

MINUTES OF THE SPECIAL MEETING
OF THE
ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of Meeting: Monday, December 12, 1983, in lieu of statutory date of December 13.

Place of Meeting: Committee Room 116, State Capitol, Des Moines, Iowa.

Members Present: Representatives Laverne W. Schroeder, Ned F. Chiodo, James D. O'Kane; Senators Donald V. Doyle and Dale Tieden. Senator Berl Priebe, not present, having reported he would be on vacation. Also present: Joseph Royce, Committee Counsel; Kathryn Graf, Governor's Coordinator; Phyllis Barry, Deputy Code Editor and Vivian Haag, Administrative Assistant.

Convened

Law Enforcement
Academy

The meeting was convened at 9:30 a.m. with Vice Chairman Schroeder in the chair. There was special review of training requirements for Law Enforcement Academy [550]. Academy representatives present were Ben Yarrington, Ralph Ager and John Quinn.

Yarrington called attention to rule 2.9 which addresses the comprehensive test for those hired before July 1, 1968 and for those individuals trained in another state in a basic recruit training school who transfer to an Iowa Law Enforcement agency.

Yarrington read from their proposed amendment pertaining to certification. The exam would be written, multiple choice, based on short course. He noted that the Council asked that ARRC be informed of their disagreement with the last statement in the proposal. The Council would prefer complete retesting rather than limiting it to the area of deficiency.

Schroeder wondered if the fire arm safety was the real concern. If so, why not administer only a fire arms test. It was noted that approximately two dozen officers would be affected. Yarrington defended the proposal, noting that individuals with many years of experience would benefit from the course.

Ager agreed the proficiency with fire arms was important but of equal importance would be knowing when and when not to shoot. The written exam, of which he had a copy, would include this.

In answer to Tieden, Yarrington said the average cost of schooling was \$24 to \$26 per day per student, which is borne by the state. The municipality pays for meals.

Doyle mentioned the fact that 23 officers from communities with less than 1,000 population attended the class this year. It was noted that officers with the

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MENT ACADEMY

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additional training often leave the small community for better salaries. Ager reviewed additional statistics re the training. Some of the officers did not receive a salary or any support from their community while attending class. Doyle interjected that he was concerned about the untrained police force.

Reference was made to HF 118, proposed in 1983, which was opposed by all officers who were in the training program. It would have required officers from communities under 1,000 population to receive the same basic training as counterparts in larger communities. Schroeder took the position that officers in continuous service for 15 years or longer should be exempt from certification requirements. He suggested language to that effect be included in the rules. Yarrington indicated that an AG opinion had been requested on this issue. He reminded ARRC that he could not speak for the LEA Council.

Quinn contended that "grandfathering" was never the intent. Schroeder insisted that the Law Enforcement Academy would not exist today if that were the concept. Quinn made the point that the Academy and the Council have never recognized a "grandfather" provision. However, the Des Moines Police Academy has complied with training requirements and resentment would be strong from the hundreds who have been required to take additional training for certification. Yarrington explained to Doyle that the July 1, 1968 deadline [80B.11(2)] has generated the issue. Yarrington was interested in keeping the test and there was brief discussion of possible oral testing.

Tieden interjected that until the AG opinion is received, the ARRC cannot act on this matter. Brief discussion. It was pointed out that the rules have not been drafted and the AG opinion would probably be ready in mid-January. Schroeder recommended LEA start the process by placing remainder of the rules under notice. He and Doyle supported the concept of oral testing. Schroeder asked that the oral testing provision be added to the rule. Yarrington raised question of possible extension of the July 1 deadline.

No formal action.

CAMPAIGN
FINANCE
DISCLOSURE
COMMISSION

Kay Williams, Executive Director, Julie Pottorff, Assistant Attorney General, E. S. Bikokis and Janet Lyon, Commissioners, appeared on behalf of Campaign Finance Disclosure Commission. The following agenda was reviewed:

CAMPAIGN FINANCE DISCLOSURE COMMISSION[190]
Reporting requirements, agency description, civil penalties, 4.1(2), 4.5 to 4.7, 4.10, 4.17 to 4.20, 5.1, 6.1, 6.2 ARC 4252 E. 11/23/83

In response to question by Schroeder, Williams said state rules do not parallel those of federal.

6.2

Chiodo referred to the penalty schedule in 6.2 as misleading. Williams indicated the rule had been enforced for 2 years without problems. She assured Chiodo that delinquent reports

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CAMPAIGN
FINANCE
DISCLOSURE
Continued

are not published in the paper -- press releases are no longer issued. In re 4.19, Doyle thought it could be more explicit. Williams noted their manual provided more detail. Doyle recommended including "partial reimbursement for mileage" but Chiodo preferred that it remain as is. Williams claimed the manual was an expansion of the rule -- nothing added. Williams provided Tieden with an example of "timely manner" in reporting contributions. Williams indicated that if the filing were for reasons other than to avoid disclosure, there would be no problem. She stressed that the Commission takes a reasonable approach to these matters.

