

MINUTES OF THE SPECIAL MEETING
of the
ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of Meeting: Tuesday, August 2, 1983, and Wednesday and Thursday, August 17 and 18, 1983.

Place of Meeting: State Capitol, Committee Room 22, Des Moines, Iowa.

Members Present: Senator Berl Priebe, Chairman; Representative Laverne Schroeder, Vice Chairman; Senators Donald Doyle and Dale Tieden; Representatives Ned Chiodo and James O'Kane.

Also present: Joseph Royce, Committee Counsel; Kathryn Graf, Governor's Coordinator; Phyllis Barry, Deputy Code Editor, and Vivian Haag, Administrative Assistant.

Convened

The Committee was convened by Chairman Priebe at 9:00 a.m. in lieu of statutory date of August 9, 1983. The following Health Department agenda was before the Committee:

HEALTH
DEPARTMENT

HEALTH DEPARTMENT[470]	
Family planning services, ch 74 ARC 3844	.....F.....7/6/83
Speech pathologists and audiologists, licensure, 155.3(3)"d", 155.4(1), 155.4(4)"b" ARC 3847	.....F.....7/6/83
Required immunizations, 7.4(4) ARC 3852	.....M.....7/6/83
Advanced emergency medical care, ambulance standards, 132.6(1)"b", 132.6(7) ARC 3849	.....M.....7/6/83

Department representatives present were: Peter Fox, Mark Wheeler, J. R. Kelly, Irene Howard, Donald Kerns and Phyllis Blood.

Graf referenced the letter she had sent to agencies wherein she discouraged utilization of emergency provisions for rules.

ch 74

Wheeler said that chapter 74 of their rules adopts federal regulations to implement the Public Health Services Act. Wheeler told O'Kane that 74.4 would allow state administrative process, which was not addressed in the federal regulations.

No recommendations were offered for amendments to chapter 155 and 7.4(4). According to Wheeler, amendments to chapter 132 set state standards, as opposed to federal, for ambulances. Results of review by the appropriate divisions in the Department revealed that the federal regulations were more onerous than necessary at the local level.

Re 132.6(7)a, Kelly advised Priebe that all ambulances in service qualify for sustained speeds of 55 mph to allow quick response to calls while staying within the speed laws. Doyle questioned the electrical standards and Kelly emphasized the importance of the large electrical system which several Iowa ambulance manufacturers had recommended.

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HEALTH Tieden asked if there were areas where the rules were more
DEPARTMENT stringent than federal and he voiced concern as to impact of
Continued the rules on small communities. Tieden was informed that all
ambulances in the state meet these standards. Wheeler reported
there were no adverse comments in the public hearing. Also,
copies of the rules were sent to every ambulance service in Iowa.

Recess Chairman Priebe recessed the Committee at 9:20 a.m. Reconvened
at 9:30 a.m.

COMMERCE Bill Haas and Ray Vawter represented the Commission for review
COMMISSION of:

COMMERCE COMMISSION[250]

Contested cases, 7.7(1)"d" ARC 3883N.....7/6/83
Telephone utilities, customer payment, 22.4(3)"c" to "f" filed emergency ARC 3884.....F.A.....7/6/83

Also present: Don Williams, Northwestern Bell; Todd W. Schulz,
Iowa Telephone Association; Marie T. Oilg, KRNT; Owen McCon-
ville, McConville Coal, Bussey; Marvin B. Ross, Iowa Coal Pro-
ducers.

In re 7.7(1)"d", Doyle inquired as to previous practice. Haas
said that usually if there were not adequate response before
testimony was due, the party would seek a delay in the filing
date of Commerce testimony. Haas was not aware of other agencies
with similar rules. No other questions.

22.4(3)"c" Discussion moved to 22.4(3)"c", re delinquent charges for tele-
phone utilities. According to Haas, the matter had been di-
rected by Chairman Varley to be renoticed later in the day and
the concern of the telephone industry would be considered in that
rulemaking.

Discussion of the Acts, in particular HF 312, §37, which stated
that no late payment charges can be assessed until after 20
days if the bill is not timely paid. As far as the Commission
is concerned, the rules are consistent with the Act. Since the
telephone company does not impose late payment charges, Williams
questioned whether or not the 20 days would apply. Telephone
officials interpreted the rules as having the effect of delaying
disconnection of service. Haas emphasized that without the 20-
day provision, Commerce would be encouraging all utilities to
eliminate their delayed payment charges.

Vawter added that the current rules provide for timely payment--
disconnect notice is sent after the 15 days of the timely payment.
That payment would be expanded 5 days. He said the telephone
company opposes the fact that disconnect has been moved back...
5 days for all utilities.

