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## **Regulatory Analysis**

Notice of Intended Action to be published: 571—Chapters 7, 8, and 11 "Uniform Rules"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A.22 (571—Chapter 7); 17A.3, 455A.4, and 573.12(13) (571—Chapter 8); and 17A.9A (571—Chapter 11)

State or federal law(s) implemented by the rulemaking: Iowa Code section 17A.22 (571—Chapter 7); Iowa Code sections 17A.3, 455A.4, and 573.12(13) (571—Chapter 8); and Iowa Code section 17A.9A (571—Chapter 11)

## Public Hearing

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

August 15, 2025 12 noon Via Google Meet

A link for the virtual public hearing will be provided to those who make a request to take part in the virtual hearing. The request for the link shall be submitted to Tamara McIntosh by 8 a.m. on August 14, 2025.

#### Public Comment

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

Tamara McIntosh Iowa Department of Natural Resources 6200 Park Avenue, Suite 200 Des Moines, Iowa 50321 Phone: 515.901.3294

Email: tamara.mcintosh@dnr.iowa.gov

Free language assistance: if you speak a non-English language, the Department offers language assistance services free of charge. Contact the Department at tamara.mcintosh@dnr.iowa.gov.

Servicios gratuitos de asistencia lingüística: si habla un idioma que no sea el inglés, los servicios de asistencia lingüística están disponibles de forma gratuita. Comuníquese con el Departamento al tamara.mcintosh@dnr.iowa.gov.

#### Purpose and Summary

Proposed Chapter 7 adopts by reference the Department's rules of practice in contested cases as contained in 561—Chapter 7 (ARC 9433C, IAB 7/23/25, effective 8/27/25). This chapter is necessary to guarantee due process and ensure a consistent and transparent hearing process. 561—Chapter 7 is narrowly tailored to that end and was edited consistent with Executive Order 10. This Regulatory Analysis is based upon the Regulatory Analysis for 561—Chapter 7 (9/4/24 IAB).

Proposed Chapter 8 adopts by reference the Department's process for soliciting and awarding contracts for services, contracts for public improvements, and contracts for sale of timber found in 561—Chapter 8 (ARC 9434C, IAB 7/23/25, effective 8/27/25). 561—Chapter 8 was amended and simplified consistent with Executive Order 10. This Regulatory Analysis is based upon the Regulatory Analysis for 561—Chapter 8 (9/4/24 IAB).

Proposed Chapter 11 adopts by reference the process for a person to petition the Environmental Protection Commission (Commission) for a waiver from the requirements of an administrative rule as contained in 561—Chapter 10 (ARC 9436C, IAB 7/23/25, effective 8/27/25). 561—Chapter 10 was amended and simplified consistent with Executive Order 10. This Regulatory Analysis is based upon the Regulatory Analysis for 561—Chapter 10 (9/4/24 IAB).

### Analysis of Impact

## 1. Persons affected by the proposed rulemaking:

### • Classes of persons that will bear the costs of the proposed rulemaking:

Chapter 7: This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases. Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules ensure consistency and predictability in litigation practice and guarantee due process.

Chapter 8: There are no costs to the public associated with this proposed rule. To the extent there are compliance costs, the costs would be borne by the Commission or Department via staff time.

Chapter 11: All persons seeking a waiver from a requirement of administrative rules will bear the costs. However, this chapter is procedural in nature and is easily met without significant costs. Persons or entities who want a waiver from a requirement of administrative rule must articulate how they satisfy the legal test contained in the Iowa Administrative Procedure Act.

## • Classes of persons that will benefit from the proposed rulemaking:

Chapter 7: Parties involved in a contested case proceeding will benefit.

Chapter 8: The rules set out how the Commission will solicit and award contracts. The contracts allow for clear expectations on both sides, facilitate the Commission's ability to conduct its work, and create a public record of the Commission's agreements and policy initiatives.

Chapter 11: All persons seeking a waiver from a requirement of administrative rule will benefit. These rules are required by law.

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

#### Quantitative description of impact:

Chapter 7: This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases. Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules of practice ensure consistency and predictability and guarantee due process.

Chapter 8: There is no economic impact or cost associated with the proposed chapter.

Chapter 11: This chapter is procedural in nature and is easily met without significant costs. Persons or entities who want a waiver from a requirement of administrative rule must articulate how they satisfy the legal test contained in the Iowa Administrative Procedure Act.

