

### **Regulatory Analysis**

Notice of Intended Action to be published: Iowa Administrative Code 761—Chapters 700, 710, 715, 716, and 717

“Aeronautics Programs Administration; Airport Improvement Program; Air Service Development Program; Commercial Service Vertical Infrastructure Program; General Aviation Vertical Infrastructure Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 328.12

State or federal law(s) implemented by the rulemaking: Iowa Code section 8.57(5) and chapters 328, 330 and 330A

### *Public Hearing*

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

September 24, 2024  
9 to 9:30 a.m.

[Microsoft Teams Link](#)  
Or dial: 515.817.6093  
Conference ID: 442 802 945

### *Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis. Written or oral comments in response to this Regulatory Analysis must be received by the Department of Transportation no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Tim McClung, Aviation Director  
Iowa DOT Modal Transportation Bureau  
800 Lincoln Way  
Ames, Iowa 50010  
Phone: 515.239.1689  
Email: [tim.mcclung@iowadot.us](mailto:tim.mcclung@iowadot.us)

### *Purpose and Summary*

Proposed Chapter 700 establishes the procedures for a governmental subdivision to apply for and use state or federal funds for the improvement of airports, air service, and air navigation facilities. The chapter implements Iowa Code chapters 328, 330, and 330A. The chapter name is changed from Aeronautics Administration to Aeronautics Programs Administration. The following chapters are being rescinded and their content combined into this repromulgated chapter:

- Chapter 710 (Airport Improvement Program)
- Chapter 715 (Air Service Development Program)
- Chapter 716 (Commercial Service Vertical Infrastructure Program)
- Chapter 717 (General Aviation Vertical Infrastructure Program)

The consolidation of five chapters into one simplifies and significantly reduces size, while creating consistencies and better understanding of aviation program administration.

### *Analysis of Impact*

1. Persons affected by the proposed rulemaking:
  - Classes of persons that will bear the costs of the proposed rulemaking:

There are no direct expenses created by this rulemaking. The proposed rules provide guidelines for the use and application process for state and federal funds made available for the development and promotion of aeronautics in this state.

- Classes of persons that will benefit from the proposed rulemaking:

Public-owned airport sponsors, pilots, passengers, the public and all entities relying on a safe and operational air transportation system will benefit.

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:

There are no direct expenses created by this rulemaking. The chapter provides guidance for public-owned airports seeking state and federal funds. There are typically 40 to 50 grants issued each year for approximately \$8 million in state funding that helps support a strong aviation system in Iowa. There are 40 to 70 federal grant applications channeled through the Department and approved annually by the Iowa Transportation Commission. Airports generate \$1.8 billion in economic activity each year in Iowa that includes more than 250 on-airport businesses, and 1 million visitor arrivals.

- Qualitative description of impact:

Well-maintained and wisely developed airports are important to supporting the movement of people and goods in Iowa. This chapter supports that activity, providing clear guidance for making funds available for aviation system investment. Airports support important services, such as passenger air service, charter, flight training, air cargo, air ambulance, public safety, aerial application, and important time savings that keep businesses in Iowa competitive.

3. Costs to the State:

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

There are no implementation or enforcement costs related to this chapter.

- Anticipated effect on state revenues:

There are no impacts on state revenues related to this chapter.

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

The proposed rules continue providing guidelines for the use and application process for state and federal funds made available for the development and promotion of aeronautics in this state. The combined chapter provides a significant reduction in the number of chapters and word count of previous aeronautics program rules. The new combined chapter streamlines and simplifies aeronautics program rules for the public, airport sponsors, and the Department.

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

These proposed rules do not impose additional costs or burdens to airport sponsors or the Department. Less costly and less intrusive methods do not exist.

6. Alternative methods considered by the agency:

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

No viable alternatives were found for the proposed rules that provide guidelines for the use of and application process for state and federal funds made available for the development and promotion of aeronautics in this state.

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

Not applicable.

*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?