Priebe thought the bill was very clear and voiced support of
the Commerce Commission. Williams anticipated accounting prob-
lems and an increase in the "uncollectibles." He elaborated
on that for Chiodo. General discussion.

The intent of the legislation was reviewed by Tieden and Priebe.
Tieden opined that this interpretation of the rule had not been
considered.

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COMMERCE
COMMISSION
Continued

Chiodo pointed out the law was intended for gas and electric companies and the problem was created because telephone companies are directed by the same law. Discussion of possible ramifications due to the emergency implementation of the rules. Haas was of the opinion they would be noticed. Vawter reminded the ARRC that the telephone company bills in advance except for long distance charges. Chiodo wondered if the two billings would be separate. Priebe thought that would be required by the law change and that the Committee could not circumvent the 20-day requirement.

Williams commented that the telephone company had asked for a waiver which was granted until August 1. Priebe questioned whether there was statutory authority for the waiver. He recalled legislative intent was to help the individual who did not have a pay check at the time the utility bill would be due. Chiodo reasoned there would not be a problem if the telephone utilities were regulated in a separate Code chapter. No formal action taken.

BEER & LIQUOR
CONTROL DEPT.

William Armstrong represented Beer & Liquor Control for review of the following:

BEER AND LIQUOR CONTROL DEPARTMENT[150]

Verification of eligibility to purchase form, 4.32 ARC 3857.....F.....7/6/83

Doyle quoted from the Code, "...provide nature and character of evidence which shall be required..." and took the position that 4.32 exceeded the law. Schroeder concurred.

Armstrong reviewed the history of the matter which previously had been before the ARRC three times. He emphasized that the intent of rule 4.32 was to reduce purchase of liquor by minors and protect liquor store employees from liability. Armstrong reasoned that the Department was in a "no-win" situation and added that the state Ombudsman supports the form provided the requirements are set out by administrative rule. He thought that the record would show that previous review had generated little, if any, comment--Schroeder had suggested the forms be retained in the store rather than in the central office.

Royce commented that he had had serious questions about the rule but has changed his opinion based on administrative necessity. He continued that agencies have inherent power to keep records as necessary and he recognized problem of dram shop liability. Royce advised that the last sentence of the rule be stricken and a provision be added to provide that, under 68A, any attempt to gain access to those records would be challenged by the Department.

Graf interjected that she was serving on a committee which was appointed to examine the public records law and report their findings to the next General Assembly. Armstrong was amenable to considering nonpublic disclosure and destroying of forms after 15 to 30 days.

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BEER & LIQUOR
CONTROL DEPT.
Continued

O'Kane questioned the statutory authority for the rule and moved that ARRC object to rule 150--4.32(123) of the Beer and Liquor Control Department.

Motion to
Object
150--4.32

Roll call vote was requested by Tieden. The motion lost with 3 ayes by Schroeder, Doyle and O'Kane; 2 nays by Priebe and Tieden; Chiodo, absent and not voting.

Motion to
Delay

Doyle then moved to delay 150--4.32(123) for 70 days to allow time for further study. Discussion followed. Chiodo returned.

Doyle was informed that the AG's office had not been involved with this matter. O'Kane saw a problem with "selective enforcement." Armstrong pointed out that vague language of the statute--"reasonable cause to believe" created "headaches" for the Department.

Vote

Short form vote was requested on Doyle's motion to delay rule 4.32. Motion carried unanimously with 6 ayes.

October Agenda

Doyle asked Royce to request an AG's opinion on the issue. The rule will be placed on the October agenda for further consideration.

CREDIT UNION
DEPARTMENT

Betty Minor was present on behalf of the Credit Union Department. The following agenda was before the Committee:

CREDIT UNION DEPARTMENT[295]

Small employee groups, 5.1(1), 5.1(2), 5.2, 5.5 ARC 3855.....

Credit union share drafts, ch 7 ARC 3856

Y.....7/6/83

N.....7/6/83

Also present: Paddy Kalahar, Iowa Credit Union League, and Richard Berglund, Iowa Independent Bankers.

Minor commented on results of the public hearing where 30 were in attendance, 10 of whom presented responses to the proposed rules. Also, 24 written comments were received. Final recommendation will be made at the regular meeting of the Credit Union Review Board August 22.

Minor presented a brief history of Credit Union charters and subsequent mergers. She offered facts in support of subrule 5.1(2) re increase from "300" to "750" small employee groups. One other concern was the federal deregulation of credit unions.

Minor noted that the phrase "provided such group is not eligible for membership in an existing Iowa state chartered credit union" used in 5.1 was overwhelmingly opposed at the hearing. The Department will recommend revision in this area. The definition of "small employee group" was discussed. Chiodo took the position the meaning of "common bond" was expanded. Minor cited Code §533.4(13).