There was lengthy discussion of method of reporting campaign donations and the importance of depositing checks as soon as possible. No further comments.

CONSERVATION
COMMISSION

The Conservation Commission rules before the Committee were:

CONSERVATION COMMISSION[290]			
Wildlife habitat stamp revenue cost-sharing with local entities, 23.4 to 23.7	ARC 4259	F	11/23/83
State parks and preserves, camping fees, 45.2(4), 45.4	ARC 4260	F	11/23/83
Fishing regulations, natural lakes, 108.2(1)	ARC 4261	F	11/23/83
Commercial fishing, catfish length limits, 110.7	ARC 4262	F	11/23/83
Unprotected nongame, ch 16	ARC 4254	N	11/23/83
State forest camping, extra vehicle parking, 41.7	ARC 4255	N	11/23/83
Sale of nursery stock to the public, 48.2(3)"c"	ARC 4256	N	11/23/83
Contracts for public improvements and professional services, 62.2 to 62.4	ARC 4257	N	11/23/83
Migratory game bird regulations, 105.3(3)	ARC 4258	N	11/23/83

Bob Barratt, Stanley Kuhn, Marion Conover, Gene Hertel and Doyle Adams were present for the discussion.

ch 23;
et al

No questions re amendments to chapter 23. Unprotected nongame chapter 16, was reviewed by Adams and there was brief review of 45.4. No questions were forthcoming re 108.2(1), 110.7 and chapter 16.

41.7

In re 41.7, extra vehicle parking, Adams said the parking rules were the same in all state parks--forest camping is addressed under a different rule. He did not envision enforcement problems.

Doyle suggested there should be an exception for motorcycles since they do not take extra space. General discussion.

48.2(3)

Amendments to 48.2(3) will be a convenience to the Department. Doyle was advised the amount of land is not pertinent. Kuhn explained that three things will be accomplished with amendments to chapter 62; increased limit to the amount that is generally used for other governmental entities; a provision for emergency negotiation of contracts in situations where immediate need is apparent; comptroller guidelines in regard to consultant procurement. Tieden raised question re consultant or construction contracts. Kuhn advised that a file is maintained for interested people who may request to be placed on a list to see the file. According to Kuhn, contracts and professional services type agreements would be handled differently. Five or six appraisers are utilized frequently and bids are let for land surveys. He assured ARRC that there is good competition.

ch 62

105.3(3)

Barratt reviewed the six areas being added to 105.3(3) where steel shot may be required--including the DeSoto Wildlife Refuge.

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CONSERVATION
COMMISSION
Continued

Schroeder preferred that the projects, rather than the county names, be listed in the rule. Barratt assured ARRC that game management areas were well posted and that steel shot does not poison birds as does lead. There was disagreement as to whether or not steel shot would ruin shotguns. The Vice Chairman interceded. Barratt was directed to clarify the rule with respect to specific areas where steel shot would be required.

Tieden asked that the record show his opposition to 105.3(3).

COLLEGE AID
COMMISSION

Willis Ann Wolff, Executive Director and Ron Jones, Finance Division, represented College Aid Commission for review of the Iowa guaranteed student loan program, amendments to chapter 10, ARC 4235, Notice, IAB 11/23/83.

Wolff gave a brief overview of the rules which will provide more time for lenders to peruse loans. She also reviewed the grace periods for repayment of 7% and 9% student loans. Wolff indicated that \$6 million worth of default claims had been paid but the Commission is attempting to recover these funds. There was general discussion.

Schroeder suspected unfairness to students with 9% loans. However, Wolff emphasized they were following federal requirements. No other questions.

BOARD OF
NURSING

Ann Mowery, Marjorie Marzen and Lorinda Inman appeared on behalf of the Board of Nursing. The agenda was as follows:

NURSING, BOARD OF[590]	
Administrative and regulatory authority, ch 1 ARC 4216N.....	11/9/83
Specific nursing practice for licensed practical nurses, 6.3(3)"g", 6.6 ARC 4217.....F.....	11/9/83

Also present: Kay Meyers, Executive Director, Iowa Nursing Association.

1.3(2)e

Mowery stressed that changes in their rules were "housekeeping." Chiodo questioned 1.3(2)e--the requirement of three weeks prior to the meeting to submit agenda material. Mowery responded that the Board meets quarterly and this would allow Board members time to peruse material prior to their meeting. Last minute requests would be accepted. Chiodo asked that his concern be conveyed to the Board.

