property and replacement or relocation due to project construction is necessary; or said utilities are located in the public right-of-way and agreements in place allow for compensation to the utility if relocation is necessary.

h. Trail signs, fencing, landscaping, parking areas, and walkways.

761—165.6(465B) Ineligible project costs.

165.6(1) *Before commission approval.* Any and all costs incurred prior to a funding commitment by the commission are ineligible for funding notwithstanding rule 761—165.7(465B).

165.6(2) *Other ineligible costs.* Other project costs that are ineligible for funding include but are not limited to the following:

a. Routine maintenance of a trail, bridge, culvert, fence or sign; winter maintenance of a trail or bridge, including but not limited to snow plowing, sanding, and salting.

b. Overhead and operating costs associated with a project, such as auditing, legal and administrative costs.

c. Expenses associated with the preparation and submission of a project application.

d. Predesign engineering, feasibility, or alignment studies and other planning expenses.

e. Utility construction, reconstruction or adjustment except for those activities or costs described in subrule 165.5(2).

f. Pavement markings, traffic signs, safety appurtenances or lighting except as an integral part of a trail project.

g. Purchases of office furnishings or equipment, construction or maintenance equipment, or personal property.

h. General government expenses and expenses associated with the provision of any public service that are not otherwise eligible for project funding.

761—165.7(465B) Advance eligibility of land acquisition and preliminary design costs incurred prior to funding commitment by commission.

165.7(1) *Need for advance eligibility.* If there is extreme urgency involving land acquisition or preliminary design and a necessity to protect or preserve a project corridor or to proceed with the preparation of project construction plans prior to a recreational trails program funding commitment, a potential applicant may submit a written request to the department for a determination of advance eligibility to incur costs for land acquisition or preliminary design immediately. A determination of advance eligibility by the department will allow specified costs incurred prior to a funding commitment by the commission to be eligible for reimbursement with recreational trails program funding without jeopardizing the project's eligibility for funding approval but does not imply or guarantee that the commission will commit recreational trails program funding to a subsequent application.

165.7(2) *Request, justification and review.* The request is to be received by the department prior to the expenditure and is to include justification regarding the extreme urgency and necessity to incur costs prior to a recreational trails program funding commitment. A request for land acquisition is to also include a description of the land to be acquired, a summary of the estimated costs, and a map showing the parcels to be acquired. Preliminary design requests are to include a description of the project scope, location map, and proposed cross section. If the request will include consultant design costs, a draft agreement between the jurisdiction and the consultant is to be submitted that includes the scope of services to be rendered. Costs for recreational trails program application preparation and submission or project feasibility, route alignment studies or other planning expenses as cited in paragraphs 165.6(2) "c" and "d" remain ineligible for recreational trails program funding and are not to be included in a request

for determination of advance eligibility. The department will review the submittal. The department will provide written confirmation of the determination of advance eligibility following receipt of a request consistent with this rule.

165.7(3) Eligibility of costs for reimbursement. Any cost incurred before the request is received by the department will be ineligible for reimbursement. Costs receiving a determination of advance eligibility are to be noted in the subsequent recreational trails program funding application submitted to the department. Land acquired or design work completed following a determination of advance eligibility will not be eligible for reimbursement with recreational trails program funds if the property acquired or design work completed is not necessary to construct the proposed recreational trails program project included in the subsequent application. Design costs receiving a determination of advance eligibility are not to exceed 10 percent of the total construction costs for the project. An application for funding that includes the expenditure is to be received by the department within two years following the determination of advance eligibility, or the costs may become ineligible for recreational trails program funding.

761—165.8(465B) Application.

165.8(1) Submission. An eligible applicant is to complete and submit an application on a form and in the quantity prescribed by the department.

- a. An eligible applicant may submit more than one application in a funding cycle.
- b. Two or more eligible applicants may submit a joint application and are encouraged to do so when mutual action supports the development of the project. A joint application is to designate a lead applicant to serve as the principal contact with the department.
- c. The application deadline is to be on the first day of the fiscal year for which funding has been provided to the program and any additional stated deadline as deemed necessary by the department to fully award program funding.
- d. Applications are to be received by the department by the stated application deadline.
- e. All applications for funding are to be complete. The department reserves the right to return an incomplete application to the applicant without further consideration for funding. An applicant may then submit a completed application for the next available funding cycle.
- f. An application that is considered but not funded in one funding cycle may be resubmitted by the applicant for consideration in the next cycle.

165.8(2) Contents of application. Each application is to contain the following:

- a. The applicant's name, mailing address, email address, and telephone number, and the contact person who will serve as liaison with the department.
- b. A project concept statement, including a location map, a cross section and a sketch of the project intended to be constructed with program funds. The proposed project need not be designed before applying, but the concept is to be reasonable from a transportation engineering standpoint and detailed enough to generate project cost estimates.
- c. An itemized cost estimate for the total project to be constructed, showing for each item the cost and funding source. When a project is part of a larger multiphase project, the application is to differentiate the costs and scope of the proposed construction project from the costs and scope of the overall multiphase project.
- d. A time schedule for project completion. A time schedule adjustment may be approved by the department if the project involves unusually complex studies, extensive real estate negotiations, extensive analyses for environmental clearances, complex planning for associated developments, or another compelling reason.
- e. An adequate justification for the recreational trails project based on the project eligibility criteria in subrule 165.4(2) and the evaluation criteria in subrule 165.9(2).
- f. A formal resolution passed by the governing body of the responsible authority endorsing the application and the timeline for project completion provided therein. The resolution is to also state that the proposed trail project will be adequately maintained and made available for the intended public use for a minimum of 20 years after completion of the project and acknowledge intent to provide all funds necessary to complete the project beyond any funding award.

165.8(3) *Funding requests.* An applicant is to specify in the application the amount of grant funding requested from the recreational trails program and may offer a matching fund contribution larger than 25 percent.

761—165.9(465B) Evaluation and approval.

165.9(1) The department will review each application, may verify the contents and may visit the trail site.

165.9(2) The department will evaluate each complete application primarily on the basis of whether the predicted use of the trail justifies the construction and maintenance costs, including but not limited to the following criteria:

- a. Need, in terms of the population to be served and existing trails in the area.
- b. Compatibility with local, areawide, regional or statewide plans.
- c. Benefits of multiple uses and recreational opportunities.
- d. Economic and tourism benefits to the local area.
- e. Accessibility.
- f. Project readiness for development.
- g. Local match to be contributed to the project.

165.9(3) Completed applications are to be reviewed by a committee composed of representatives from state agencies with jurisdiction over transportation, tourism, cultural resources and natural resources. The committee is to recommend applications to the department by ranking them in order of funding priority.

165.9(4) The department is to prepare a list of applications and funding recommendations and present it to the commission for final approval and award of funding.

761—165.10(465B) Project agreement.

165.10(1) After the commission has approved funding for a recreational trails project, the department enters into a project agreement with the applicant.

a. The agreement is to specify the responsibilities for project planning, design, land acquisition, contracting, construction and materials inspection, and documentation and the criteria for each. The agreement is to also specify the overall funding level approved and contain an estimated budget for eligible work items.

b. By executing the agreement, the applicant agrees to comply with all local, state and federal laws, rules and regulations that may apply to the project.

165.10(2) The department will reimburse the authority for actual eligible project costs incurred as specified in the agreement, not to exceed the amounts authorized by the project agreement.

165.10(3) Project expenditures incurred after the commission has made a funding commitment, but before execution of the agreement, are eligible for reimbursement if a project agreement is subsequently executed. Reimbursement is to be paid following execution of the project agreement.

165.10(4) The department may audit all project costs incurred for compliance with the agreement, including costs that are part of the matching contribution. All force account work performed by a county or city on the project is to be audited.

165.10(5) The department may revoke funding commitments, seek repayment of funds already reimbursed, or take both actions if:

- a. The terms of the project agreement have not been fulfilled.
 - b. An agreement has not been signed within six months after the project sponsor receives the signature copy.
 - c. The department finds that the application contained inaccuracies, omissions, errors or misrepresentations.
 - d. The time schedule for project completion was misrepresented or has not been maintained.
- These rules are intended to implement Iowa Code chapter 465B.

TD-2025-59

Stuart Anderson, Director, Transportation Development Division

Stuart Anderson explained that the rulemaking proposes to rescind and repromulgate Chapter 165 in accordance with Executive Order 10.

Proposed Chapter 165 implements a statewide trails program as described in Iowa Code chapter 465B. The recreational trails program provides funds to establish recreational trails in Iowa for the use, enjoyment and participation of the public.

The public comment period ended on December 17, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the Notice of Intended Action attached to the Commission Order.

It is recommended that the Commission approve repromulgating Chapter 165.

Commissioner Juckette moved and Commissioner Gaesser seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Transportation Development Division Order No. TD-2025-60
Submitted by Stuart Anderson Phone No. 515-239-1661 Meeting Date February 11, 2025
Title Administrative Rules-761 IAC Chapter 178, Project Cost Reporting Requirements for Cities and Counties

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 178 in accordance with Executive Order 10.

Proposed Chapter 178 implements cost reporting of projects that cities and counties construct.

The public comment period ended on December 20, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 178.

COMMISSION ACTION:

Moved by Mulgrew Gronen Seconded by Rielly

Division Director Legal State Director

	Aye	Vote Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to project cost reporting requirements for cities and counties and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 178, “Project Cost Reporting Requirements for Cities and Counties,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 314.1A.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 309.1, 309.22, 309.93, 312.14, 314.1 and 314.1A.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 178 in compliance with Executive Order 10. Proposed Chapter 178 implements cost reporting of projects that cities and counties construct.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 30, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 20, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 20, 2024
10 to 10:30 a.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 929 698 148

December 20, 2024
2 to 2:30 p.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 776 823 181

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 178 and adopt the following **new** chapter in lieu thereof:

CHAPTER 178 PROJECT COST REPORTING REQUIREMENTS FOR CITIES AND COUNTIES

761—178.1(314) Purpose and contact information.

178.1(1) The purpose of these rules is to establish requirements for the reporting by cities and counties of project cost information to the department, in accordance with Iowa Code section 314.1A.

178.1(2) Questions regarding this chapter may be directed to the Local Systems Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010 or www.iowadot.gov/local_systems.

761—178.2(309,314) Definitions.

“*Bridge*” means the same as defined in Iowa Code section 309.1.

“*City*” means a municipal corporation as defined in Iowa Code section 312.8 or 362.2.