Schroeder was not convinced the change was necessary and he expressed opposition to 295--5.5(533). He questioned the fact the Department had rescinded chapter 7 re share drafts. Minor did not understand that it was necessary

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CREDIT UNION DEPARTMENT Continued to print federal regulation in the IAC. She added that credit unions are obligated to follow federal regulations. Chiodo was "a little uncomfortable with what was happening although the Credit Union was within its authority."

Doyle asked for information about church credit unions -- Minor said they are chartered just as others -- community charter.

O'Kane inquired as to whether other financial institution representatives commented at the public hearing. Minor said they had not but letters were received from Iowa Bankers Association opposing the 750 number.

Berglund could foresee a very large number of Iowa Credit Unions consolidating into very large groups. Minor was doubtful any bank would open to serve only 750 people. She continued that, although CU's are decreasing in number of units, they are growing in assets and membership. However, that was unrelated to the small employee groups which the statute allows. Kalahar voiced the League support of the number change.

O'Kane was advised that chapter 7 was rescinded in response to SF 90[1983 Iowa Acts]. No further discussion.

LIVESTOCK
HEALTH
ADVISORY
COUNCIL

Mark Truesdell, attorney, and Clark E. Bredahl, chairman, Livestock Health Advisory Council, appeared on behalf of the Council for review of recommendation, appropriation for livestock disease research, chapter 1, ARC 3842, IAB 7/6/83. Also present: Dr. John P. Kluge and Dr. Merlin L. Kaeberle, Iowa State University; Scott Hansen and Bruce Berven, Iowa Cattlemen's Association; and Gilbert L. VanderHart, Pella farmer.

Truesdell reviewed the budget as published in the IAB. Committee members raised question as to lack of funding for bovine pseudorabies.

VanderHart spoke of a recent disaster where he lost 26 head of cattle to pseudorabies which he attributed to a small wild animal carrier. He spoke of his interest in a vaccine for pseudorabies in cattle and the fact that swine are carriers.

According to Kluge, the overall plan was for increased control of the disease and eventual eradication so all vaccination could be discontinued. He mentioned 5 projects throughout the state. Priebe reasoned more vaccine should be used until the disease is under control. Tieden was informed that both live and killed vaccines are available.

Truesdell referenced a safe subunit vaccine which is being developed. General discussion.

Bredahl distributed a chart depicting budgets dating back to FY 1977 and he explained the decision-making process

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LIVESTOCK
HEALTH
ADVISORY
COUNCIL

followed by the Council--a cooperative effort with Iowa State University. Bredahl recalled significant reductions in virtually all of the research projects, including bovine pseudorabies, because of severe budget constraints in 1982. He noted that a substantial portion of research being conducted on swine also pertains to cattle and sheep. Bredahl knew of no "groundswell" from the industry requesting bovine pseudorabies research.

It was pointed out that 1.1, first item, should read "swine pseudorabies research." Priebe asked if the University would be the recipient of any royalties from the sale of vaccine. Kluge was unable to provide particulars but spoke of the licensing agreement. He suspected most funds would be returned to the research foundation.

Upon recommendation of Graf, Bredahl was willing to seek advice from the Attorney General. No formal action taken.

PUBLIC
SAFETY
DEPARTMENT

Building code, chapter 16, ARC 3850, filed, IAB 7/6/83 was before the Committee. Connie White and Don Appel briefed the Committee on the changes, in particular, the plumbing rules. No action.

REAL ESTATE
COMMISSION

Kenneth Smith and Lisa Marron represented real Estate Commission to review:

REAL ESTATE COMMISSION(700)

Brokers and salespersons, license renewal, 1.27(6) - ARC 3859 F 7/6/83.
Brokers and salespersons, license renewal, 1.7 ARC 3858 N 7/6/83.

Smith explained the changes made since rules were before the Committee under Notice. In re 1.27(6), brokers who are selling their own property need not deposit funds in the trust account. O'Kane could envision problems and was interested in knowing what protection would be afforded the consumer. Smith recalled a previous ARRC member had requested the change.

1.7

In reviewing 1.7, Doyle took the position that the increased penalty from \$20 to \$90 was excessive. Smith said the purpose of the penalty was to discourage late renewal. O'Kane was informed there were approximately 17,000 licenses.

Recess

Chairman Priebe recessed the Committee at 12:10 p.m. and reconvened it at 1:30 p.m.

Committee
Business
Water, Air &
Waste Man-
agement
Economic
Impact

Schroeder reasoned that coal emission standards of the Department of Water, Air and Waste Management would impose a hardship on a selected few Iowa suppliers. [23.3(3), 6/22/83 IAB] He moved to request an economic impact statement on the proposed rules to require the Department to analyze the benefit to public in terms of clean air versus damage to Iowa's coal industry. Short form voting was requested. Motion carried.