1.3(2)f(3)

In re 1.3(2)f(3), Chiodo asked for explanation. Mowery said that anyone on the agenda may speak to the Board and others may ask to speak. Graf requested that the subparagraph be amended by changing "may" and "chairman" to "chairperson." Mowery was amenable.

1.3(5)c(2)

Chiodo viewed 1.3(5)c(2) as placing undue burden on the public to require written information prior to the hearing. Mowery called attention to d(4). Chiodo thought the signals were diverse. Mowery interpreted the Code to require a number of requests in order to hold the public hearing. Chiodo suggested the provision to submit a written request be deleted.

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BOARD OF
NURSING

There was general discussion. Royce interjected that a public hearing is not required by law unless 25 or a group representing 25 requests one. Mowery would take the suggestion to the Board.

1.3(6)b

Chiodo viewed 1.3(6)b as providing strict control of public records.

6.6

In re 6.6(252), Mowery said a public hearing was held resulting in 119 letters and 15 speakers.

Although the outcome of the rule was not to their total satisfaction, Meyers thanked the Board for their efforts. She took the position there must be some kind of assurance that an RN is supervising an LPN. Schroeder was unconvinced that LPN's need to be totally supervised by RN's. No formal action.

COMMERCE
COMMISSION

The Commerce Commission was represented by Bill Haas, Ray Vawter, Diane Munns, David Jay Lynch and John Pearce. Also present: John Lewis, Iowa Utility Association and Don Williams, Northwestern Bell Telephone Co. The agenda was:

COMMERCE COMMISSION[250]	
Rename commerce council, establish new offices, also technical revisions, amendments to chs 1, 3, 6, 7, 16, 19, 20 and 22 ARC 4266	11/23/83
Interstate access charges, 7.4(1)"b" and "f", 22.1(1), 22.1(3), 22.2(3), 22.3, 22.3(2) "d", 22.14 to 22.16	filed without notice
ARC 4265 (also see notice ARC 4272)	11/23/83
Practice and procedure, projected litigation expense, 7.7(11) ARC 4231	11/9/83
Remainder assessment for utilities exempt from rate regulation, 17.1, 17.2, 17.4, 17.7 ARC 4232	11/9/83
Interstate access charges, 7.4(1)"b" and "f", 22.1(1), 22.1(3), 22.2(3), 22.3, 22.3(2)"d", 22.14 to 22.16 ARC 4272	11/23/83
(also see filed without notice ARC 4265)	N
Proposed findings of fact and conclusions of law, and proposed orders, 7.7(12), 7.7(14), 7.7(15) ARC 4267	11/23/83
Cogeneration and small power production, amendments to ch 15 ARC 4233	11/9/83
Gas, electric and water utilities—extensions for new service, 19.3(10), 20.3(13), 21.3(12) ARC 4268	11/23/83
New structure energy conservation standards, 19.9(5), 20.12 ARC 4234	11/9/83
Telephone utilities—basic local service, 22.3(14) ARC 4271, also filed emergency ARC 4270	11/23/83
Installation of safety labels for padmounted switchgear and transformers, 25.4 ARC 4269	11/23/83

7.4(1)b,
ch 22

No questions were posed re ARC 4266--revisions to various chapters--or to 7.4(1)b and f and amendments to chapter 22.

7.7(11)

Haas indicated one significant change had been made in 7.7(11) since the Notice with respect to litigation expense. Utility companies thought it should not be projected until after the prehearing conference, when one is held.

ch 17

Haas reported that there were no major changes in amendments to chapter 17 since the Notice. Schroeder was curious about assessment for municipals. Haas indicated consultants would not be hired for municipal cases on joint venture. Schroeder asked Haas to check if the cost would be borne by the municipals as well as the private companies. General discussion. Vawter interjected that costs incurred by rate regulation are not passed on to municipals but indirect costs would be -- plant site costs would be apportioned on the basis of the Code.

7.7

Doyle questioned change from fourteen to ten days for response to the motion in 7.7(12) and Munns said it was changed so the matter could be addressed at the Commission meetings. According to Lynch, amendments to chapter 15 were pursuant to SF 380 [1983 Acts, ch 182] to provide

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rules to encourage development of alternate energy production facilities and they exceed federal guidelines which benefit the alternate energy producer. O'Kane was told that the sewer gas as an alternate source would not be included in these rules. In order to come under the purview of these rules, Lynch said that sewer gas could be attached to a turbine and electricity sold. The Commission would not be involved until electricity was generated.

O'Kane asked if there were rules governing methane sold as natural gas. Lynch said there were no rules per se as to what price has to be paid for methane gas but the issue is addressed in the rate cases with the gas utilities.