“*Construction*” means the building or development of a road, street, bridge, or culvert in a new location when:

1. The new location deviates substantially from the existing alignment, and
2. The result is an entirely new road or street for the greater part of the length of the project.

“*Culvert*” means the same as defined in Iowa Code section 309.1.

“*Day labor*” means road, street, bridge, or culvert work, or materials that have not been subjected to bids. This includes work performed by permanent or temporary city or county employees, materials purchased by a city or county without taking formal bids, or contractor services that were not formally bid.

“*Improvement*” means a betterment to a road, street, bridge, or culvert. The work increases the value of the facility and enhances the facility, its traffic operations, or its safety beyond the original design. The work would not be so extensive as to be classified as construction or reconstruction, but it could involve rehabilitation, restoration, or resurfacing (3R) work.

“Reconstruction” means a significant change to the existing type of road, street, bridge, or culvert or its geometric or structural features. Some realignment and the use of current design criteria may be involved.

761—178.3(309,312,314) Detailed instructions furnished to cities and counties.

178.3(1) Each year, the department provides cities and counties a set of detailed instructions for reporting the following information:

- a. The cost of day labor and contracts for construction, reconstruction, and improvement projects on the farm-to-market, secondary road, and municipal street systems.
- b. The cost of purchasing, leasing, and renting construction and maintenance equipment.
- c. The use of this equipment for construction, reconstruction, and improvement projects on the farm-to-market, secondary road, and municipal street systems.

178.3(2) These instructions constitute the form, content, and method of preparation acceptable to the department. Cities and counties include this information in the annual reports they submit to the department under Iowa Code sections 309.22 and 312.14.

761—178.4(314) Project reporting. Reporting of projects accomplished by day labor or contract is required for any construction, reconstruction, or improvement project that has a total cost of 90 percent or more of the applicable bid threshold. Other reporting requirements set out in the Iowa Code still apply.

178.4(1) Types of projects.

- a. *Bridge.* Bridge project types include the following:
 - (1) Bridge. This project type includes removal of existing structures and all new construction, reconstruction, and improvement of bridges.
 - (2) Culvert. This project type includes new construction or installation of an individual box or pipe culvert with a span or diameter that is greater than 4 feet but no greater than 20 feet.
- b. *Road.* Road project types include the following:
 - (1) Roadway construction. This project type includes but is not limited to all types of excavation, overhaul, clearing and grubbing, removal of pavement, and culverts included with grading.
 - (2) Surfaces. This project type includes but is not limited to:
 1. Hot mix asphalt and Portland cement concrete pavements and overlays on roads, streets and shoulders.
 2. Stabilized bases and granular surfacing on new grades.
 - (3) Roadside construction. This project type includes but is not limited to:
 1. Erosion control structures, such as check dams and letdown structures.
 2. Landscape treatments, such as seedbed preparation, seeding, sodding, mulching, fertilizing, and planting of shrubs and trees on newly graded roads.
 3. Construction of shoulders on paved roads and rebuilding or raising entrances due to shoulder construction.
 - (4) Traffic control. This project type includes but is not limited to installation of major signs, traffic signals, railroad crossing signals, guardrail, roadway lighting, construction signing, and pavement markings on newly paved roads and streets.
 - (5) Miscellaneous. This project type includes but is not limited to construction, reconstruction, or installation of storm sewers, subdrains, retaining walls, noise barriers, and sidewalks.

178.4(2) Contract work. The cost of contract work on a project is the contract price plus additions and deductions.

178.4(3) Day labor. The cost of day labor on a project includes the following expenditures:

- a. *Labor.* Labor cost includes the wages of city or county employees for their time devoted to the project, plus corresponding fringe benefits, such as but not limited to IPERS, FICA, and insurance.
- b. *Equipment.* Equipment cost is calculated based on the equipment used on the project and the time the equipment is used. If an item of equipment is rented or leased, its rental or lease rate may be used to calculate cost. If an item of equipment is not rented or leased, its cost is to be calculated using the standard rate established by the department for that type of equipment or using a city- or county-

established rate based on actual expense data. The department establishes equipment rates each year based on the latest “Rental Rate Blue Book for Construction Equipment.”

c. Materials. Materials cost is the cost of materials and supplies consumed or expended on the project. The materials and supplies may be procured directly for the project or charged to the project from stock on hand. The cost of used material is its salvage value.

d. Overhead. Overhead cost is the pro rata share of indirect costs to be allocated to day labor projects. Indirect costs are the city’s or county’s road- or street-related costs that cannot be charged directly to any project. The city or county may use its records to calculate the cost of overhead, or it may use a standard overhead rate of 10 percent of the labor cost, excluding fringe benefits.

These rules are intended to implement Iowa Code sections 309.1, 309.22, 309.93, 312.14, 314.1, and 314.1A.

TD-2025-60

Stuart Anderson, Director, Transportation Development Division

Stuart Anderson explained that the rulemaking proposes to rescind and repromulgate Chapter 178 in accordance with Executive Order 10.

Proposed Chapter 178 implements cost reporting of projects that cities and counties construct.

The public comment period ended on December 20, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the Notice of Intended Action attached to the Commission Order.

It is recommended that the Commission approve repromulgating Chapter 178.

Commissioner Mulgrew Gronen moved and Commissioner Rielly seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Motor Vehicle Division Order No. MV-2025-61
 Submitted by Kathleen Meradith-Eyers Phone No. 515-231-1230 Meeting Date February 11, 2025
 Title Administrative Rules–761 IAC Chapter 380, Motor Vehicles Operated by an Automated Driving System

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 380 in accordance with Executive Order 10.

Proposed Chapter 380 outlines vehicle registration and exemption processes that driverless-capable vehicles are to follow to ensure safe operation of such vehicles as required by Iowa Code sections 321.514 through 321.519. These Iowa Code sections authorize automated driving system (ADS)-equipped vehicles to operate on public highways in Iowa under certain conditions and give the department exclusive regulatory authority over these vehicles. The intended benefit of these rules is to provide transparency regarding the department’s statutory authority to regulate these vehicles by doing the following: establishing clear and transparent processes to register the vehicles, including adopting operational restrictions, if applicable; outlining the process to apply for an exemption if the vehicle cannot comply with all traffic laws and regulations; and providing clear and transparent appeal procedures relating to the department’s decisions and actions under the chapter.

The public comment period ended on December 18, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 380.

COMMISSION ACTION:			Vote	Aye	Nay	Pass
		Anderson	_____	_____	_____	_____
		Arnold	X	_____	_____	_____
		Gaesser	X	_____	_____	_____
Moved by	<u>Rielly</u>	Seconded by	<u>Juckette</u>	X	_____	_____
		Mulgrew Gronen	X	_____	_____	_____
		Rielly	X	_____	_____	_____
		Stutsman	X	_____	_____	_____
_____ Division Director	_____ Legal	_____ State Director				

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to motor vehicles operated by an automated driving system and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 380, “Motor Vehicles Operated by an Automated Driving System,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 321.519.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 17A and sections 321.1, 321.16, 321.20, 321.31, 321.381, 321.482 and 321.514 through 321.519.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 380 in compliance with Executive Order 10. These proposed rules outline vehicle registration and exemption processes that driverless-capable vehicles are to follow to ensure safe operation of such vehicles as required by Iowa Code sections 321.514 through 321.519. These Iowa Code sections authorize automated driving system (ADS)-equipped vehicles to operate on public highways in Iowa under certain conditions and give the Department exclusive regulatory authority over these vehicles.

The intended benefit of these rules is to provide vehicle owners, vehicle manufacturers, the law enforcement community, the automotive industry, and any other interested parties with transparency regarding implementation of the authority given to the Department in Iowa Code section 321.519 to regulate these vehicles by doing the following: establishing clear and transparent processes to register the vehicles, including operational restrictions, if applicable; outlining the process to apply for an exemption if the vehicle cannot comply with all traffic laws and regulations; and providing clear and transparent appeal procedures relating to the Department’s decisions and actions under the chapter.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 27, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 18, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 18, 2024 11 to 11:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 601 624 290
December 18, 2024 3 to 3:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 707 255 004

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 380 and adopt the following **new** chapter in lieu thereof:

CHAPTER 380
MOTOR VEHICLES OPERATED BY AN AUTOMATED DRIVING SYSTEM

761—380.1(321) Applicability. This chapter applies to driverless-capable motor vehicles operated by an automated driving system.

761—380.2(321) Definitions. The definitions in Iowa Code section 321.514 are adopted and incorporated herein. In addition:

“*Conventional human driver*” means the same as defined in Iowa Code section 321.514 but does not include a driverless-capable vehicle passenger.

“*Driverless-capable vehicle*” as defined in Iowa Code section 321.514 means the vehicle meets the criteria for automation classification of Level 3, Level 4, or Level 5 as established in the April 30, 2021, edition of “Taxonomy and Definitions for Terms Related to Driving Automated Systems for On-Road Motor Vehicles” by the Society of Automotive Engineers (SAE), which is accessible by web link on the department’s website listed under rule 761—380.3(321).

“*Driverless-capable vehicle passenger*” means a person who does not control the in-vehicle accelerating, braking, steering, and transmission gear selection input devices in order to operate a motor vehicle and who is not otherwise expected to respond to a request to intervene issued by the automated driving system of a driverless-capable vehicle.

“*SAE*” means the Society of Automotive Engineers, which is an international association reputed for its standards development efforts, including its efforts to standardize definitions of driving automation systems.

761—380.3(321) Information and addresses. Information and forms pertaining to driverless-capable vehicles may be obtained by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.237.3156; by email at central.vehicle@iowadot.us; or on the department’s website at: www.iowadot.gov/automatedtransportation/Policies-Procedures.

761—380.4(321) Registration of driverless-capable vehicles.

380.4(1) Upon registration of a driverless-capable vehicle under 761—subrule 400.3(16) or notification of a vehicle modification under 761—subrule 400.21(5), the department will notate the vehicle’s SAE level of automation in the records system established under Iowa Code section 321.31. Any changes to the SAE level of automation are to be reported to the department by the vehicle owner, or manufacturer on behalf of the owner.

380.4(2) Upon request, the vehicle owner, or manufacturer on behalf of the owner, is to provide to the department the vehicle’s operational design domain and associated operational capabilities, which the department may review to impose operational restrictions as provided in rule 761—400.21(321) as a condition of registration of the vehicle. Any subsequent material changes to the vehicle’s operational design domain and associated operational capabilities related to any previously imposed operational restrictions are to be submitted to the department in order to determine whether the previously imposed operational restrictions should be modified or removed as a result of such changes.