BOARD OF
REGENTS
Parietal
rule

Robert Barrick, Deputy Executive Secretary, was present for discussion of UNI, parietal rule, 2.36(5), ARC 3860, filed, IAB 7/6/83. Barrick said the rule was based upon agreement

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BOARD OF REGENTS of the administration, students and those involved with bonding for the dormitories and there had been no complaints.

Motion to object 2.36(5) Schroeder moved that an objection be placed on subrule 2.36(5) on the grounds that it was arbitrary and capricious. It was his opinion the Board repeatedly circumvented due process. He advised that the rules should be rescinded and when it is needed, the normal rulemaking process should be followed.

Barrick commented that, based upon enrollment projections, this would probably be the last time the parietal rule was suspended. Tieden opined it would have been preferable to object to the first suspension. Barrick stressed that a second suspension was needed since enrollments did not decline as anticipated--the opposite has occurred.

Vote Short form voting on the motion which carried with 5 ayes. Tieden asked to be recorded as voting "no". The following formal objection was drafted by Royce:

At its 2 August 1983 meeting the administrative rules review committee objected to the promulgation of 720 IAC 2.36(5), on the grounds that it is unreasonable to constantly waive the requirements of a "permanent" rule as an alternative to rescinding that rule and repromulgating it if ever needed. The subrule at issue is adopted as ARC 3860, published in VI IAB 1 (7-6-83).

This subrule, renewed every two years since 1979, waives on a temporary basis the so-called "parietal rule". This permanent rule, generally speaking, requires freshmen and sophomore students at UNI to live in university dormitories, fraternities, or sororities. The "parietal rule" will automatically go into effect whenever the board of regents allows the waiver to expire.

The system of a permanent rule coupled with temporary suspensions, allows the controversial permanent rule to be implemented without the public comment, criticism or controversy that might accompany a rule-making procedure. It is the committee's opinion this is unreasonable, and is calculated to avoid the opportunities for public comment that are provided by Iowa Code Chapter 17A.

This objection may be rescinded if the board of regents agrees to precede any enforcement of the parietal rule with a rule-making process providing notice and an opportunity for public participation.

TRANSPORTA- Thomas Jackson, Planning and Research Division, was present
TION DEPT. on behalf of Department of Transportation to review:

TRANSPORTATION, DEPARTMENT[820]
Designated highway system, (07,A) ch 1 ARC 3848 F 7/6/83
Designated highway system, (07,A) 1.6 ARC 3895 N 7/20/83

Also present: Charles Ingersoll, Iowa Motor Truck Association. The rules [07,A, ch 1] which are exempt from 17A list the system of designated highways, vehicle dimensions and allowable access for longer trucks. Jackson explained that a provision was added to allow requests for change in the designated system. [7/20/83 IAB]

According to Jackson, a public hearing was held with very little interest shown. He said the pavement width was considered when the system was designed. He referenced a provision for access to the system from cities in accordance with distance criteria for commercial zones used by the commerce. Generally, a large industry would not be located in smaller communities. There was discussion of the Iowa law which was passed to conform to

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TRANSPORTATION
DEPARTMENT
Continued

federal law--highways can be added to the system without their approval. After perusal of the maps depicting the various routes, Schroeder recommended that DOT add highways 18, 92, 59 and 3 as designated highways across the state. The particular problem with highway 218 was discussed. Schroeder suggested use of highway 13 at the point where 3 is terminated as a designated highway.

Jackson pointed out there was no formalized review procedure for designated highways. Mention was made of including highways 65 and 169 in the request for designated highways.

Ingersoll called attention to the fact that he had one carrier who wanted to use highway 65. Jackson was requested to consider that possibility. However, he opined that Missouri has not designated highway 65. He recommended that Ingersoll contact Missouri officials. Consensus was that highways 169, 18, 92, 59 and 3 should be included in the designated highway system.

Schroeder referenced bridge laws which could create problems with longer trucks -- Jackson did not believe maximum length or bridge law had been changed. Tieden was concerned about mileage distance for communities under 2500 and asked if there were appeal procedures in those areas.

Jackson answered that the right of appeal had nothing to do with the designated systems. Tieden thought the 4-mile limitation to be rigid. Doyle commented that ARRC should be on the Newsrig mailing list as well as the Transportation Committees of the Senate and House.

BOARD OF
PHARMACY
EXAMINERS

Norman Johnson was present for review of:

PHARMACY EXAMINERS, BOARD OF[620]
Licensure, reciprocal registration, controlled substances, 1.2, 5.6, 8.3 ARC 3853 F 7/6/83
Minimum standards, 6.1(5), notice ARC 3445 terminated ARC 3851 N 7/6/83

No questions were posed.

2:30 p.m.

Chairman Priebe called for a 10-minute break.

