Red Tape Review Rule Report
(Due: September 1, 2026)

Department Name:	IEDA	**Date:**	6/29/26	**Total Rule Count:**	7
IAC #:	223	**Chapter/ SubChapter/ Rule(s):**	Chapter 47	**Iowa Code Section Authorizing Rule:**	15.121, 427.16
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 47 is to describe the responsibilities and policies of the state historic preservation officer (SHPO) and staff of the SHPO relating to the historic property rehabilitation tax exemption available pursuant to Iowa Code section 427.16.

The chapter was adopted by the State Historic Preservation Office (SHPO) prior to its alignment with the Authority in 2023 Iowa Acts, Senate File 514.

Is the benefit being achieved? Please provide evidence.

Yes. SHPO is able to efficiently administer its responsibilities related to the exemption.

What are the costs incurred by the public to comply with the rule?

Entities applying for tax exemptions may require staff time to complete an application. Some applicants and recipients may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

What are the costs to the agency or any other agency to implement/enforce the rule?

Staff time is required to review and prepare applications for approval and communicate with applicants and recipients.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities and individuals that will potentially benefit from the tax exemption incur any costs. The costs to the state to administer the tax exemption are proportional to the activities incented.

Are there less restrictive alternatives to accomplish the benefit? ☐ **YES** ☒ **NO**
If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the exemption.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or un-necessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes the chapter should be updated to be clearer and more concise throughout. The chapter should be renumbered as 261—Chapter 418 to be consistent with IEDA's and SHPOs's other rules.

Rule 41.2 is not necessary and should be eliminated.

Rule 47.2 should be updated to incorporate definitions used in Iowa Code section 427.16 and other definitions that will provide clarity throughout the chapter.

Rule 47.3 should be updated to clarify the role of boards of supervisors and of the SHPO.

Rule 47.4 should be updated to eliminate duplication of statutory language and to clarify eligibility for the exemption.

Rule 47.5 should be updated to focus on applications submitted to the SHPO related to the exemption and to provide clarity about the content of the applications. Language should be added to clarify how modifications to a property after approval of the exemption will be addressed.

Rule 47.6 should be updated for clarity.

Rule 47.7 should incorporate the remedies in Iowa Code chapter 17A.

A new rule should be added to address revocation of certification.

A new rule should be added to clarify the administration of the exemption by counties.

A new rule should be added to specify that references to federal law and regulations are as in effect as of the effective date of the rulemaking to readopt the chapter.

RULES PROPOSED FOR REPEAL (list rule number[s]):

47.1

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

CHAPTER 418

HISTORIC PROPERTY REHABILITATION TAX EXEMPTION

261—418.1(15,427) Definitions. For purposes of this chapter, unless the context otherwise requires:

"Adjusted basis" means the same as defined in Iowa Code section 427.16.

"Application for exemption" means the application for a property tax exemption filed with the applicable assessor pursuant to Iowa Code section 427.16.

"Authority" means the economic development authority created in Iowa Code section 15.105.

"Certification" means confirmation, following completion of an entire project, that substantial rehabilitation work for a historic property meets the federal standards.

"Exemption" means the temporary release from the increase in valuation due to certified substantial rehabilitation of a historic property contemplated by Iowa Code section 427.16.

"Federal standards" means the U.S. Secretary of the Interior's standards for rehabilitation set forth in 36 Code of Federal Regulations 67.7.

"Historic property" means the same as defined in Iowa code section 427.16(7).

"Part 1 application" means an application submitted to the authority to determine whether a property is a historic property.

"Part 2 application" means an application submitted to the authority to determine whether the proposed rehabilitation work for a historic property meets federal standards.

"Part 3 application" means an application submitted to the authority to determine whether the rehabilitation work for a historic property has been completed in accordance with the federal standards and that the expenditure constitutes a certified substantial rehabilitation.

"Property owner" means an individual or corporation who is the owner of real estate for taxation purposes.

"State historic preservation officer" or "SHPO" means the officer appointed and certified pursuant to Iowa Code section 15.121.

"Substantial rehabilitation" means the same as defined in 427.16(8).

261—418.2(15,427) Program administration. Boards of supervisors administer historic property tax exemptions pursuant to Iowa Code section 427.16. The SHPO approves certifications for inclusion with an exemption application pursuant to this chapter.

261—418.3(15,427) Eligibility.