761—380.5(17A,321) Driverless-capable vehicle exemption.

380.5(1) *Application.* The owner, or manufacturer on behalf of the owner, of a driverless-capable vehicle seeking an exemption under Iowa Code section 321.515(1)“*b*” may apply to the department to allow driverless operation of the vehicle. Applications are to be made on a form prescribed by the department and are to include:

- a.* Identification of the laws or regulations from which the driverless-capable vehicle is seeking an exemption.
- b.* Information describing how the vehicle will be operated under the exemption without posing a safety risk to the public.

380.5(2) *Issuance and display of exemption.* An exemption may be issued, subject to any operational restrictions as provided under rule 761—400.21(321), if the department has sufficient information to determine a public safety risk does not exist. The department will provide written notice of the exemption to the vehicle owner, and if applicable, to the manufacturer. The notice shall be maintained at all times in the driverless-capable vehicle and made available for display to any peace officer upon request.

380.5(3) *Revocation and reinstatement.*

a. The department may revoke a driverless-capable vehicle exemption in any of the following circumstances:

- (1) If the exemption has been issued in conflict with the statutes or rules governing the exemption’s issuance.
- (2) If the exemption was issued based on false information.
- (3) If there was a violation of Iowa Code sections 321.514 through 321.519, 761—Chapter 400 or this chapter.

(4) If the vehicle operating under the exemption is involved in a contributive motor vehicle accident attributable to the automated driving system performance in this or any other state and that accident results in death or serious injury.

(5) If the vehicle is operated in violation of any of the motor vehicle laws of this or any other state that results in death or serious injury.

b. For incidents occurring outside the state of Iowa, revocation may only occur once the investigation of the incident is completed, and the vehicle's automated driving system performance was found to be involved in or contributive to a motor vehicle accident that resulted in a death or serious injury. The effective date of the suspension or revocation shall be 20 days after the department has mailed notice of the revocation to the vehicle owner, and manufacturer if applicable, by first class mail. To reinstate the exemption, the vehicle owner, or manufacturer on behalf of the owner, is to reapply for the exemption.

380.5(4) Hearings. A vehicle owner, or manufacturer on behalf of the owner, whose driverless-capable vehicle exemption has been revoked may contest the revocation in accordance with Iowa Code chapter 17A and 761—Chapter 13. The request for a hearing must be submitted to the director of the motor vehicle division at the address in rule 761—380.3(17A). The request will be deemed timely if it is delivered or postmarked on or before the effective date specified in the notice. The department will stay the revocation for the duration of the hearing proceedings.

761—380.6(321) Submission in aggregate. Information or application reported or submitted by a manufacturer on behalf of the owner to the department under rule 761—380.4(321) or rule 761—380.5(17A,321) may be reported or submitted in aggregate by vehicle make and model.

These rules are intended to implement Iowa Code chapter 17A and sections 321.1, 321.16, 321.20, 321.31, 321.381, 321.482, and 321.514 through 321.519.

MV-2025-61

Kathleen Meradith-Eyers, Director, Motor Vehicle Division

Kathleen Meradith-Eyers explained that the rulemaking proposes to rescind and repromulgate Chapter 380 in accordance with Executive Order 10.

Proposed Chapter 380 outlines vehicle registration and exemption processes that driverless-capable vehicles are to follow to ensure safe operation of such vehicles as required by Iowa Code sections 321.514 through 321.519. These Iowa Code sections authorize automated driving system (ADS)- equipped vehicles to operate on public highways in Iowa under certain conditions and give the department exclusive regulatory authority over these vehicles.

The public comment period ended on December 18, 2024. The department did not receive any public comments.

It is recommended that the Commission approve repromulgating Chapter 380.

Commissioner Rielly moved and Commissioner Juckette seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Motor Vehicle Division Order No. MV-2025-62
Submitted by Kathleen Meradith-Eyers Phone No. 515-231-1230 Meeting Date February 11, 2025
Title Administrative Rules-761 IAC Chapter 405, Salvage

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 405 in accordance with Executive Order 10. The title of the chapter is renamed Salvage and Other Title Designations.

Proposed Chapter 405 implements Iowa Code section 321.24 regarding the titling and registration process for vehicles with title designations other than regular, such as “salvage,” “junk,” and “rebuilt.”

The chapter also implements Iowa Code section 321.52, by outlining the procedures for conducting a “salvage theft examination,” which is required before the owner of a salvage vehicle may obtain a regular title after repairing the vehicle. The salvage theft examination is performed by a specially certified peace officer who ensures that the parts used to repair the vehicle were lawfully obtained.

The chapter will provide individuals and businesses transparency and clarity on how to convert a foreign (out-of-state) vehicle into Iowa and how to convert a vehicle with a “salvage” designation to a “rebuilt” status, including ensuring the proper vehicle records checks are in place so that prior damage on a vehicle is not concealed.

The public comment period ended on December 18, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 405.

COMMISSION ACTION:

Moved by Gaesser Seconded by Mulgrew Gronen

	Aye	Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

Division Director Legal State Director

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

Proposing rulemaking related to salvage and providing an opportunity for public comment

The Transportation Department hereby proposes to rescind Chapter 405, “Salvage,” and to adopt a new Chapter 405, “Salvage and Other Title Designations,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j,” 321.52(4), 321.52(5) and 321.69(12).

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.1, 321.13, 321.24(4), 321.24(5), 321.24(6), 321.52, 321.69, 321H.2 and 322G.12 and 28 CFR Section 25.54.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 405 in compliance with Executive Order 10. The purpose of proposed Chapter 405 is to outline clear standards for vehicle owners, buyers, sellers, insurers and dealers regarding the titling and registration process for vehicles with title designations other than regular, such as “salvage,” “junk” and “rebuilt.” The proposed chapter implements the Department’s express authority under Iowa Code sections 321.24(5) and 321.24(6) to require out-of-state title designations when a vehicle has incurred prior damage; to determine the manner in which other states’ rebuilt, salvage, or other designations are to be indicated on Iowa titles; and determine whether a “rebuilt” or “salvage” designation supersedes another designation.

The purpose of the chapter is also to outline procedures for the conduct of “salvage theft examinations” as required under Iowa Code section 321.52. This Iowa Code section requires the owner of a “salvage” designated vehicle to repair the vehicle and have a salvage theft examination performed by a specially certified peace officer before the owner may be issued a regular certificate of title to ensure that the parts used to repair the vehicle were lawfully obtained.

The chapter will provide individuals and businesses transparency and clarity on how to convert a foreign (out-of-state) vehicle into Iowa and how to convert a vehicle with a “salvage” designation to a “rebuilt” status and robust consumer protection measures by ensuring vehicle records checks are in place so that unknowing individuals or fraudulent actors cannot conceal prior damage on a vehicle by converting to a clean title.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 27, 2024

The Department received no comments. Two editorial changes from the published Regulatory Analysis have been made. The first change is within rule 761—405.6(321), correcting the effective date of the reference to 28 CFR Section 25.54 from October 1, 2023, to July 1, 2023. The second change is within subrule 405.8(1) and removes the following extraneous language that was not struck when the reference to the motor vehicle division was inserted: “and identity protection.”

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 18, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 18, 2024 9 to 9:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 554 899 140
December 18, 2024 2 to 2:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 477 239 080

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 405 and adopt the following **new** chapter in lieu thereof:

CHAPTER 405 SALVAGE AND OTHER TITLE DESIGNATIONS

761—405.1(321,322G) Applicability and information.

405.1(1) This chapter applies to motor vehicles subject to Iowa Code sections 321.24, 321.52, 321.69, and 322G.12.

405.1(2) Information regarding this chapter may be obtained by mail from the Motor Vehicle Division, Iowa Department of Transportation, 6310 SE Convenience Boulevard, Ankeny, Iowa 50201; by email at central.vehicle@iowadot.us; or on the department's website at www.iowadot.gov/mvd/vehicleregistration.

761—405.2(321,321H) Definitions.

405.2(1) The definitions in Iowa Code section 321.1 are hereby adopted. In addition:

“Authorized vehicle recycler” means a person licensed under Iowa Code chapter 321H.

“Bill of sale” means a document provided by the seller to the buyer containing the name, contact information of the seller, a description and identification number of the component part and, if applicable, the vehicle identification number (VIN) of the vehicle from which it was removed.

“Foreign jurisdiction” means a jurisdiction other than Iowa.

“New motor vehicle dealer” means a dealer licensed under Iowa Code chapter 322 to sell new motor vehicles that have not been sold “at retail” or previously registered in this or any other state.

“Regular foreign title” means a certificate of title issued by a foreign jurisdiction that allows the vehicle to be driven or moved upon a highway and is not designated as “salvage.”

“Regular Iowa title” means an Iowa certificate of title that is not a salvage title.

“Salvage theft examination certificate” means a certificate, including an electronic certificate in the form and manner prescribed by the department, issued by a peace officer who has been specially certified to conduct salvage theft examinations as provided in Iowa Code section 321.52.

“Salvage title” means either an Iowa or a foreign salvage title unless otherwise specified.

“Wrecked or salvage vehicle” means a damaged motor vehicle that:

1. Has repair costs exceeding 70 percent of its fair market value before it became damaged, and
2. Had a fair market value of \$500 or more before it became damaged.

405.2(2) Fair market value, for the purposes of this chapter, is to be determined by the motor vehicle division using any of the following: a bill of sale, an appraisal conducted by a motor vehicle dealer or a third-party appraiser, or a commercially available motor vehicle pricing guide.

761—405.3(321) Salvage title.

405.3(1) *Face of title.* Except for vehicles with a gross vehicle weight rating of 30,000 pounds or more, the word “SALVAGE” is to be printed on the face of an Iowa salvage title.

405.3(2) *Assignment.* A salvage title may be assigned only as provided in Iowa Code section 321.52(4). Except as provided in subrule 405.3(3), the transferee to whom a salvage title is assigned shall, within 30 days after the date of assignment, apply for a new Iowa salvage title, a regular title, or an Iowa junking certificate.

405.3(3) *Reassignment.* If a vacant reassignment space is available on the salvage title, a licensed new motor vehicle dealer or an authorized vehicle recycler may reassign the salvage title, and the dealer or recycler is not required to obtain a new Iowa salvage title. If all reassignment spaces on a salvage title assigned to the dealer or recycler have been used, the dealer or recycler is required to obtain a new Iowa salvage title in accordance with subrule 405.3(2). The words “ONLY NEW MOTOR VEHICLE DEALERS OR RECYCLERS MAY REASSIGN THIS TITLE” are to be printed on the dealer reassignment portion of Iowa salvage titles.