IOWA FAMILY
FARM AUTHORITY

Kim M. Olson, Assistant Attorney General, appeared on behalf of Iowa Family Farm for review of:

IOWA FAMILY FARM DEVELOPMENT AUTHORITY[523]
Beginning farmer loan program, issuance of bond, 2.12 ARC 3845 N 7/6/83
Soil conservation loan program, issuance of bond, 4.4 ARC 3846 N 7/6/83

Tieden expressed concern about notices in newspapers. He was told printing costs were prohibitive--\$200-\$300 per month. Tieden insisted it was a public program. Priebe agreed with Tieden.

In response to Priebe and Schroeder, who maintained that notice of hearing should be more widely publicized, Olson mentioned problems with meeting deadlines, obtaining documents in timely manner and prohibitive printing costs. She added that hearings are held in compliance with IRS regulations to avoid loss of tax exempt status on the bonds.

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IOWA FAMILY
FARM AUTHORITY
Continued

Priebe had problems with the language in the last sentence of 2.12 which provided "...an employee or appointee of the authority". It seemed to be a way of trying to "pass the buck." O'Kane saw no need for extensive publication of all of the notices since most bond sales are prearranged.

2.12
4.4

Olson was placed on notice by Priebe and Schroeder who indicated they would pursue an objection to 2.12 and 4.4(175) if they were not modified prior to adoption. They asked that language "and the right of individuals to request a local hearing" also be reinstated. No other discussion.

Olson insisted they were not precluding a local hearing. She cited lack of staff and budgetary problems and pointed out that, in 7 months, only one hearing had been requested.

SOCIAL
SERVICES

There was discussion of the population maximum in the adult correctional institutions. Judy Welp, Carl L. Meesil, Bob Lipman, Morris Gater and Jim Evans were present for review of:

"SOCIAL SERVICES DEPARTMENT[770]
Adult correctional institutions, 16.10, filed emergency ARC 3861.....*FE*.....7/6/83

Also present: Patrick McClintock, Legal Services Corporation of Iowa.

Committee members questioned the date change in 16.10(8) and Welp pointed out the "cap" for prison overcrowding was raised by the Legislature. There was a difference of opinion among members as to the interpretation of the law change.

Tieden was told that Code section 902.9 deals with maximum sentences but not mandatory minimum sentences, thus the reference was stricken in 16.10(4). Department officials were unsure at this time as to the procedure which would be followed in transferring corrections rules from DSS to the Department of corrections.

HUMAN SERVICES Priebe noted that most of the Human Services rules before the Committee were implemented under emergency provisions of chapter 17A. Welp did not anticipate that any of the rules would be filed through the regular process since the appropriations Act directs the amount of increases. The rules are:

HUMAN SERVICES DEPARTMENT[498]
ADC, granting assistance, 41.1(1), 41.4(1)"a", 41.8(2), filed emergency ARC 3862*FE*.....7/6/83
ADC, unemployed parent, 42.4(4)"a", 42.6, filed emergency ARC 3863*FE*.....7/6/83
Recoupment, 46.1(1), 46.1(7), 46.1(9), 46.1(10), 46.4, 46.5(3), filed emergency ARC 3864*FE*.....7/6/83
Supplementary assistance eligibility and payment, 51.4(1), 51.7, 52.1(1) to 52.1(3), filed emergency ARC 3865*FE*.....7/6/83
Work and training programs, 55.2(2)"a", filed emergency ARC 3866*FE*.....7/6/83
Burial benefits, 56.2(1) to 56.2(3), 56.3(2) to 56.3(4), 56.5, filed emergency ARC 3867*FE*.....7/6/83
Unemployed parent workfare program, ch 59, filed emergency after notice ARC 3868*FEAN*.....7/6/83
Emergency food distribution program, ch 71, filed emergency ARC 3869*FE*.....7/6/83
Federal surplus food program, amendments to ch 73, filed emergency ARC 3870*FE*.....7/6/83
Medical assistance, persons covered, 75.1(15)"e"(3), 75.1(16), filed emergency ARC 3871*FE*.....7/6/83
Scope of medical and remedial services, 78.3(14), filed emergency ARC 3872*FE*.....7/6/83
Providers of medical and remedial care, 79.1(2), 79.1(7) to 79.1(10), filed emergency ARC 3873*FE*.....7/6/83
Intermediate care facilities, 81.6(16)"b", filed emergency ARC 3874*FE*.....7/6/83
General provisions, income eligible status, 130.3(1)"d"(2), filed emergency ARC 3875*FE*.....7/6/83
Social services block grants, 131.5(3)"b", 131.6(2), filed emergency ARC 3876*FE*.....7/6/83
Child day care services, 132.4(2), filed emergency ARC 3877*FE*.....7/6/83
Payments for foster care, 137.6(1), 137.7(1), 137.9, filed emergency ARC 3879*FE*.....7/6/83
Payments for foster care, emergency care, 137.11(3), filed emergency after notice ARC 3878*FEAN*.....7/6/83
Subsidized adoptions, 138.5(9), filed emergency ARC 3880*FE*.....7/6/83
Purchase of service, 145.3(5)"c" and "p", filed emergency ARC 3881*FE*.....7/6/83
Dependent adult abuse, 156.3(2), 156.3(3), 156.4, 156.6(4), 156.6(8), 156.6(10), filed emergency ARC 3882*FE*.....7/6/82