Tieden asked who decided rates for individuals or groups generating their own electricity and Lynch replied that it would be the Commission based on the avoided costs of the utility. This would be wholesale rather than retail rate. Vawter declared that the legislation addressed the alternate generating sources -- Chiodo interpreted the rules to provide that no utility would pay more than the variable costs for this kind of energy. General discussion.

Lewis referenced the hearing to be held Tuesday and stressed utility's concern as to the effect of rates for purchased alternate energy -- the question being what is equitable and fair to everyone especially to the ratepayer.

ARC 4268

Schroeder envisioned problems with gas, electric and water utilities--extensions for new service. He could foresee private contractors being forced out of business under this concept and accessibility to power would be more complicated. O'Kane suspected additional problems with work being completed by the utility's timetable rather than by private contractors. Haas had checked practice of other states and learned that none allows anyone other than the utility to place a gas line. Schroeder thought it should be allowed as long as installation of the pipe was monitored by an inspector. Vawter indicated this was not a change from previous rules.

19.3(10)b(2)

In re Tieden question of 19.3(1)b(2), Haas said that Iowa Gas felt permanent customers should not receive the "benefit of the 3-time revenue formula when getting offset."

Schroeder asked that the information be sent to the Association of General Contractors and major construction industry representatives and he asked Royce to call the AGC.

22.3(14)

Lynch called attention to the fact that interstate and intra-state access charges rules had been delayed and this was addressed in 22.3(14).

25.4

Haas advised that rule 25.4 pertaining to safety labels for padmounted switchgear and transformers was commenced on a petition by the consumer advocate.

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Lunch
Recess

Vice Chairman Schroeder recessed the Committee for lunch at 12:00 noon.

Reconvened at 1:40 p.m.

HEALTH
DEPARTMENT

Health Department was represented by Peter Fox and Irene Howard, Licensing Division, Mark Wheeler, Hearing Officer, Jim Krusor and Mike Guely, Board of Medical Examiners.

The following agenda was reviewed:

HEALTH DEPARTMENT[470]	
Optometry Examiners, 143.3(1), 143.5(2) ARC 4215.....	F..... 11/9/83
Advanced EMT-D temporary pilot study program, 132.12, notice ARC 4090 terminated ARC 4251.....	11/23/83
Speech pathology and audiology license fees, 155.7, filed emergency after notice ARC 4247	11/23/83
Medical examiners, 135.204 135.204(10), 425.204(10) ARC 4091.....	70-day delay..... 9/28/83

ch 143

Fox noted that no comments were received on amendments to chapter 143.

132.2

No recommendations re rule 132.2.

155.7

In response to Tieden's question, Department officials explained that an audiologist performs hearing tests. Tieden suspected that "curbside sales of hearing aids" were occurring in his area. Fox agreed to pursue the matter.

35.204

In reviewing 135.204(10), Krusor pointed out that the ARRC Committee recommendations would be incorporated -- disciplinary action overturned or reversed by the Court could be expunged from Board records.

CORRECTIONS
DEPARTMENT

Records and forms, chapter 5, ARC 4246, also filed emergency, ARC 4245, IAB 11/23/83, was before the Committee. Corrections Department representatives present were Broxann Keigley, Gordon Allen, Attorney General's Office, and C. W. Lee.

Keigley presented a synopsis of rules which implement SF 464 re confidentiality. The Department was proposing a legislative change and she cautioned that it should not be confused with these rules. Committee asked for comparison between availability of information in the past and currently. According to Keigley information may be released three ways: (1) Director may give blanket authorization to a public official on any information other than medical or psychiatric (2) designees of the director, on a one-time basis, can give information to a public official other than medical or psychiatric and (3) inmate can give information to anyone.

Allen stated the rules were consistent with the statute and emphasized that he advises the Board of Corrections, not the Board of Parole.

Keigley clarified that Corrections does not dictate to the Board of Parole, which is now releasing names of prisoners.

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CORRECTIONS
DEPARTMENT
Continued

Allen stated that based upon their interpretation of the statute, Corrections must maintain confidentiality on any information given to the separate and independent body--Board of Parole. Keigley added that information (such as whether or not an inmate was incarcerated, etc.) was available in the past. That cannot be revealed at this time. In addition, unless there is a waiver on file with the inmate, nothing can be discussed with the family. An attorney would also have to come under the waiver provision. Doyle declared this was excessive confidentiality. He was reminded of the implied waiver utilized in certain limited instances but was not included in the rules. No further questions.

COMMITTEE
BUSINESS

Royce suggested a selective review of the Merit Commission policies which are not in rule form.