405.3(4) *Registration fees.*

a. An Iowa salvage title may be obtained without payment of the current registration fees or any delinquent registration fees or registration penalties. If the registration fees are delinquent at the time an Iowa salvage title is issued, no additional penalties accrue after issuance.

b. Any registration fees or registration penalties due at the time of issuance of an Iowa salvage title, together with the current registration fees if not already paid, are to be paid upon issuance of a regular title. However, a dealer is not required to pay current registration fees to obtain a regular title for a vehicle held for resale or trade. See rule 761—400.27(321,322) for any exceptions.

c. Notwithstanding any provision of this chapter to the contrary, an Iowa salvage title obtained by an insurer pursuant to the provisions under Iowa Code section 321.52(4) will be issued free and clear of all liens and claims of ownership, including any outstanding registration fees or registration penalties.

405.3(5) Plates. Registration plates shall not be assigned when an Iowa salvage title is issued.

405.3(6) Application. Application for an Iowa salvage title shall be made within 30 days after the date of assignment to the transferee.

761—405.4(321) Converting salvage title to regular title.

405.4(1) Rebuilt designation. When a person converts a salvage title to a regular title under Iowa Code section 321.52(4), a regular title and registration receipt issued will bear the designation “REBUILT-IA.”

405.4(2) Insurer’s certification. An insurer who has a title under Iowa Code section 321.52(4) may submit an insurer’s certification in lieu of a salvage theft examination certificate.

a. An acceptable insurer’s certification will:

(1) Include the name and address of the insurance company and the VIN, year and make of the salvage titled vehicle.

(2) Include a statement by the insurer certifying that the retail cost of repairs for all damages to the vehicle is less than \$3,000.

(3) Be dated and signed by an authorized representative of the insurer.

b. The insurer’s certification is not transferable if the insurer assigns the salvage title to another owner.

c. A regular title and registration receipt issued pursuant to this subrule is not required to have a designation of “REBUILT-IA.” However, rule 761—405.7(321) applies to carry forward any designation on the title and registration receipt.

761—405.5(321) Foreign vehicles.

405.5(1) Definitions. The following definitions apply to foreign titles and the designations shown on them.

“*Junked*” is any designation from a foreign jurisdiction that means the vehicle is damaged or dismantled and is prohibited from ever again being driven upon a highway.

“*Rebuilt*” means the vehicle had been designated or titled as salvage but had the designation removed or was subsequently issued a regular title, and the vehicle is permitted to be driven and moved upon a highway.

“*Salvage*” means the vehicle is designated or titled as salvage or the vehicle is damaged and shall not be registered to be driven or moved upon a highway until it is no longer designated or titled as salvage.

405.5(2) Foreign title with rebuilt designation. If the prior title for a vehicle is a foreign title indicating that the vehicle was rebuilt, the Iowa title and registration receipt issued will contain the designation of “rebuilt” together with the two-letter abbreviation of the name of the jurisdiction that issued the foreign title. However, if a records check indicates that the vehicle was previously titled in Iowa with a designation of “prior salvage,” the Iowa title and registration receipt issued shall contain the designation of “REBUILT-IA.” If a records check indicates that the vehicle was previously titled in Iowa with a designation of “REBUILT-IA,” the “REBUILT-IA” designation takes precedence and is to be carried forward to the Iowa title and registration receipt.

405.5(3) Converting foreign salvage title to Iowa title. If the prior title for a vehicle is a foreign title indicating that the vehicle is salvage, a regular Iowa title is not to be issued for the vehicle unless an Iowa salvage title is first issued. After an Iowa salvage title is issued for the vehicle, a regular Iowa title may be obtained pursuant to Iowa Code section 321.52(4) and rule 761—405.4(321). However, as provided in Iowa Code section 321.24(5), an owner who surrenders a foreign salvage title and obtains a salvage theft examination pursuant to Iowa Code section 321.52(4) “b” within 30 days of the date the owner was assigned the foreign salvage title is not required to first obtain an Iowa salvage title.

405.5(4) Salvage titled vehicle leaving and reentering Iowa. If a vehicle leaves Iowa with an Iowa salvage title and reenters Iowa with a regular foreign title, a regular Iowa title may be issued without a salvage theft examination. The regular Iowa title and registration receipt issued from the foreign title will be designated:

a. With the word “rebuilt” plus the two-letter abbreviation of the name of the jurisdiction that converted the salvage designation to a regular title, even if the foreign title does not indicate that the vehicle was rebuilt.

b. As specified in subrule 405.5(2), if the foreign title indicates that the vehicle was rebuilt.

405.5(5) Designation carried forward. If a vehicle leaves Iowa with a regular Iowa title and reenters Iowa with a regular foreign title and if the foreign title does not indicate that the vehicle was rebuilt and if a records check indicates that the vehicle had a designation listed in paragraphs 405.7(1) “a” through “f,” that designation shall be carried forward to the Iowa title and registration receipt issued from the foreign title.

405.5(6) Foreign title with flood, fire, vandalism, or theft designation. If the prior title for a vehicle is a foreign title indicating that the vehicle was damaged by flood, fire, or vandalism or is a recovered stolen vehicle and another designation is not required under this rule or rule 761—405.7(321), the Iowa title and registration receipt issued from the foreign title shall contain, as applicable, the designation of “flood,” “fire,” “vandalism,” or “theft.”

405.5(7) Foreign title with a lemon buy-back designation. See rule 761—405.7(321).

405.5(8) Junking certificate. For all vehicles subject to Iowa titling laws, an Iowa junking certificate is to be issued if either of the following applies:

a. The prior title for a vehicle is a foreign title indicating that the vehicle was junked, regardless of any other designation on the title, or

b. A records check for a vehicle with a foreign title indicates that the vehicle should have been or has been junked as defined in subrule 405.5(1).

761—405.6(321) Records check. Before a title is issued in Iowa, an electronic records check may be made pursuant to 28 CFR Section 25.54 (July 1, 2023). The purpose of the records check is to determine if the vehicle:

405.6(1) Has, ever had, or should have had a “salvage,” “prior salvage,” “rebuilt,” “damage over 70 percent,” “flood,” “fire,” “vandalism,” “theft,” “lemon buy-back,” or equivalent designation(s) on a previous title. If such a designation is or should have been on a previous title, the Iowa title to be issued shall contain the designation required by this chapter.

405.6(2) Is or was ever a wrecked or salvage vehicle as defined in Iowa Code section 321.52. If a vehicle is a wrecked or salvage vehicle, an Iowa salvage title shall be issued. If the vehicle was a wrecked or salvage vehicle, the Iowa title to be issued shall contain the appropriate designation required by this chapter.

405.6(3) Should have been or was ever junked as defined in subrule 405.5(1). If the vehicle should have been or was ever junked, an Iowa junking certificate shall be issued.

761—405.7(321,322G) Designations.

405.7(1) The following designations for a vehicle shall be used on Iowa titles and registration receipts and will be carried forward to all subsequent Iowa titles and registration receipts issued for the vehicle unless otherwise specified:

a. *REBUILT-IA.* This designation supersedes other designations. When a designation of “REBUILT-IA” is required pursuant to rule 761—405.4(321), it replaces any other designation.

b. *Rebuilt together with a two-letter abbreviation of the name of a foreign jurisdiction.* When this designation is required pursuant to subrule 405.5(2), it replaces any other designation except a “REBUILT-IA” designation.

c. *Damage over 50 percent.* The designation shall be used for applicable vehicle transfers and Iowa title and registration issuances occurring prior to July 1, 2021.

d. *Damage over 70 percent.* As required by Iowa Code section 321.69, a designation of “damage over 70 percent” shall be used when the seller or the buyer indicates on the damage disclosure statement that the person has knowledge that the motor vehicle sustained damage for which the cost of the repair exceeded 70 percent of the fair market value before the motor vehicle became damaged. This designation replaces any other designation except “rebuilt.”

e. Flood, fire, vandalism or theft. The most recent designation applies. Unless superseded by a “REBUILT-IA,” “rebuilt,” “damage over 50 percent” or “damage over 70 percent” designation, a designation of “flood,” “fire,” “vandalism” or “theft” shall be used as specified in subrule 405.5(6) and supersedes a “lemon buy-back” designation.

f. Lemon buy-back. Unless superseded by a “REBUILT-IA,” “rebuilt,” “damage over 50 percent,” “damage over 70 percent,” “flood,” “fire,” “vandalism” or “theft” designation, a designation of “lemon buy-back” shall be used:

(1) When a certificate of title is issued to a manufacturer of a motor vehicle pursuant to Iowa Code section 322G.12.

(2) When the prior certificate of title for a motor vehicle is a foreign title indicating that the vehicle was returned to the manufacturer pursuant to Iowa Code chapter 322G or a law of another state similar to Iowa Code chapter 322G.

405.7(2) An Iowa salvage title will be issued with a designation of “salvage” unless a designation listed in subrule 405.7(1) is required.

761—405.8(321) Salvage theft examination. Except for foreign salvage titles assigned to licensed new motor vehicle dealers, authorized vehicle recyclers, or educational institutions, a salvage theft examination may only be conducted on a vehicle with an Iowa salvage title. The vehicle is not to be examined until it has been completely repaired, except for minor body parts such as trim, body marking or paint.

405.8(1) General procedure. In addition to requirements in Iowa Code section 321.52(4) “d,” the following procedures apply to salvage theft examinations:

a. An applicant may request a salvage theft examination by contacting an investigator of the department’s motor vehicle division by email at invbureau@iowadot.us, on the department’s website at www.iowadot.gov/biip, or by contacting an Iowa local law enforcement agency.

b. The applicant is to bring the following documents to the inspection:

(1) The repair affidavit under Iowa Code section 321.52(4) “d,” which may be found on the department’s website and is to be submitted in an electronic format to the department or the Iowa local law enforcement agency.

(2) The permit authorized in Iowa Code section 321.52(4) “d” to operate the vehicle to and from the examination location, which must be printed and signed by the owner and kept in the vehicle to be considered valid.

(3) A bill of sale for all component parts replaced.

c. Payment for the salvage theft examination is to be made electronically and is due at the time the examination is scheduled. If the examination is not completed within three years from the date the affidavit and payment were submitted, a new fee is due.

d. The peace officer shall return to the owner upon completion of the examination the following: the salvage title or the certified copy of the salvage title, the permit to drive on the repair affidavit (if applicable), and the bills of sale.