HUMAN SERVICES Priebe suspected the Committee would request that the normal
DEPARTMENT rulemaking process be followed.

Continued
ch 41

Discussion of amendments to chapter 41. Tieden was told by Welp that the schedule of needs was based on a study at Iowa State University. Welp directed members to the schedule of basic needs in the chart -- line 3. O'Kane questioned reason for addition of "without regard to school attendance" in 41.1(1). Welp explained that federal mandate prohibits state differentiation in benefits for children under age 18.

42.4

Amendment to 42.4(4) defines unemployed parent search for work as eight face-to-face contacts per month. General discussion. Tieden was informed that the Department workers use the prudent person principle as far as verification on cases. If a case is pulled for quality control review, everything on the eligibility is checked. Doyle was told that Job Service standards were used in writing the rule re contacts. Welp knew of no waiver when the state unemployment average exceeds federal but she agreed to check the matter.

ch 46

Welp explained the main change in amendments to chapter 46 was in the amount of overpayment that could be recouped. Hearings were held on that portion of the rules which were intended to implement 1983 Iowa Acts, HF 641.

O'Kane questioned use of "good cause" in 46.4(3) and (5). Welp noted that definition appeared in 41.7(2)d(2) and was relative to basic economic reasons. O'Kane was not convinced that was "good cause."

ch 51
55.2

O'Kane was informed that amendments to chapter 51 were consistent with SSI figures. No questions were posed re 55.2(2)a.

ch 56

Additional burial benefits were set out in amendments to chapter 56. Rule 56.5 which time limited benefits was rescinded.['83 Acts, SF541] Welp explained to Doyle that there were no provisions to pay transportation for burial costs from place of death to where the recipient lived.

ch 59

Kathy Schuester appeared on behalf of Senator Bruner to comment. Welp reviewed the history of chapter 59 and stated that changes implement intent language in 1983 Acts, HF 641, on the workfare program. Schuester said Bruner's concern was that these rules reflect HF 2335, 1982 Acts, rather than HF 641, 1983. Discrepancies were pointed out by Bruner at a July meeting with the Department. He had not yet received material which had been promised by the Department. Schuester recalled that Senator Bruner felt workfare participants should be provided copies of the rules. However, the Department contended they had the right to summarize and paraphrase the rules. She pointed out specific areas which were addressed by the law but were not specific in the rules; e.g. 59.5(4) and 59.6(2)f.

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HUMAN SERVICES DEPT. Cont'd McClintock referenced his August 1 letter to Senator Priebe. He observed that the single most important idea not included was the clear-cut provision extending appeal rights to participants in the community work experience program. Without that provision everything else would be meaningless; in his judgment.

Lipman stated that a copy of the client's rights and responsibilities manual was being revised and would be sent to Senator Bruner as soon as it was completed--probably next week--pending action of the Council.

59.6(2)e McClintock referred to 59.6(2)e and pointed out that HF 641 states that "no participant shall be requested to work on their sabbath."

It was the Department's position that providing rules to workfare participants would be of little benefit to the client and could be confusing. With regard to McClintock's concern about appeal provision, Lipman pointed out the provisions of the Department apply to all programs offered. He reviewed the \$25 work allowance limitation for transportation and parking--59.5(4)--and emphasized the Department was not in a position to finance additional workfare expenses.

Gater explained that 59.6(2)e was written to encompass religions other than those which observe the "Sabbath"--a more restrictive term. Lipman indicated the Department's position was that additional legislation would be needed to specify anything beyond what had already been done.

4:10

Schroeder took the chair. Information from the Department of Public Instruction was utilized to determine a reference point from which to work on the transportation issue. Tieden thought it presumptuous that recipients wouldn't understand the rules.

In response to Graf, Lipman estimated 1500 to 2000 copies of the rules, minimum of 5 pages each, would be needed to satisfy Bruner's concern. Graf was concerned there would be a presumption that "if you are poor, you would not understand." Lipman assured her this was not so and he apologized for a poor choice of words.

Lipman advised O'Kane that the only inconsistency between the law and the rules was the availability of the administrative rules to the participants. He added that appeal process was included in information provided to clients. Welp agreed to provide information for ARRC. Lipman recalled Senator Bruner's interest in ensuring that clients would not be overburdened with useless information.