## • Qualitative description of impact:

Chapter 7: This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases. Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules of practice ensure consistency and predictability and guarantee due process.

Chapter 8: The proposed chapter was made easier to read and understand by removing unnecessary provisions and by updating the chapter to reflect current law and policy regarding contracting with the Commission or the Department.

Chapter 11: This chapter is procedural in nature and is easily met without significant costs. Persons or entities who want a waiver from a requirement of administrative rule must articulate how they satisfy the legal test contained in the Iowa Administrative Procedure Act.

#### 3. Costs to the State:

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

Chapter 7: Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules of practice ensure consistency and predictability and guarantee due process.

Chapter 8: The proposed chapter does not have any direct costs to the Commission or any other agency.

Chapter 11: Costs are nominal. Existing staff who perform other duties also process administrative rule waivers.

#### • Anticipated effect on State revenues:

Chapter 7: There is no anticipated effect on State revenues. Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules of practice ensure consistency and predictability and guarantee due process. The Commission does not pay to participate in a contested case; those costs are absorbed into the program's operational budget.

Chapter 8: The proposed chapter does not have any effect on State revenues.

Chapter 11: There is no anticipated effect on State revenues.

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

Chapter 7: Not applicable. This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases.

Chapter 8: There are no costs associated with the proposed chapter. However, the benefit of the proposed chapter is to provide a succinct overview of the Commission's contracting processes.

Chapter 11: The Commission cannot issue waivers in the absence of a rule setting forth the procedures around such a process.

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

Chapter 7: Not applicable. This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases.

Chapter 8: There are no costs associated with this proposed chapter, except costs to the Department for personnel time. However, the changes in the proposed chapter that make the process more succinct will require less personnel time than previously spent on the contracting process.

Chapter 11: Not applicable. This chapter is required by State law to be promulgated before the Commission can process rule waivers.

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

#### • Description of any alternative methods that were seriously considered by the agency:

Chapter 7: Not applicable. This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases.

Chapter 8: No alternative methods were considered.

Chapter 11: No alternative methods were considered. This chapter is required by State law to be promulgated before the Commission can process rule waivers.

## • Reasons why alternative methods were rejected in favor of the proposed rulemaking:

Chapter 7: Not applicable. This chapter is procedural in nature and required by law. It sets forth rules of practice for contested cases.

Chapter 8: Not applicable.

Chapter 11: See answer in previous bullet point.

#### Small Business Impact

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

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

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

Chapter 7: Not applicable. This rule is procedural in nature and required by law. It sets forth rules of practice for contested cases. Litigation inherently has costs, and these rules do not directly impose any specific expenses, such as a filing fee. Rather, the rules of practice ensure consistency and predictability and guarantee due process.

Chapter 8: The proposed rule supports the Commission's use of Iowa statutes and rules regarding contracting with small businesses.

Chapter 11: There are no direct costs to small businesses from this chapter. In fact, this chapter is likely to their benefit. The Commission cannot process rule waivers without first promulgating a chapter describing how it will do so.

### Text of Proposed Rulemaking

ITEM 1. Rescind 571—Chapter 7 and adopt the following <u>new</u> chapter in lieu thereof:

## CHAPTER 7 RULES OF PRACTICE IN CONTESTED CASES

- **571—7.1(17A) Adoption by reference.** The commission adopts by reference 561—Chapter 7. This rule is intended to implement Iowa Code section 17A.22.
  - ITEM 2. Rescind 571—Chapter 8 and adopt the following **new** chapter in lieu thereof:

# CHAPTER 8 CONTRACTS FOR SERVICES AND PUBLIC IMPROVEMENTS

- **571—8.1(17A) Adoption by reference.** The commission adopts by reference 561—Chapter 8. This rule is intended to implement Iowa Code sections 17A.3, 455A.4, and 573.12(13).
  - ITEM 3. Rescind 571—Chapter 11 and adopt the following <u>new</u> chapter in lieu thereof:

## CHAPTER 11 WAIVERS FROM ADMINISTRATIVE RULES

- 571—11.1(17A) Adoption by reference. The commission adopts by reference 561—Chapter 10.
- **571—11.2(17A) Report to commission.** The director shall submit reports of decisions regarding requests for waivers to the commission at its regular meetings.

These rules are intended to implement Iowa Code section 17A.9A.