405.8(2) Certificates. Upon completion of the examination, the salvage theft examination certificate will be completed electronically. However, if a peace officer finds it necessary to use a physical salvage theft examination certificate, the salvage theft examination certificate is to be a controlled form furnished by the department.

a. The owner of the vehicle may obtain a copy of the salvage theft examination certificate upon written request to the department.

b. The salvage theft examination certificate is not transferable to a different party or owner.

These rules are intended to implement Iowa Code sections 321.1, 321.13, 321.24, 321.52, 321.69, 321H.2 and 322G.12 and 28 CFR Section 25.54.

MV-2025-62

Kathleen Meradith-Eyers, Director, Motor Vehicle Division

Kathleen Meradith-Eyers explained that the rulemaking proposes to rescind and repromulgate Chapter 405 in accordance with Executive Order 10. The title of the chapter is renamed Salvage and Other Title Designations.

Proposed Chapter 405 implements Iowa Code section 321.24 regarding the titling and registration process for vehicles with title designations other than regular, such as “salvage,” “junk,” and “rebuilt.”

The chapter also implements Iowa Code section 321.52, by outlining the procedures for conducting a “salvage theft examination,” which is required before the owner of a salvage vehicle may obtain a regular title after repairing the vehicle. The salvage theft examination is performed by a specially certified peace officer who ensures that the parts used to repair the vehicle were lawfully obtained.

The public comment period ended on December 18, 2024. The department did not receive any public comments.

It is recommended that the Commission approve repromulgating Chapter 405.

Commissioner Gaesser moved and Commissioner Mulgrew Gronen seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Motor Vehicle Division Order No. MV-2025-63

Submitted by Kathleen Meradith-Eyers Phone No. 515-231-1230 Meeting Date February 11, 2025

Title Administrative Rules—761 IAC Chapter 411, Persons with Disabilities Parking Permits

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 411 in accordance with Executive Order 10.

Proposed Chapter 411 complies with Iowa Code chapter 321L and outlines the procedures for eligible persons to obtain a permit to park in a location designated for persons with disabilities. The Iowa Code authorizes the department to issue the following types of persons with disabilities parking permits: (1) persons with disabilities registration plates, (2) persons with disabilities parking stickers, and (3) persons with disabilities removable windshield placard. The chapter outlines the application and issuance procedures for eligible persons to obtain a persons with disabilities parking sticker or a persons with disabilities removable windshield placard. The requirements and procedures for applying for and obtaining a persons with disabilities registration plate are contained in Chapter 401.

The public comment period ended on December 19, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 411.

COMMISSION ACTION:

Moved by Mulgrew Gronen Seconded by Rielly

	Aye	Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

Division Director Legal State Director

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

**Proposing rulemaking related to persons with disabilities parking permits
and providing an opportunity for public comment**

The Transportation Department hereby proposes to rescind Chapter 411, “Persons with Disabilities Parking Permits,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j,” 321.16, 321L.2 and 321L.8.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 321L and section 321.16.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 411 in compliance with Executive Order 10. The purpose of proposed Chapter 411 is to comply with Iowa Code chapter 321L outlining the procedures for eligible persons to obtain a permit to park in a location designated for persons with disabilities. The Iowa Code authorizes the Department to issue the following types of persons with disabilities parking permits: (1) persons with disabilities registration plates, (2) persons with disabilities parking stickers, and (3) persons with disabilities removable windshield placard. The chapter outlines the application and issuance procedures for eligible persons to obtain a persons with disabilities parking sticker or a persons with disabilities removable windshield placard. The requirements and procedures for applying for and obtaining a persons with disabilities registration plate are contained in Chapter 401.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 30, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 19, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 19, 2024 9 to 9:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 853 336 648
December 19, 2024 2 to 2:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 387 451 849

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 411 and adopt the following **new** chapter in lieu thereof:

CHAPTER 411 PERSONS WITH DISABILITIES PARKING PERMITS

761—411.1(321L) Definitions.

411.1(1) The definitions in Iowa Code section 321L.1 are hereby made part of and fully incorporated in this chapter.

“Health care provider” means a licensed medical professional listed in Iowa Code section 321L.2(1).

“Nonexpiring removable windshield placard” means a removable windshield placard issued on or before December 31, 2016, to a person with a lifelong disability.

“Organization” means an applicant that is a corporation, partnership, sole proprietorship, business trust, estate, trust, limited liability company, association, joint venture, government, governmental subdivision, agency, instrumentality, public corporation, or any other legal or commercial entity lawfully doing business in the state of Iowa that has a program for transporting persons with disabilities or elderly persons.

“Standard removable windshield placard” means a removable windshield placard issued on or after January 1, 2017, to a person with a lifelong disability.

“Statement of disability” means the communication originating from the applicant's health care provider as described in Iowa Code section 321L.2, which attests that the applicant is a person with a disability as defined in Iowa Code section 321L.1(8) and, if applicable, identifies the period of time during which the applicant is expected to be disabled.

“*Temporary removable windshield placard*” means a removable windshield placard issued to a person with a statement of disability that indicates the disability is temporary.

411.1(2) Reserved.

This rule is intended to implement Iowa Code sections 321L.1 and 321L.2.

761—411.2(321L) Application for persons with disabilities parking permit.

411.2(1) General.

a. A person seeking a persons with disabilities parking permit pursuant to Iowa Code section 321L.2 shall complete Form 411055 and include a statement of disability and any required supporting documentation. The applicant is to indicate which of the following permits the applicant is seeking:

- (1) Temporary removable windshield placard.
- (2) Standard removable windshield placard.
- (3) Persons with disabilities parking sticker.
- (4) Persons with disabilities special registration plates.

b. An applicant seeking persons with disabilities special registration plates must also submit an application as described in 761—subrule 401.2(3).

c. An organization seeking a persons with disabilities removable windshield placard shall complete Form 411355 and include the name of its authorized representative; the mailing address, telephone number, and signature of its authorized representative; and, if required to obtain one, the organization’s federal employer identification number or federal tax identification number. An application made by an organization does not have to include a statement of disability.

d. An applicant who provides a certification of disability from the U.S. Department of Veterans Affairs in lieu of a statement of disability must also self-certify, under penalty of perjury, that the nature of the applicant’s disability certified by the U.S. Department of Veterans Affairs is a lifelong disability that impairs the applicant’s mobility to the extent defined in Iowa Code section 321L.1(8).

411.2(2) Application forms and submission.

a. Applications may be obtained by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278; by telephone at 515.237.3110; by facsimile at 515.237.3056; by email at vsusto@iowadot.us; or on the department’s website at www.iowadot.gov/mvd/vehicleregistration/persons-with-disabilities. Applications may also be obtained from a driver’s license service center or county treasurer’s office.

b. Completed applications are to be submitted by any method in paragraph 411.2(2) “a.”

This rule is intended to implement Iowa Code sections 321L.1, 321L.2 and 321L.8.

761—411.3(321L) Removable windshield placards.

411.3(1) Nonexpiring removable windshield placards.

a. *Period of validity.* A nonexpiring removable windshield placard issued on or before December 31, 2016, remains valid until the occurrence of any condition set forth in Iowa Code section 321L.3(1), the procedure set forth in rule 761—411.6(321L), and as otherwise specified by statute or rule.

b. *Replacement.* A lost, stolen, or damaged nonexpiring removable windshield placard will be replaced with a standard removable windshield placard.

411.3(2) Standard removable windshield placards.

a. *Period of validity.* A standard removable windshield placard may be issued only to a person with a lifelong disability and is valid for a period of five years.

b. *Renewal.* A person who holds a valid standard removable windshield placard may renew the placard by submitting a new statement of disability indicating the applicant has a continuing need for the placard and a new persons with disabilities parking permit application pursuant to rule 761—411.2(321L).

411.3(3) Temporary removable windshield placards. A temporary removable windshield placard may be issued to the applicant if the applicant’s statement of disability indicates the applicant’s disability is temporary. An organization is not eligible to apply for a temporary removable windshield placard.

a. *Period of validity.* A temporary removable windshield placard shall be valid for the period of time indicated on the statement of disability, but not to exceed six months.

b. Renewal. A person who holds a valid temporary removable windshield placard may renew the placard by submitting a new statement of disability and a new persons with disabilities parking permit application pursuant to rule 761—411.2(321L).

411.3(4) Removable windshield placards for an organization. An organization may be issued a removable windshield placard. The placard shall bear the name of the organization and the signature of its authorized representative.

a. Period of validity. A removable windshield placard issued to an organization shall be valid for four years.

b. Renewal. The organization may renew a placard issued to it by submitting a new persons with disabilities parking permit application pursuant to rule 761—411.2(321L) provided the organization continues to provide the service for which the placard was issued. If at any time the organization ceases providing the service for which the placard was issued, the organization shall immediately surrender the placard to the department.

411.3(5) Display of placards. A removable windshield placard displayed when the vehicle is parked in a persons with disabilities parking space as prescribed in Iowa Code section 321L.4 shall be displayed in a manner that allows the entire placard to be visible through the vehicle's windshield.

This rule is intended to implement Iowa Code sections 321L.1, 321L.2 and 321L.4.

761—411.4(321L) Persons with disabilities parking stickers.

411.4(1) Eligibility. A persons with disabilities parking sticker may be issued only to an eligible person under Iowa Code section 321L.2 with a lifelong disability. An organization is not eligible for a persons with disabilities parking sticker.

411.4(2) Period of validity. The special registration plate parking sticker is valid for such period of time that the registration for the vehicle remains valid.

411.4(3) Display. The special registration plate parking sticker shall be affixed to the lower right corner of the rear registration plate, as required by rule 761—400.53(321). A persons with disabilities parking sticker shall not be placed on persons with disabilities special plates issued under Iowa Code section 321.34(14).

This rule is intended to implement Iowa Code sections 321L.1, 321L.2 and 321L.4.

761—411.5(321L) Return of persons with disabilities parking permit. A persons with disabilities parking permit issued pursuant to this chapter and Iowa Code section 321L.2 shall be returned to the department, to a driver's license service center, or to any law enforcement office within ten days of an occurrence of any of the events set forth in Iowa Code section 321L.3(1) and in the manner prescribed in Iowa Code section 321L.3(3).

This rule is intended to implement Iowa Code section 321L.3.