Tieden recommended that chapter 59 be submitted under regular rulemaking procedure. Schroeder asked Welp to assemble information on the rules prior to the August 17 ARRC meeting.

chs 71
& 73

Chapters 71 and 73 were considered. There was brief discussion of the food distribution program.

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HUMAN
SERVICES
DEPT.
Concluded

Priebe and Schroeder referred to the preamble, fifth paragraph, page 23, and noted that 20 percent of the federal funds allocated to Iowa (\$94,800) must be expended for local distribution costs.

Welp explained that building storage units are not advocated. O'Kane questioned need for 73.10 and Welp indicated flexibility was intentional.

No recommendations re amendments to chapters 75, 78, 79, 81, 130, 131, 132 and 137.

137.11(3) According to Welp, the optional payment program set in 137.11(3) has been in place for one year and seems to be the best solution while other options are considered.

138.5 No questions re 138.5(9) and 145.3(5).

ch 156 Welp gave a brief history on amendments to chapter 156 with respect to dependent adult abuse. Much of the language in the law was excerpted from the rules and there is question as to whether rules are needed now. No formal action taken.

Recess Committee was recessed at 4:45 p.m. to be reconvened August 17 and 18, 1983.

8/17/83

Reconvened

Chairman Priebe convened the recessed meeting at 10:05 a.m. in Senate Committee Room 22, State Capitol, Des Moines, Iowa, Wednesday, August 17, 1983.

Members Present

All members and staff were present.

COLLEGE AID COMMISSION

College Aid Commission was represented by Willis Ann Wulff, Executive Director for review of:

COLLEGE AID COMMISSION[245]
Iowa Guaranteed student loan program, amendment to ch 10 ARC 3941 N 8/2/83
Iowa guaranteed loan payment program, ch 14: Iowa science and mathematics loan program, ch 15 ARC 3912 7/20/83
also filed emergency ARC 3911
Scholarship program, transfers, 2.1(5) "b", 4.1, 2.1(8) "e" ARC 3946 F 8/3/83
Tuition grant program, transfer, 4.1(7) ARC 3945 F 8/3/83
Vocational-technical tuition grant program, transfer, 5.1(7) ARC 3947 F 8/3/83

Chs. 14 & 15

Priebe raised question re "if feasible in chapter V. §A, 2., d) and Schroeder opposed use of "appropriate notation." Wulff explained that space would be provided for a waiver when new applications are printed. At this point, lenders are being asked to attach a note stating "interview waived" and the reason. Wulff indicated that chapters 14 and 15 were to be effective July 1, 1983. In order to proceed with planning of the programs, the Commission thought it advisable to file the rules under emergency provisions of Iowa Code chapter 17A.

Ch. 15.1

According to Wulff, the language in 15.1(3) was from the federal loan program. Doyle thought terms referenced in the subrule should be spelled out. Royce interjected there could be a problem since terms are usually tailored to the particular situation of an individual.

There was discussion of interest rate on loans which Wulff cited as 9% until after September 13 when it will be 8%. Tieden recommended addition of "currently" after "rate paid" in 15.1(4). Wulff was amenable. Schroeder requested that the amount of each tuition grant refused last year be sent to him. Wulff was willing to cooperate.

Committee Business

Royce referenced letter from Senator Holden, former member of ARRC, relative to a problem with calculation of fuel tax credit on fuel for off-highway uses.

7.3(4)a(1)

Schroeder moved that the special review of DOT 7.3(4)a(1)[07,F] be scheduled for the September 13 ARRC meeting. Motion carried.

COMPTROLLER

James Dysart represented the Comptroller's office for the following which was reviewed out of order:

COMPTROLLER, STATE[270]

Submission of claims, 1.1(1), filed emergency ARC 3888 FF 7/20/83
Interest on claims, availability of rules, 1.1(2), 1.1(3) ARC 3889 X 7/20/83

Schroeder wondered how the vendor could provide an original invoice--1.1(1). Dysart reviewed the matter. Dysart advised Doyle that every department has been notified to use the same form.

COMPTROLLER
Continued

8/17/83

Royce to
Notify

Doyle mentioned complaints registered at the hearings during the legislature. Dysart was unsure whether the Board of Regents would be exempt from the Comptroller's authority on this matter. Tieden asked Royce's opinion and he pointed out that Regents were not subject to centralized purchasing and the centralized merit system. Doyle was hopeful that small businesses would have opportunity of doing business with the state under 1983 Acts, S.F. 471. He opined that DOT and Regents should comply with "use of same forms that all other state agencies utilize." Dysart interjected that DOT was subject to comptroller's rules. After perusing S.F. 471, it was agreed that Royce should notify the Board of Regents that under the new law [SF 471, ch 143, §1] they are subject to same regulations as all other agencies, unless exempted by the comptroller's office. Royce noted that the General Assembly, as well as the Courts, were placed under the comptroller's direction also. In his opinion, this rule would encompass all agencies.