This chapter does not affect small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 761—Chapter 700 and adopt the following **new** chapter in lieu thereof:

AERONAUTICS

CHAPTER 700

AERONAUTICS PROGRAMS ADMINISTRATION

**761—700.1(328,330,330A) Purpose.** These rules establish the procedures for a governmental subdivision to apply for state or federal funds for the improvement of airports, air service, and air navigation facilities.

**761—700.2(328,330,330A) Definitions.** The definitions in Iowa Code sections 328.1, 330.1, and 330A.2 apply to this chapter. In addition:

“*FAA*” means the Federal Aviation Administration.

“*Sponsor*” means the person or governmental subdivision that has the authority for improving, maintaining and operating an aviation facility.

“*Vertical infrastructure*” means the same as defined in Iowa Code section 8.57(5).

**761—700.3(328,330,330A) Information and forms.** Program information, forms, and application and submission instructions are available on the department's website at [www.iowadot.gov/aviation](http://www.iowadot.gov/aviation). Requests for such materials or assistance may also be made by calling the modal transportation bureau at 515.239.1048. The mailing address is: Modal Transportation Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

**761—700.4(330) Federal airport improvement program.**

**700.4(1) Federal preapplications.** Federal preapplications are submitted to the department.

**700.4(2) Applicant eligibility.** A governmental subdivision owning a public airport that is listed in the FAA's National Plan of Integrated Airport Systems (NPIAS) is eligible to apply for federal funds. The NPIAS published report is available at the FAA website: [www.faa.gov/airports](http://www.faa.gov/airports). An airport that receives federal primary commercial service entitlement funds is not required to submit preapplications.

**700.4(3) *Project eligibility.*** Projects are to meet the FAA eligibility guidelines for federal airport improvement projects. Federal airport improvement program guidelines are available at the FAA website: [www.faa.gov/airports](http://www.faa.gov/airports).

**700.4(4) *Preapplication.***

*a.* The department will distribute preapplication instructions and forms annually to each eligible applicant.

*b.* The completed preapplication for federal airport improvement funds are submitted to the department according to the method and time frame specified in the annual application instructions.

**700.4(5) *Project prioritization.***

*a.* The department will review each completed preapplication for project eligibility and consistency with the state aviation system plan. The department will prioritize projects based on the goals and objectives in the state aviation system plan.

*b.* The commission is responsible for approving the prioritization of the preapplications.

*c.* The department will submit the preapplications with priorities identified to the FAA, and the FAA will contact the applicant directly concerning all subsequent action on the preapplication.

**761—700.5(328) State airport improvement program.**

**700.5(1) *Applicant eligibility.***

*a.* A governmental subdivision owning or establishing a public airport is eligible to apply to the department for state airport improvement funds.

*b.* Participation in air service development projects is limited to airports currently receiving scheduled airline or commuter air service options and are designated as commercial service airports in the Iowa aviation system plan. An airport that loses air service completely may remain eligible for participation in the two following and consecutive annual application cycles if 100 percent of the grant amounts are used according to conditions of the air service grant and solely toward efforts to reestablish air service for that affected airport.

**700.5(2) *Eligible project activities.***

*a.* Statewide projects administered by the department include but are not limited to planning studies, aviation weather systems, airport markings, immediate safety enhancements, wildlife mitigations, windsocks, education, and outreach.

*b.* Airport projects may include but are not limited to runway, taxiway, and apron surfaces; lighting and navigational aids; obstruction removal; grading, drainage, and surfacing airfield surfaces and protection areas; signage, security access control and lighting; planning; and other airport enhancements. A project that involves airfield infrastructure is to comply with the airport master plan or airport layout plan as adopted by the governmental subdivision.

*c.* Air service development activities eligible for reimbursement include but are not limited to marketing, entry support, data collection, and items defined on the annual application.

**700.5(3) *Funding.*** The department establishes the maximum percentage of state share for eligible projects and may annually set a maximum dollar amount per award. Funding criteria are included in application instructions provided to airport sponsors.

**700.5(4) *Application for funding.***

*a.* The department will make available the application instructions and forms to each public airport in Iowa. Applications are to be submitted to the department by the due date specified in the instructions.