761—411.6(17A,321,321L) Revocation of a persons with disabilities parking permit—service, appeal and stay.

411.6(1) Revocation. A person's or organization's persons with disabilities parking permit shall be revoked if the department determines it has been issued in conflict with the statutes or rules governing the permit's issuance.

411.6(2) Service of notice. Notice of revocation is served by first-class mail to the mailing address on the applicable application for a persons with disabilities parking permit. The department may prepare an affidavit of mailing verifying a notice was mailed by first-class mail using its records in conjunction with U.S. Postal Service records, and the affidavit may be attested to and certified in accordance with Iowa Code section 622.1.

411.6(3) Appeal. The person or organization may contest the decision of the department in accordance with 761—Chapter 13. The request will be deemed timely if it is delivered or postmarked within ten days of the receipt of notice of revocation.

411.6(4) Stay. When the department receives a properly submitted, timely appeal request, the department shall stay the revocation pending resolution of the appeal.

This rule is intended to implement Iowa Code chapter 17A and sections 321.16, 321L.2 and 321L.4.

MV-2025-63

Kathleen Meradith-Eyers, Director, Motor Vehicle Division

Kathleen Meradith-Eyers explained that the rulemaking proposes to rescind and repromulgate Chapter 411 in accordance with Executive Order 10.

Proposed Chapter 411 complies with Iowa Code chapter 321L and outlines the procedures for eligible persons to obtain a permit to park in a location designated for persons with disabilities. The Iowa Code authorizes the department to issue the following types of persons with disabilities parking permits: persons with disabilities registration plates, persons with disabilities parking stickers, and persons with disabilities removable windshield placard.

The public comment period ended on December 19, 2024. The department did not receive any public comments.

It is recommended that the Commission approve repromulgating Chapter 411.

Commissioner Mulgrew Gronen moved and Commissioner Rielly seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Motor Vehicle Division Order No. MV-2025-64
Submitted by Kathleen Meradith-Eyers Phone No. 515-231-1230 Meeting Date February 11, 2025
Title Administrative Rules—761 IAC Chapter 480, Abandoned Vehicles

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 480 in accordance with Executive Order 10.

Proposed Chapter 480 implements Iowa Code section 321.89, which authorizes the department to adopt rules outlining the procedures to be followed when a police authority or private entity acting on behalf of a police authority disposes of an abandoned vehicle and seeks reimbursement from or seeks to remit unclaimed proceeds to the department.

The public comment period ended on December 19, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 480.

COMMISSION ACTION:

Moved by Juckette Seconded by Rielly

Division Director Legal State Director

	Aye	Vote Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

**Proposing rulemaking related to abandoned vehicles
and providing an opportunity for public comment**

The Transportation Department hereby proposes to rescind Chapter 480, “Abandoned Vehicles,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code sections 307.12(1)“j” and 321.89.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 321.1, 321.18, 321.71, 321.89 and 321.90.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 480 in compliance with Executive Order 10. Proposed Chapter 480 implements Iowa Code section 321.89, which authorizes the Department to adopt rules outlining the procedures to be followed when a police authority or private entity acting on behalf of a police authority disposes of an abandoned vehicle and seeks reimbursement from or seeks to remit unclaimed proceeds to the Department.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 30, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has a positive fiscal impact to the State of Iowa of approximately \$115,000 annually, which represents the net amount of excess funds received from abandoned vehicle disposals. Those excess funds are deposited into the Road Use Tax Fund.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 19, 2024. Comments should be directed to:

Tracy George
Department of Transportation

DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 19, 2024 11 to 11:30 a.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 128 757 28
December 19, 2024 3 to 3:30 p.m.	Microsoft Teams link Or dial: 515.817.6093 Conference ID: 486 446 185

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 480 and adopt the following **new** chapter in lieu thereof:

CHAPTER 480 ABANDONED VEHICLES

761—480.1(321) Definitions. The definitions in Iowa Code sections 321.1 and 321.89(1) apply to this chapter. In addition:

“*Abandoned vehicle*,” when used in Iowa Code section 321.89 and this chapter, means only those vehicles subject to registration as referred to in Iowa Code section 321.18.

“*Bidder registry*” means a record of all persons who have registered to bid at a public auction.

“*Public auction*,” when used in Iowa Code section 321.89, means an auction open to the general public.

761—480.2(321) Information. Information, forms and instructions are available from: Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9278, Des Moines, Iowa 50306-9278 or the department's website at www.iowadot.gov/mvd/vehicleregistration/abandoned-vehicles.

761—480.3(321) General provisions.

480.3(1) If a police authority has designated a private entity to process an abandoned vehicle, the police authority shall provide to the private entity a certificate of disposal form prescribed by the department. On the form, the police authority shall provide a description of the vehicle and list the name and address of the last registered owner, all known lienholders of record, and any other known claimants to the vehicle.

480.3(2) A police authority or private entity processing an abandoned vehicle shall maintain records for three years from the sale at a public auction or transfer of a motor vehicle to a demolisher.

The records are to be open to inspection by any peace officer or any employee of the department. The required documents to be made available for inspection include:

- a. The motor vehicle record request results letter issued by the department with lien information or evidence that a motor vehicle record was reviewed for owners and liens through other legal means.
- b. The impound report with the date of abandonment.
- c. One copy of the dated notice sent by the police authority or private entity to each owner and lienholder or proof of publication of notice with the publication date visible.
- d. One copy of an actual newspaper page advertising each public auction with advertisement and date visible.
- e. A copy of the certificate of disposal for the private entity.
- f. The bidder registry for the police authority or private entity designated by a police authority holding a public auction.
- g. A copy of affidavit of sale on a form prescribed by the department.

480.3(3) A police authority or private entity shall verify that the provisions of this chapter have been executed, prior to the sale of the abandoned vehicle, on a form prescribed by the department.

480.3(4) A purchaser in good faith of a motor vehicle sold as a result of the abandoned vehicle process takes the motor vehicle free of all rights of all persons, including holders of preexisting liens, notwithstanding any police authority or private entity's noncompliance with this chapter.

480.3(5) Upon presentation of a sales receipt, a county official shall process the registration and issuance of title to the purchaser free of all rights of all persons, including holders of preexisting liens, notwithstanding any police authority or private entity's noncompliance with this chapter.

761—480.4(321) Auction requirements.

480.4(1) *Auction.* A public auction may be by electronic means, by sealed bid, or a conventional oral auction. The highest bidder is awarded the property. When the auction is a conventional oral auction, bidders shall register and bring the bid deposit with them to the auction on the day and at the location and time specified for the sale, if a bid deposit is required. Bidders bid against one another until bidding stops.

a. A police authority or a private entity designated by a police authority holding a public auction may set the initial bid at an amount that equals the actual cost of storage and towing.

b. A police authority or private entity is limited to two attempts at selling an abandoned vehicle at a public auction. If the police authority or private entity cannot make a satisfactory sale at two public auctions, or if a sale cannot otherwise be made with enough proceeds to cover the expenses and costs in carrying out the abandoned vehicle process, the police authority or private entity shall sell or dispose of the vehicle to a demolisher for junk.

480.4(2) *Advertisement.* Any attempt to sell a vehicle by public auction shall be advertised at least seven days in advance using two or more modes of appropriate media widely accessible and targeted to individuals within the county where the auction will take place or where the vehicle is physically located. Appropriate media modes include the following:

a. A newspaper that meets the requirements set forth in Iowa Code section 618.3.

b. Notice posted in a conspicuous manner viewable to the public at the location where the public auction will occur or in a location where it is permissible to post community announcements. If the public auction is to be conducted by electronic means, the location means the specific website to be used for the auction.

c. Notice posted to a community website or on a social media platform available to the public.

480.4(3) *Bidder registry.* Each auctioned vehicle sold or offered for sale at a public auction requires a bidder registry. The bidder registry shall be maintained for at least three years by the police authority or private entity designated by a police authority and open for inspection by any peace officer or department employee. The bidder registry shall contain:

- a. The full name of the bidder.
- b. The bona fide address of the bidder.
- c. A telephone number of the bidder.
- d. The date of the auction.

- e. The auctioned vehicle's make, model, model year, and vehicle identification number.
- f. The location of the auction.

480.4(4) Odometer statement.

a. When an odometer disclosure statement is required pursuant to Iowa Code section 321.71 but the auctioned vehicle's seller cannot attest to the true mileage reading of the vehicle's odometer, the seller's odometer disclosure statement shall:

- (1) Reflect the odometer mileage reading at the time of sale.
 - (2) Be marked indicating "odometer discrepancy," certifying the odometer mileage reading is not the actual mileage.
- b. The subsequent title issued for the vehicle shall record the vehicle's mileage is "not actual."

761—480.5(321) Claims procedure—expense reimbursement and unclaimed proceeds.

480.5(1) General. The following requirements are applicable to a claim under this subrule:

- a. A police authority may only report an abandoned vehicle to the department if it is remitting unclaimed profits or requesting reimbursement.
- b. A private entity designated by a police authority to process an abandoned vehicle may request reimbursement of expenses that are in excess of the proceeds of the sale of the abandoned vehicle.
- c. If a police authority has designated a private entity to process an abandoned vehicle, the police authority is eligible for reimbursement of only the towing expense.
- d. A police authority or private entity requesting reimbursement is to submit Form 411090 (Abandoned Vehicle Report) to the department. Other forms may be accepted if they contain all information deemed necessary by the department.
- e. Form 411090 is also required when remitting unclaimed profits.
- f. The only reimbursable expense includes losses incurred in disposing of a vehicle abandoned on a public highway.

480.5(2) Documentation. Form 411090 submitted for expense reimbursement or for remittance of unclaimed proceeds must be accompanied by the following:

- a. The police authority's impound report showing the date the vehicle was taken into custody, including a complete description of the vehicle. The date of abandonment is the date the vehicle was taken into custody unless the police authority declares a different date of abandonment. The abandonment date shall be used to calculate the 20-day notification required under Iowa Code section 321.89(3).
- b. A copy of the notice sent to the owner and lienholder(s) or proof of publication of notice. The notice must display a sent or published date within the 20-day time frame required under Iowa Code section 321.89(3) to qualify the claim for reimbursement.
- c. A completed certificate of disposal.
- d. Detailed receipts showing payment for each expense incurred. A receipt must identify the date(s) of occurrence of the expense; for example, a receipt for storage must identify the beginning and ending dates. A receipt for both towing and storage must show separately the towing charge and the storage charge per day.