418.3(1) A property owner may apply for certification.

418.3(2) The SHPO will not approve a certification for a condominium.

261—418.4(15,427) Certification procedure.

418.4(1) All applications for certification shall be on such forms and in accordance with such instructions as may be established by the SHPO. Online applications and instructions may be obtained by visiting the authority's website. An application shall not be considered submitted for review until the application is complete and all required supporting documentation and information are provided.

418.4(2) Applications for certification shall provide historical, architectural and financial information; and plans, photographs and maps as required on the application forms.

a. Part 1 applications establish the significance of the property as a historic property. Photographs shall show the pre-rehabilitation condition of the property, including the interior and exterior, before any work or new construction begins.

Part 2 applications detail the existing conditions and the proposed rehabilitation workplan. Photographs shall show specific areas of work and both the interior and exterior conditions prior to the start of work. Photographs shall show the pre-rehabilitation condition of the property, including the interior and exterior, before any work or new construction begins.

b. Part 3 applications document the completed work. Photographs shall show specific areas where work has been completed and both the overall interior and exterior conditions after the completion of work. Part 3 applications shall include sufficient documentation to allow SHPO staff to determine whether the property has undergone a substantial rehabilitation. Such documentation may include, but is not limited to, a letter from the applicable county assessor establishing the taxpayer's adjusted basis or verification of qualified expenditures by a certified public accountant authorized to practice in this state.

c. Applicants are strongly encouraged to obtain approvals on parts 1 and 2 of the application prior to the start of work to prevent delays in approval of certification or denials caused by rehabilitation work that is not completed in accordance with the federal standards. Applicants shall file completed part 3 applications with the authority on or before December 31 of the year the substantial rehabilitation is completed.

418.4(3) All applications will be reviewed by the SHPO within 30 days of receipt of a complete application. If the application is incomplete when submitted or if the SHPO request additional information, the 30 day review period will restart when the SHPO receives the requested information

418.4(4) Any modification to the original rehabilitation proposal following approval of a part 2 application requires that an applicant amend the part 2 application to request review of the modification. Amendments to the part 2 application may result in recission of approval if the SHPO determines that the work does not meet the federal standards or does not otherwise comply with the requirements of the exemption. Amendments to the part 2 application will not be accepted after the authority has approved the part 3 application. Work completed after approval of certification may be reviewed pursuant to rule 418.6(15,427).

418.4(5) Materials submitted to the authority will not be returned.

418.4(6) The process of application for certification pursuant to this chapter does not substitute for any other reviews or applications which may be required of property owners.

418.4(7) Inquiries concerning information required, historic property eligibility, and review criteria should be addressed to the authority.

261—418.5(15,427) Review and approval standards for applications for certification.

418.5(1) Project certification shall be based on the federal standards.

418.5(2) The standards apply to interior and exterior work. All reviews shall consider the entire rehabilitation project, including any new construction on site, rather than only a limited segment of the project. Certification shall be based on conformity of the total project to the standards.

418.5(3) If required documentation is incomplete and the review and evaluation cannot be completed following a request for additional information, the application may be considered abandoned or, if applicable, the requested certification denied, if no response is provided within one year. The applicant shall be notified by the authority.

418.5(4) If the SHPO approves certification, the applicant shall be notified in writing.

261—418.6(15,427) Revocation of certification. The SHPO may revoke certification of a historic property if, during the period of the exemption, work is completed for the historic property that does not meet the federal standards. Proposed work for the historic property following approval of certification should be reviewed by the SHPO to ensure continued certification.

261—418.7(15,427) Application for exemption. Application for exemption forms may be obtained from the office of the appropriate assessor or board of supervisors and submitted as directed in Iowa Code section 427.16.

261—418.8(15,427) Appeals. Decisions made by the authority may be appealed pursuant to Iowa Code chapter 17A.

261—418.9(15,427) References. All references to the Code of Federal regulations are to the laws as in effect on [effective date of rulemaking].

These rules are intended to implement Iowa Code sections 15.121 and 427.16.

For rules being re-promulgated with changes, you may attach a document with suggested changes.

METRICS

Total number of rules repealed:	**0**
Proposed word count reduction after repeal and/or re-promulgation	**0**
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	**12**

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

Iowa Code section 427.16 should be updated to clarify roles and responsibilities relating to the exemption.