Also, the State Ombudsman wanted the Committee to examine an issue of Job Service with respect to unemployment benefits for school workers. Under some circumstances, 12-month employees laid off in August receive unemployment but 10-month employees will not.

The above items were scheduled for the January meeting.

REAL ESTATE
COMMISSION

Gene Johnson, Ken Smith and Bud Ewell, Iowa Association of Realtors, appeared on behalf of Real Estate Commission. Discipline and hearing procedures, 4.40, ARC 4248, Notice, IAB 11/23/83 were before the ARRC. Also present: Frank Thomas, Assistant Attorney General.

Thomas assured Schroeder that the Commission has always had a rule of reasonableness -- with respect to penalties the Commission has not established fines as yet for violations listed in 4.40 and Committee members took issue with that, contending the fines should be included in the rule. General discussion.

Tieden wanted to know where "place of business" was described. Code§117.3(1) was cited as source for that definition.

4.40(10)

Schroeder referred to 4.40(10) and asked if brokers had a "lock" on the market. Johnson said all sales associates were licensed through their employed broker. He was willing to remove 4.40(10). Brief discussion.

Thomas said that acting as an apartment manager constitutes acting as a real estate salesman. Mention was made of individual who manages for family members. Johnson cited Code§117.3(1) Committee thought corrective legislation might be needed.

Johnson discussed the fact that as a state regulatory agency they did not have responsibility for defining independent contractual arrangements for the brokers. Johnson told Doyle that the Commission has in the "study stage" rules relative to Code §117.7 (1-5) as it relates to those exempt from real estate licensing.

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REAL ESTATE
COMMISSION
Continued

Thomas reminded ARRC that the Commission's authority was limited to licensees. Doyle reiterated his concern for the person who handles real estate holdings for a family member but has no license. Smith was doubtful that would be a matter for Real Estate Commission. Doyle wondered what the exemption were under Code §117.7.

The Committee favored three categories of fines. Johnson indicated the Code allows fines up to \$1,000 and Commission decides on each circumstance. Schroeder opposed that practice Johnson pointed out that a peer group makes discretionary decisions within the parameters set by legislature.

Ewell thought his association would be receptive to some kind of guidelines as to fines. Johnson reminded Ewell imposition of fines could occur only after a hearing. Approximately thirty hearings were held in 1983 -- average of 2½ to 3 per month. Johnson recalled one predominant area was counting of funds belonging to others and trust account violations or misappropriating rent funds.

General consensus of the Committee that three classes of misdemeanors were preferred for fines.

PRODUCT DEV-
ELOPMENT
CORPORATION,
IOWA

The following agenda was before the Committee:

PRODUCT DEVELOPMENT CORPORATION, IOWA[642]
Description, organization, fund, chs 1 to 4 ARC 4250, also filed emergency ARC 4249, N.*.FE..... 11/23/83

The Product Development Corporation was represented by Doug Getter, Acting President, and Fran Fleck. Getter briefed the Committee on the fact that the Corporation, which was an outgrowth of SF 548, 1983 Acts, began operations in August.

Tieden was told the Corporation did not anticipate trouble with Bond issues when the Revenue is clearly established. A Bond Underwriter would not be interested at this time.

A million dollar project was on-line December 1 [the Electronic Corporation of Cedar Rapids]. The Product Development Corporation is supporting that project with \$100,000. Getter reported that fifty copies of the proposed rules had been mailed.

2.5(2)

In re 2.5(2), ARRC requested a change re quorum be made by substituting "a majority of the members of the board" for "a majority of the members present". Getter agreed to review the matter.

O'Kane assumed the chair.

HUMAN
SERVICES
DEPARTMENT

Human Services Department representatives present were Judy Welp, Charles Ballinger, Miriam Turnbull, M. E. Imlau, Joe E. Smith, Dan McKeever, Stan Monroe, Will Miller, Kathi Kellen and Harold Poore.

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HUMAN
SERVICES
DEPARTMENT
Continued

The following agenda was before the Committee:

HUMAN SERVICES DEPARTMENT(498)			
Fair hearings and appeals, food stamps, 7.21	ARC 4239	F	11/23/83 664
Medical assistance, condition of eligibility, 75.1, 75.2, 75.4(2), 75.4(3), 75.4(4) to 75.4(6)	ARC 4240	F	11/23/83 665
Medical and remedial services, nutritional supplements, skilled nursing facilities, 78.1(2), 78.12(16)	ARC 4241	F	11/23/83 667
Scope of medical and remedial services, community mental health centers, 78.16(1)	ARC 4242	F	11/23/83 667
Foster care services, eligibility, placement, 136.2(5), 136.6(4)	ARC 4243	F	11/23/83 668
Adoption services, 139.1	ARC 4244	F	11/23/83 669
Fair hearings and appeals, ADC, food stamps, medical assistance, 7.7(1)"b", 40.4(4), 46.1(5), 46.3, 46.4(3)"b", 46.5,			
46.6, 65.19(18), 65.22 to 65.24, 75.1(2), 75.1(14) to 75.1(16)	ARC 4228	N	11/9/83 570
Facility participation, intermediate care facilities, 54.3(11)"k" (3) and (4), 81.6(11)"k" (3) and (4),			
82.5(11)"h" (3) and (4)	ARC 4226	N	11/9/83 573
Providers of medical and remedial care, 79.1(7)"a" and "b"	ARC 4238, also filed emergency ARC 4237	N.F.F.E.	11/23/83 646
Child care centers, 109.2(1)"g", 109.3(1), 109.4(1), 109.4(2), 109.4(6), 109.5(4)"a", 109.5(7), 109.7(4)"e"	ARC 4229	N	11/9/83 574
Purchase of service, 145.3(3)"j"(2), 145.6(1)"a"(1)	ARC 4230	N	11/9/83 575

ch 75

Welp explained amendments to chapter 75 relate to recovering payments for third-party liability providers in the Medicaid program.

75.4(4)b

The Department has expanded recipient cooperation area and changed distribution formula in response to legislative action. Public hearing was not held but one change was suggested by the Iowa Hospital Association. Welp assured Doyle that this rule addresses third-party payers -- Monroe explained the process and Welp called attention to 75.4(4)b.

Chiodo arrived and Schroeder was excused.

78.1,12

Welp said amendments to chapter 78 address payment for nutritional supplements when prescribed for patient with prior authorization. Also, the rules are consistent with rules on hospitals -- patient is in lower level of care, pay is at the average rate rather than maximum per the Omnibus Budget Reconciliation Act.

78.16(1)

The change in 78.16(1) was recommended by Iowa Community Mental Health Center Association and provides two exemptions with respect to preadmittance. O'Kane was concerned that a social worker who is unlicensed would be permitted to make preliminary diagnostic evaluations for admittance. Ballinger emphasized it was a very preliminary kind of evaluation. O'Kane could see an advantage if the diagnosis were made by a trained individual.

136.2(5),
136.6(4),
139.1

No questions were posed re 136.2(5), 136.6(4), 139.1.

According to Welp, amendments to fair hearings and appeals were necessitated because of the automated benefit calculation system and basically addressed recoupment procedures.

Tieden inquired about the error rate on food stamps and Welp was willing to supply information before the next meeting. O'Kane was dubious about a program being "molded to fit the computer".

No questions were raised re facility participation rules 54.3, 81.6(11) and 82.5(11)h(3) and (4), 79.1(7)a and b.

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HUMAN
SERVICES
DEPARTMENT
Continued

ch 109

Welp advised that amendments to chapter 109 were basically minor and ease facility requirements, a major change consists of new requirement for the on-site director of child care centers serving 21 or more children. The Day Care Advisory Committee requested these changes after 4 years of study. Tieden was interested in knowing if there would be extra cost involved. Poore said there was no cost analysis on the program. However, O'Kane was assured there was sufficient statutory authority to increase the regulation of day care centers under Code §237A.12. Only two letters were received during the comment period.

ch 145

No questions were raised re amendments to chapter 145.

Recess

Acting chairman O'Kane recessed the Committee for five minutes.

REVENUE
DEPARTMENT

Carl Castelda, Deputy, Ben Brown, Inheritance Taxes, John Christensen and James D. Hamilton, Policy Unit, appeared on behalf of the Revenue Department for review of:

REVENUE DEPARTMENT(730)

Practice and procedure, contested case proceedings, 7.17(5)	ARC 4263	F	11/23/83	669
Interest, 10.2(3)	ARC 4220	N	11/9/83	579
Individual tax, 39.6, 41.5(2)"c", 42.2(3), 42.2(4), 42.2(5), 42.4(3), 43.4	ARC 4221	N	11/9/83	579
Withholding, 46.1(1)"c", 46.3(2)	ARC 4222	N	11/9/83	582
Allocation or apportionment of investment income, 54.2	ARC 4223	N	11/9/83	583
Inheritance tax, 86.2(2) to 86.2(15), 86.3(1) to 86.3(3), 86.6, 86.9 to 86.12, 8.1(5)"b"	ARC 4224	N	11/9/83	585

7.17(5)
10.2(3)

No questions re 7.17(5), 10.2(3).