*b.* Immediate safety enhancement project applications may be submitted at any time during the year to the department according to instructions that are part of the application form.

**700.5(5) *Review and approval.*** The department will review each completed application and evaluate the impact of the project on the aviation system considering the following factors: state system plan airport roles, goals and objectives; justification provided; ability to enhance aeronautical activity for the airport and system; local participation; and multijurisdictional support of the airport. The department will recommend projects to the commission for approval.

**761—700.6(328) Commercial service vertical infrastructure program.**

**700.6(1) Purpose.** The purpose of the commercial service vertical infrastructure program is to provide funding for vertical infrastructure improvements at Iowa's commercial service airports.

**700.6(2) Applicant eligibility.** Airports currently receiving scheduled airline or commuter air service and designated as commercial service airports in the Iowa aviation system plan are eligible to apply to the department for funding. An airport that loses air service completely may remain eligible for participation in the two following and consecutive annual application cycles if the airport is actively seeking reestablishment of air service.

**700.6(3) Eligible project activities.** Facilities eligible for reimbursement include but are not limited to terminal building, hangar, fuel facility, and maintenance facility construction or renovation. Activities may include associated design, land acquisition, grading and foundation work.

**700.6(4) Funding.** Unless otherwise appropriated, funds are distributed to commercial service airports using a 50/40/10 formula. Fifty percent of funds are allocated equally between each airport, forty percent are allocated based on the percentage of enplaned passengers at each airport versus the total number of enplaned passengers in the state, and ten percent are allocated based on the percentage of the air cargo tonnage at each airport versus the total tonnage in the state.

**700.6(5) Application for funding.** The department will make available application instructions and forms to eligible airports. Applications are to be submitted to the department by the due date specified in the instructions.

**700.6(6) Review and approval.** The department will review each completed application for eligibility and recommend projects and funding levels to the commission for approval.

**761—700.7(328) General aviation vertical infrastructure program.**

**700.7(1) Purpose.** The purpose of the general aviation vertical infrastructure program is to provide funding for vertical infrastructure improvements at Iowa's general aviation airports.

**700.7(2) Applicant eligibility.** A governmental subdivision owning or establishing a public airport is eligible to apply to the department for funding.

**700.7(3) Eligible project activities.** Facilities eligible for reimbursement include but are not limited to terminal building, hangar, fuel facility, and maintenance facility construction or renovation. Activities may include associated design, land acquisition, grading and foundation work.

**700.7(4) Funding.** The department establishes the maximum percentage of state share for eligible projects and may annually set a maximum dollar amount per award. Funding criteria are included in application instructions provided to airport sponsors.

**700.7(5) Application for funding.** The department will make available application instructions and forms to eligible airports. Applications are to be submitted to the department by the due date specified in the instructions.

**700.7(6) Review and approval.** The department will review each completed application and evaluate the impact of the project on the aviation system considering the following factors: state system plan airport roles, goals and objectives; justification provided; ability to enhance aeronautical activity for the airport and system; local participation; and multijurisdictional support of the airport. The department will recommend projects to the commission for approval.

**761—700.8(328,330,330A) Project administration.** After a project has been approved by the commission, the department will offer the award in an agreement that specifies responsibilities of the sponsor. The agreement is to specify the amount of state funds, the contract period, and the responsibilities for project planning, development, payment process, and reporting. The department may inspect the project for compliance with the agreement and may audit all project costs incurred. Payments to the airport sponsor for eligible project costs are made on a cost reimbursement basis. Project-related engineering fees are an eligible expense and are reimbursed in compliance with the agreement.

These rules are intended to implement Iowa Code section 8.57(5) and 328, 330 and 330A.

- ITEM 2. Rescind and reserve **761—Chapter 710.**
- ITEM 3. Rescind and reserve **761—Chapter 715.**
- ITEM 4. Rescind and reserve **761—Chapter 716.**
- ITEM 5. Rescind and reserve **761—Chapter 717.**