480.5(3) Time frames. Claims for allowable reimbursement expenses under Iowa Code section 321.89 must be submitted to the department within 90 days after the sale or disposal of the abandoned vehicle. The police authority shall send unclaimed proceeds from the sale or disposal of the vehicle to the department within 10 days after the specified 90-day claiming period expires.

480.5(4) Rates. The department establishes the following maximum expense reimbursement rates:

- a. Towing—\$50 per vehicle.
 - b. Notice—actual postage or publication cost.
 - c. Storage—\$5 per day, not to exceed 45 days per vehicle.
- (1) If a police authority provides its own storage facility for abandoned vehicles, the department shall not reimburse the police authority for use of that facility.
 - (2) When the vehicle is held for an evidentiary hearing for more than 45 days, the police authority or private entity shall submit proof of the evidentiary hearing to obtain reimbursement.

d. Advertising—only actual costs of up to \$20 per auction, or advertising receipt totals for two auctions, whichever is less, not to exceed \$40 total.

e. Auction expenses—10 percent of the vehicle’s sale price or \$10 per vehicle, whichever is less. A receipt is not required for auction expense reimbursement.

These rules are intended to implement Iowa Code sections 321.1, 321.18, 321.71, 321.89 and 321.90.

MV-2025-64

Kathleen Meradith-Eyers, Director, Motor Vehicle Division

Kathleen Meradith-Eyers explained that the rulemaking proposes to rescind and repromulgate Chapter 480 in accordance with Executive Order 10.

Proposed Chapter 480 implements Iowa Code section 321.89, which authorizes the department to adopt rules outlining the procedures to be followed when a police authority or private entity acting on behalf of a police authority disposes of an abandoned vehicle and seeks reimbursement from or seeks to remit unclaimed proceeds to the department.

The public comment period ended on December 19, 2024. The department did not receive any public comments.

It is recommended that the Commission approve repromulgating Chapter 480.

Commissioner Juckette moved and Commissioner Rielly seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Motor Vehicle Division Order No. MV-2025-65

Submitted by Kathleen Meradith-Eyers Phone No. 515-231-1230 Meeting Date February 11, 2025

Title Administrative Rules—761 IAC Chapter 636, Motorized Bicycle Rider Education

DISCUSSION/BACKGROUND:

The rulemaking proposes to rescind and repromulgate Chapter 636 in accordance with Executive Order 10.

Proposed Chapter 636 complies with Iowa Code section 321.189(7) by outlining the application, renewal, and eligibility requirements for motorized bicycle (moped) rider education programs, sponsors, and instructors in the state.

The public comment period ended on December 20, 2024. The department did not receive any public comments.

A complete summary explaining the proposed rulemaking is included in the attached Notice of Intended Action.

PROPOSAL/ACTION RECOMMENDATION:

It is recommended that the Commission approve repromulgating Chapter 636.

COMMISSION ACTION:

Moved by Gaesser Seconded by Mulgrew Gronen

	Aye	Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

Division Director Legal State Director

TRANSPORTATION DEPARTMENT[761]

Notice of Intended Action

**Proposing rulemaking related to motorized bicycle rider education
and providing an opportunity for public comment**

The Transportation Department hereby proposes to rescind Chapter 636, “Motorized Bicycle Rider Education,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 307.12(1)“j.”

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code sections 307.12(1)“j” and 321.189.

Purpose and Summary

This rulemaking proposes to repromulgate Chapter 636 in compliance with Executive Order 10. Proposed Chapter 636 complies with Iowa Code section 321.189(7) by outlining the application, renewal, and eligibility requirements for motorized bicycle (moped) rider education programs, sponsors, and instructors in the state.

Regulatory Analysis

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on September 4, 2024. A public hearing was held on the following date(s):

- September 30, 2024

The Department received no comments.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

Public Comment

Any interested person may submit written comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on December 20, 2024. Comments should be directed to:

Tracy George
Department of Transportation
DOT Rules Administrator, Government and Community Relations
800 Lincoln Way
Ames, Iowa 50010
Email: tracy.george@iowadot.us

Public Hearing

Public hearings at which persons may present their views orally will be held as follows:

December 20, 2024
10 to 10:30 a.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 989 276 848

December 20, 2024
2 to 2:30 p.m.

[Microsoft Teams link](#)
Or dial: 515.817.6093
Conference ID: 827 156 746

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing impairments, should contact Tracy George and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 761—Chapter 636 and adopt the following **new** chapter in lieu thereof:

CHAPTER 636 MOTORIZED BICYCLE RIDER EDUCATION

761—636.1(307,321) Information and location. Applications, forms and information regarding this chapter are available by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 9204, Des Moines, Iowa 50306-9204; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at 515.244.8725; or by facsimile at 515.239.1837.

761—636.2(307,321) Definitions.

“*Approved course*” means the motorized bicycle rider education course approved by the department.

“*Instructor*” means a person approved by the department to instruct a motorized bicycle rider education course.

“*Program approval*” means department approval of an entity's motorized bicycle rider education course and instructors.

“*Sponsor*” means an entity that delivers the approved course.

761—636.3(307,321) Application, renewal and fees.

636.3(1) Application and renewal.

a. Any sponsor must apply to the department for program approval in a manner determined by the department prior to the beginning of the first class offered in the approved course and annually thereafter. An instructor of an approved course must be listed on the application and approved by the department.

b. Program approval is valid for a calendar year or remainder of a calendar year and expires on December 31 but remains valid for an additional 30 days after the expiration date.

c. Unless otherwise approved by the department, an application for renewal is due to the department within 60 days of the expiration date.

636.3(2) Fees. The initial application and annual renewal fee are \$25 for a private or a commercial sponsor. The fee is to be paid in a manner approved by the department.

761—636.4(307,321) Course requirements.

636.4(1) Classroom instruction. The course approved by the department must include a minimum of six clock hours of classroom instruction that includes the instructional components contained in subrule 636.4(3).

636.4(2) Driving instruction. Motorized bicycle rider driving experiences in addition to classroom instruction are permissible but not required.

636.4(3) Course content. Every motorized bicycle rider education course must include the following instructional components:

a. Operator and motorized bicycle preparation.

- (1) Knowledge of Iowa driving laws.
- (2) Knowledge of vehicle registration requirements.
- (3) Vehicle inspection.
- (4) Protective clothing and devices.
- (5) Risk assessment.
- (6) Route selection.

b. Basic control skills.

- (1) Starting procedures.
- (2) Speed control.
- (3) Turning.
- (4) Stopping.

c. Safe driving practices.

- (1) Use of lights and warning devices.
- (2) Signaling.
- (3) Maintaining directional control.
- (4) Perception skills and observation.
- (5) Use of mirrors.
- (6) Recognition of hazards.
- (7) Speed control.
- (8) Lane positioning.
- (9) Concerns and conflicts regarding intersections.
- (10) Following distances.
- (11) Lateral separation.

d. Complex situations.

- (1) Limited visibility.
- (2) Adverse weather.
- (3) Critical situations.
- (4) Malfunctions.

e. Motorized bicycle care.

- (1) Inspection.
- (2) Maintenance.

636.4(4) Evaluation. Each student shall be evaluated by the instructor to determine successful completion of the course.

761—636.5(307,321) Instructor qualifications. To qualify as an instructor of an approved course, an individual must:

636.5(1) Possess a valid driver's license allowing unaccompanied driving other than a temporary restricted license and be able to operate a motorized bicycle.

636.5(2) Have a clear driving record for the previous two years. A clear driving record means the instructor has:

- a.* Not been identified as a candidate for driver’s license suspension under the habitual violator provisions of rule 761—615.13(321) or the serious violation provisions of rule 761—615.17(321).
- b.* No driver’s license suspensions, revocations, denials, cancellations, disqualifications or bars.
- c.* Not committed an offense that would result in driver’s license suspension, revocation, denial, cancellation, disqualification or bar.
- d.* No record of a law enforcement investigative report indicating a contributive motor vehicle accident that caused the death or serious injury of another person.
- e.* No record of a law enforcement investigative report indicating two or more contributive motor vehicle accidents in a two-year period.

761—636.6(307,321) Cancellation or denial.

636.6(1) *Cancellation.* The department shall cancel program approval if the sponsor or instructor fails to comply with the applicable provisions of this chapter or if the course or instructors are no longer approved. However, an approved program that meets the applicable provisions of this chapter except for an approved instructor may retain program approval if the department approves an alternate instructor.

636.6(2) *Denial.* The department shall deny an initial or renewal application if the applicant does not meet the criteria for approval under this chapter.

These rules are intended to implement Iowa Code sections 307.12(1)“j” and 321.189.

MV-2025-65

Kathleen Meradith-Eyers, Director, Motor Vehicle Division

Kathleen Meradith-Eyers explained that the rulemaking proposes to rescind and repromulgate Chapter 636 in accordance with Executive Order 10.

Proposed Chapter 636 complies with Iowa Code section 321.189(7) by outlining the application, renewal, and eligibility requirements for motorized bicycle (moped) rider education programs, sponsors, and instructors in the state.

The public comment period ended on December 20, 2024. The department did not receive any public comments.

It is recommended that the Commission approve repromulgating Chapter 636.

Commissioner Gaesser moved and Commissioner Mulgrew Gronen seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

**DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER**

Transportation Development Division
 Division/Bureau/Office Modal Transportation Bureau Order No. TD-2025-66
 Submitted by Kristin Haar Phone No. 515-233-7875 Meeting Date February 11, 2025
 Title State Transit Assistance Special Projects

DISCUSSION/BACKGROUND:

The Modal Transportation Bureau requests approval for the Fiscal Year 2026 State Transit Assistance Special Projects.

FY 2026 Competitive Projects

System/Sponsor	Project	Amount recommended
CorridorRides, Region 10	Trip Connect – North Johnson County	\$175,000
City of Davenport	Quad Cities Municipal Transit Route Study	\$125,000

FY 2026 Iowa DOT-Sponsored Projects

System/Sponsor	Project	Amount recommended
Iowa DOT	Low-No Bus Program grant project administration	\$63,000
Iowa DOT	General Transit Feed Specification Contractor	\$77,500
Iowa DOT	Iowarideshare.org Ridematching Software	\$42,000

PROPOSAL/ACTION RECOMMENDATION:

It is recommended the Commission approve the State Transit Assistance Special Project funding recommendations as listed above.