Individual tax -- Castelda noted that changes were required due to various Acts passed by the Iowa General Assembly -- SF 288, 386, 545, 548. Changes address minimum tax rate. He discussed problem areas, e.g., general feeling is that the minimum tax is inequitable and the GA would probably be asked to change the concept. The Department is preparing a worksheet for practitioners to follow in computing minimum tax for Iowans. It is too early to assess the impact.

43.4

In addition, the legislature mandated the Department to conduct a study of the minimum tax issue, and a report should be ready in mid-January. Castelda continued that a change had been made in 43.4(2) re Iowa election campaign funds. The Department has general administration over the \$1 and \$2 donations to campaigns. In the past, rulemaking has been under the Iowa Campaign Finance Disclosure Commission [190]. The Revenue Department entered into a 28E agreement with them regarding the promulgation of rules. This is the first time Department of Revenue has submitted rules on the campaign donations. The Revenue Department will be working with Campaign Finance Disclosure Commission in drafting language for a Commission rule on the matter.

chs 46 & 54

Castelda was unaware of any problems with accelerated depreciation. There was brief discussion of the tax form and inherent problems with all the information required. Doyle was told that when the federal adjusted gross income is

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REVENUE
DEPT.
Cont'd

properly computed and an option exists to choose one method of depreciation. Whatever is chosen under ACS flows over to the Iowa return and Iowa does not recognize investment credit, according to Castelda. It is merely deducted from computed tax. It can affect capital gains at some later time. Doyle had had several complaints on the subject and he referenced a seminar. Castelda was willing to pursue the matter.

ch 46

Amendments to chapter 46 implement 1983 Acts, SF 386, provide that taxpayers can take additional withholding allowances when they will have additional itemized deductions for the tax year.

Ch 86

Amendments to chapter 86 implement 1983 Acts, HF 635, which will have a major impact on inheritance tax laws. A tremendous amount of paper work will be reduced since only one return will be filed. The federal Form 706 concept will be followed. Doyle thought the preliminary tax report was no longer needed for inheritance tax purposes. According to Castelda and Brown, new forms will be available. Doyle and Brown reviewed the process to be followed by lawyers. Castelda said the Department had worked with the Bar Association for consistency.

In response to Tieden, Castelda said there was little similarity between state and federal inheritance tax procedures.

VOTER
REGISTRA-
TION

Doug Lovitt and Tim Dickson were present to review the following for the Voter Registration Commission:

VOTER REGISTRATION COMMISSION[845]
Voter registration forms and instructions, 2.1(1), 2.3(2), 2.3(3) ARC 4212 N 11/9/83

Also present: Lando Valadez, Hispanic representative.

There was brief discussion with Lovitt explaining that a post card registration form and other materials will be printed in language other than English. An AG opinion stated that the authority existed to implement the rule. No opposition has been registered to the form.

The statute now permits the inclusion of telephone numbers, if available. However, lack of phone number will not constitute a faulty registration.

TRANSPOR-
TATION
DEPT.

Carol Coates and Carol Padgett, Vehicle Registration, represented the Department of Transportation for the following agenda:

TRANSPORTATION, DEPARTMENT OF[820]
Vehicle registration and certificate of title, [07,D] 11.2(6), 11.3(6), 11.5(2), 11.13, 11.16, 11.17, N 11/9/83
11.51(1)"b", 11.51(2)"c" ARC 4218 11/9/83
Motor vehicle equipment—windshields, windows and sidewings, [07,E] 1.7 ARC 4219 11/9/83

[07D]ch 11
[07E]1.7

No questions re [07D]ch 11 amendments. Coates informed the Committee that [07E]1.7 implements 1983 Acts, SF 493, which prohibits excessively dark tinting of windshields and front windows of vehicles. Coates admitted to Tieden that en-

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TRANSPORTATION
DEPARTMENT
Continued
[07E]1.7

forcement would be difficult. She informed O'Kane that the twenty-five feet requirement was not statutory. Coates spoke of the problems of testing windshields for excessive darkness and language for distance was included to preclude removal of the windshields. Doyle suggested addition of "in the daytime" after "twenty-five feet" in the last sentence of [07E]1.7. Coates was amenable.

Recess

The Committee was in recess for 10 minutes.