COMMISSION ACTION:

Moved by Rielly Seconded by Juckette

	Aye	Vote Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

 Division Director Legal State Director

TD-2025-66

Kristin Haar, Public Transit Director, Modal Transportation Bureau

Kristin Haar stated that as presented at the Commission Workshop in January and this morning, the Modal Transportation Bureau requests approval for the fiscal year 2026 State Transit Assistance Special Projects. There are five projects in total as listed on the Commission Order.

It is recommended the Commission approve the State Transit Assistance Special Project funding recommendations listed on the Commission Order.

Commissioner Rielly moved and Commissioner Juckette seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

DEPARTMENT OF TRANSPORTATION
COMMISSION ORDER

Division/Bureau/Office Transportation Development Division
Modal Transportation Bureau Order No. TD-2025-67
Submitted by Shane Wright Phone No. 515-239-1048 Meeting Date February 11, 2025
Title Federal Fiscal Year (FFY) 2026 Federal Aviation Administration Funding Preapplications

DISCUSSION/BACKGROUND:

The Modal Transportation Bureau requests the Iowa Transportation Commission approve the submittal of FFY 2026 FAA funding preapplications prepared by Iowa airports that are eligible for federal funding. The list of preapplications is attached.

Preapplications will be submitted to FAA for review and action.

PROPOSAL/ACTION RECOMMENDATION:

~~It is recommended the Commission approve the submittal of the FAA funding preapplications as presented.~~ It is recommended the Commission approve the submittal of the FAA funding preapplications as shown on the updated project list that was provided to you following the workshop. (see attached updated project list)

COMMISSION ACTION:

Moved by Mulgrew Gronen Seconded by Gaesser

Division Director Legal State Director

	Aye	Vote Nay	Pass
Anderson	_____	_____	_____
Arnold	<u>X</u>	_____	_____
Gaesser	<u>X</u>	_____	_____
Juckette	<u>X</u>	_____	_____
Mulgrew Gronen	<u>X</u>	_____	_____
Rielly	<u>X</u>	_____	_____
Stutsman	<u>X</u>	_____	_____

FFY 26 Federal Airport Funding Preapplications

Safety projects				
Airport	Project description	Federal AIP	Federal BIL	Total Project Cost*
Humboldt Municipal	Obstruction Removal		\$190,000	\$200,000
	Total safety projects	\$0	\$190,000	\$200,000

Planning projects				
Airport	Project description	Federal AIP	Federal BIL	Total Project Cost*
Carroll - Arthur N Neu	Design and Bidding for Community Hangar	\$104,500		\$110,000
Estherville Municipal	Design Partial Parallel Taxiway	\$337,500		\$375,000
Fort Madison Municipal	Environmental Assessment	\$76,000		\$80,000
Humboldt Municipal	Environmental Assessment		\$142,500	\$150,000
Iowa DOT	Pavement Condition Study	\$198,000		\$220,000
Marshalltown Municipal	Design Runway 13/31 Reconstruction	\$450,000	\$525,000	\$1,026,500
Mason City Municipal	Rehabilitate Runway 18/36 Design	\$380,000		\$400,000
Northeast Iowa Regional	Environment Assessment	\$142,500		\$150,000
Ottumwa Regional	Taxiway Rehabilitation Design	\$90,250		\$95,000
Sheldon Regional	Runway 33 Environmental and Alternatives		\$144,970	\$152,600
Vinton Veterans Memorial	Design Runway 09/27 Reconstruction		\$315,000	\$350,000
Webster City Municipal	Runway 05/23 Airport Layout Plan Update		\$161,500	\$170,000
	Total planning projects	\$1,778,750	\$1,288,970	\$3,279,100

Maintenance and development projects				
Airport	Project description	Federal AIP	Federal BIL	Total Project Cost*
Algona Municipal	Runway Rehabilitation	\$173,000	\$340,000	\$570,000
Ames Municipal	Airport Entrance Road Improvements		\$584,000	\$648,888
Ames Municipal	Reconstruct Runway 01/19 - Construction	\$6,885,000		\$7,650,000
Ames Municipal	Reconstruct Runway 01/19 - Increase Section	\$2,250,000		\$2,500,000
Ames Municipal	Reconstruct Runway 01/19 - Markings Upgrade	\$54,000		\$60,000
Ankeny Regional	Reconstruct Runway 18/36	\$16,047,903		\$16,892,530
Ankeny Regional	Extend Runway 18 and Relocate Localizer	\$4,603,317		\$4,845,597
Ankeny Regional	Terminal Elevator and Lobby Addition		\$570,000	\$600,000
Atlantic Municipal	Construct 8 Unit Tee Hangar	\$664,893	\$386,107	\$1,201,000
Belle Plaine Municipal	Construct up to 4 Unit T-Hangar Extension	\$245,500	\$419,500	\$1,000,000
Belle Plaine Municipal	Automated Fueling Terminal	\$80,750		\$85,000
Boone Municipal	Runway, Taxiway and Apron Pavement Rehab	\$411,650	\$200,350	\$680,000
Centerville Municipal	Construct Hangar and Taxilanes	\$407,342	\$469,006	\$947,472
Chariton Municipal	Replace Runway and Taxiway Lighting	\$289,000	\$338,000	\$660,000
Cherokee County Regional	Fuel Facility Replacement	\$388,112	\$356,989	\$902,050
Clarion Municipal	Construct Terminal Building	\$410,831	\$388,119	\$821,900
Clinton Municipal	Reconstruct Taxilane	\$300,000		\$372,932
Council Bluffs Municipal	Construct Taxiway B	\$968,560		\$1,076,178
Creston Municipal	Construct New GA Terminal Building	\$294,198	\$515,802	\$1,100,000
Davenport Municipal	Reconstruct Taxiway C	\$750,000	\$1,000,000	\$2,025,000
Emmetsburg Municipal	Fuel Farm Replacement	\$493,000	\$452,000	\$1,050,000
Estherville Municipal	Expand Avgas Fuel System	\$261,650	\$8,350	\$300,000
Estherville Municipal	Terminal Improvements		\$315,000	\$350,000

Fairfield Municipal	Rehabilitate Airport Entrance Road and Parking Lot	\$839,485		\$883,669
Forest City Municipal	Terminal Building Improvements*		\$332,500	\$350,000
Fort Dodge Regional	Acquire Snow Removal Equipment	\$950,000		\$1,000,000
Grinnell Regional	Reconstruct Parking Apron	\$341,000	\$259,000	\$666,666
Guthrie County Regional	Reconstruct Apron	\$18,073	\$113,000	\$137,971
Hampton Municipal	Install New Fuel System	\$324,000	\$576,000	\$1,000,000
Independence Municipal	Acquire Snow Removal Equipment		\$451,250	\$475,000
Iowa City Municipal	Runway 07/25 Pavement Maintenance	\$236,250		\$262,500
Iowa City Municipal	Runway 12/30 Pavement Maintenance	\$231,750		\$257,500
Iowa City Municipal	Install Solar Panels		\$419,040	\$465,600
Iowa Falls Municipal	Purchase Box Hangar	\$150,000	\$249,000	\$420,000
Jefferson Municipal	Fuel System Improvements	\$150,000	\$144,000	\$309,473
Keokuk Municipal	Replace Taxiway Lighting	\$777,163	\$43,350	\$863,698
Le Mars Municipal	Reconstruct Apron	\$442,300	\$442,300	\$965,300
Manchester Municipal	Construct Taxiway	\$253,050	\$210,000	\$484,050
Maquoketa Municipal	Taxiway A and Pavement Rehabilitation	\$300,000	\$226,000	\$553,700
Mason City Municipal	Acquire Snow Removal Equipment		\$825,000	\$916,667
Muscatine Municipal	Snow Removal Equipment Building	\$247,500	\$144,000	\$686,750
Oelwein Municipal	Pavement Reconstruction	\$100,000	\$260,900	\$401,000
Osceola Municipal	Construct T-Hangar	\$325,000	\$100,000	\$446,250
Pella Municipal	Obstruction Removal	\$114,000		\$120,000
Perry Municipal	Construct Partial Parallel Taxiway	\$1,828,750		\$1,925,000
Perry Municipal	Construct Hangars		\$314,200	\$516,516
Pochaontas Municipal	Acquire Snow Removal Equipment	\$250,000	\$100,000	\$367,500
Sac City Municipal	Snow Removal Equipment Building	\$328,421	\$331,579	\$693,000
Shenandoah Municipal	Rehabilitate Runway 12-30 Lighting	\$334,050	\$330,000	\$699,000
Southeast Iowa Regional	Reconstruct Airport Entrance Road and Parking Lot	\$600,000		\$631,579
Storm Lake Municipal	Construct Apron Expansion	\$597,500	\$572,500	\$1,300,000
Washington Municipal	Runway 18/36 Pavement Rehabilitation	\$150,000	\$144,000	\$326,666
Waverly Municipal	Reconstruct Terminal Apron and Taxilane	\$353,191	\$397,309	\$800,200
	Total maintenance and development projects	\$46,220,189	\$13,328,151	\$65,263,802

Land acquisition projects

Airport	Project description	Federal AIP	Federal BIL	Total Project Cost*
Monticello Regional	Land Acquisition	\$336,000	\$145,000	\$529,100
Tipton - Mathews Memorial	Land Acquisition - Parcel 3	\$358,517	\$273,178	\$664,942
Tipton - Mathews Memorial	Land Acquisition - Parcel 2	\$137,332	\$113,000	\$263,507
Vinton Veterans Memorial	Land Acquisition	\$81,500	\$188,500	\$300,000
	Total land acquisition projects	\$913,349	\$719,678	\$1,757,549
70 Total projects	Total preapplications	\$48,912,288	\$15,526,799	\$70,500,451

* Total Project Cost includes local, state, and other sources of funds not included on this summary

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Shane Wright, Modal Transportation Bureau

Shane Wright explained that earlier today at the workshop, a recommendation was presented for submittal of preapplications for Federal Aviation Administration funding totaling \$70.5 million at 70 airports across the state.

Following our presentation to you this morning at the workshop, we realized we left the federal dollar amount off of the line for the Humboldt Municipal Airport Environmental Assessment planning project. You've been provided an updated project list that now includes a Federal BIL amount of \$142,500 that goes towards a total project cost of \$150,000.

It is recommended the Commission approve the submittal of the FAA funding preapplications as shown on the updated project list that was provided to you following the workshop.

Commissioner Mulgrew Gronen moved and Commissioner Gaesser seconded a motion to approve.

There were no further questions or comments.

The vote to approve was unanimous. Bill Anderson was not present.

The meeting adjourned at 1:17 pm.