WATER, AIR AND
WASTE MANAGE-
MENT DEPT

Jerry Tonneson, Mark Johnson, Mark Landa, Patty Allen and Morris L. Preston appeared on behalf of Water, Air and Waste Management Department for the following:

WATER, AIR AND WASTE MANAGEMENT DEPARTMENT[900] N 11/9/83
Criteria for award of grants, 91.1 ARC 4227
Economic impact statement, Proposed sulfur dioxide emission limit revisions, 23.3(3)"a", notice ARC 3813, 6/22/83
ARC 4253 11/23/83

91.1

Allen, Hearing and Compliance Officer, explained 91.1 contains priority systems for ranking and funding of wastewater treatment plants. A second public hearing had been held. The proposed amendments relate to (1) appeal of the Executive Director's decisions and (2) a placement of a 60% cap on the funding provided to a project in one year. Chiodo wondered if the cap on the funding would fluctuate from year to year. Allen answered that the Commission may look at the priority system again next year. He continued that, basically, under federal regulations, the priority system should be reviewed annually. Chiodo could foresee bonding problems for a city without knowledge of the commitment. Allen said that although the Department recognizes a responsibility, they cannot guarantee from year to year that the rules will not change. Department officials said the impact of a formula change would be neutral.

Chiodo voiced opposition to "changing the rules in the middle of the stream" and eliminating consistency. Tieden thought Chiodo had a very valid point and asked that it be considered by the Commission. Allen assured Tieden that the bond rate was considered by the Commission. Chiodo and Preston discussed federal share which was not being changed.

Chiodo was interested in the federal dollar impact to the state. Preston said that 55% federal funds go into effect October 1, 1984, with the exception of some projects which qualify for 75%. The state still provides 5% so the federal money goes further. Chiodo asked if there would be additional charge to the state by implementing the 60% gap in relation to what it was previously and Preston answered in the negative. Chiodo recalled one of the hearings where mention was made of possible additional drain on state funds. Preston commented that the state commitment was tied to the amount of federal funds available and nothing in this rule would change the state impact.

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WATER, AIR &
WASTE MGMT
Continued

Chiodo voiced opposition to the system in general. Allen informed O'Kane that the Commission was meeting today and tomorrow. O'Kane asked if Allen expected changes as a result of comments from the public hearing and she did not. O'Kane requested information on the interest liability to the heretofore unnamed community that was already bonded for part of a project. Department officials agreed to provide that information at the next meeting of the ARRC. No other questions.

Economic
Impact
Statement

The Economic impact statement on proposed sulfur dioxide emission limits for existing solid fuel burning units was before the Committee. Mark Landa, Jerry Tonneson and Mark Johnson were present for this review. Notice of intended action on the rule was published in the 6-22-83 IAB. The standard was accepted by EPA in 1972. This proposal will require 22 sources to meet the reduced state emission standards--most are already meeting the requirements. EPA will begin enforcement January 1, 1984. It is anticipated there will be a 13-million pound reduction in the amount of chemical emitted from 4 sources that presently emit more than 5 pounds. Landa admitted the long-range environmental effect of the reduction was unknown. Chiodo preferred federal enforcement of their rule. Landa stressed that the Department has more discretion if a facility is making a good faith effort. Also, the state would have no control over penalties imposed under federal regulation--federal penalty is \$25,000 per day -- state is \$5,000. Comparison between Iowa and other states was made. Landa indicated Iowa is one percent of the problem.

Tieden was under the impression that although Iowa seems to have extremely strict regulations, much of the world is unconcerned about pollution. Landa agreed it was a national issue and a significant local problem.

O'Kane questioned Scenario #1--Limited Lost Sales and asked if it addressed two of the main polluters -- the Iowa Coal Industry. Department officials indicated that was correct. Tieden asked what percent of a blend would reduce coal to an acceptable level and was told that 60% of the time Iowa Coal meets the standard without treatment. No other questions.

No agency
Reps called

An agency representative was not requested to appear for the following:

ARCHITECTURAL EXAMINERS, BOARD OF[80]	
Admittance to examination and rules of conduct, 2.2(1), 2.2(2), 4.1(1)"a" ARC 4213 11/9/83
ARTS COUNCIL[100]	
Programs, training grants, 2.3(1), 2.3(2), 2.3(3), 2.3(6), 2.3(8) ARC 4214 F..... 11/9/83
INSURANCE DEPARTMENT[510]	
Examinations, time and location, 10.4(1) ARC 4236 N..... 11/23/83
Deposits by a domestic life company in a custodian bank or clearing corporation, ch 32, filed emergency after notice ARC 4211 F.F..... 11/9/83
MERIT EMPLOYMENT DEPARTMENT[570]	
Definitions, pay plan, 1.1(43), 4.8, 4.11 to 4.13 ARC 4225 F..... 11/9/83

Minutes Doyle moved that the minutes of the November meeting be approved. Motion carried.

Adjourned Tieden moved to adjourn at 5:00 p.m. Motion carried.

Next meeting is scheduled Thursday and Friday, January 5 and 6, 1984.

Respectfully submitted,

Phyllis Barry
Phyllis Barry, Secretary
Assistance, Vivian Haag

APPROVED:

Del E. Priede
CHAIRMAN

Date