Discussion moved to amendments to chapter 1. Tieden was informed that no comments were received on proposed 1.1(2) and (3).

MERIT
EMPLOYMENT
DEPARTMENT

Clint Davis was present for review of:

MERIT EMPLOYMENT DEPARTMENT[570]		
Separations, disciplinary actions and reduction in force, ch 11	ARC 3943	.....F..... 8/3/83
Employees in confidential positions, 2.4	ARC 3902, also <u>filed emergency</u>	ARC 3901.....FE..... 7/20/83
Definitions, pay plan, 1.1(43), 4.S. 4.11 to 4.13	ARC 3961, also <u>filed emergency</u>	ARC 3960.....FE..... 8/3/83

Also present: Edward Moses, state employee, representing himself.

11.3

Davis told the Committee that the most substantial change in their rules was the method of reduction in force--11.3. Length of service and performance evaluation would involve approximately 55% of state employees--noncontractual. He responded in the affirmative to Schroeder's statement that an employee with a good evaluation might stand to gain over the employee with considerable length of service and adequate evaluations. No credit is received for evaluations. Contracts consider only length of service with no consideration for performance on the job.

In response to O'Kane as to what groups had been heard from at the public hearing, Davis said that Ed Moses had expressed specific concerns, which the Merit Commission carefully considered. However, Social Services and Transportation representatives spoke in support of the rules.

Moses distributed existing law to members and pointed out problems he has with the rules which he believes are arbitrary and capricious. He referenced performance evaluation credits, discussed his history with state government and cited 19A.9(3)(4) and 19A.18. Moses took issue with performance

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MERIT
Continued

evaluation credit commencing July 1, 1969 until a date four years prior to the reduction in force cutoff date-- 11.3(3)b. He noted an individual laid off in 1985 would receive no credit for exceptional evaluation received prior to 1981. Moses concluded that a Committee should be formed to review the matter.

Davis said it was the position of the department that personnel officers of state agencies need procedures set out. He disagreed with Moses' contention that the department had exceeded their authority in 1980. Moses clarified that the agency had a right to develop rules but he disagreed with Davis' statement that no major concept changes had been made. Davis spoke of department concern--that rulemaking authority, with regard to performance evaluation systems per se, did not exist prior to 1969. There was no consistent uniform system for evaluating performance -- no records and no central personnel system. The department believes it would be ultra vires if they promulgated rules under those circumstances. There was discussion of length of service credit and Priebe expressed mixed feelings on the subject. Davis emphasized that employees receive credit for length of service but not performance evaluation points.

Graf interjected that the Department was operating within the statutory authority. She wondered if there were some method of compromise. Davis said the issue had been discussed at length--this was a compromise. He noted that the statute mandates primary consideration be given for performance on the job and secondary credit for length of service.

Priebe recognized the hardship for persons nearing retirement. Davis took the position that the department has a system which they believe to be reasonable, equitable and orderly for the 18,000 plus employees under merit. He added that four years prior to a layoff employees with performance evaluations at 4.0 or above get an extra point, but only for those 4 years. Layoff situations were discussed. Schroeder could envision possible problems with 11.3(4)b re chance drawing for reduction in force. Davis referred to the next paragraph relative to affirmative action exclusion.

The Committee reviewed its options in the matter. Moses was given opportunity to make final comments and he discussed the merit rating scale and use of the word "competent". He had worked for the state 27 years and was well aware that "employee evaluations vary with the boss." Davis utilized a chart to describe performance evaluation and competency. Schroeder moved that a referral letter be sent to the appropriate Committees of the legislature on the question of whether or not credit should be granted for performance evaluation for prior years.

Motion carried viva voce with O'Kane voting "no".

MOTION
Ref. to
Legis.

8/17/83

MERIT
EMPLOYMENT
cont'd

11:23 a.m.

2.4 - Discussion moved to 2.4, employees in confidential positions, which was briefly explained by Davis. No substantive questions. Davis gave a brief review of amendments to Chapters 1 and 4. Tieden noted that "reporting pay" was mentioned in the preamble but was not found in the rules. Shift differential and standby pay were discussed. Doyle was told that differential granting is contingent upon request by agency and approval granted by Merit for data processing employees of the comptroller's word processors and highway patrol if not under contract. Tieden learned that the 10 percent in 4.13 was an arbitrary figure. No further questions.

HEALTH DATA
COMMISSION

Denise Horner, Attorney, Insurance Department, represented Health Data Commission for review of:

HEALTH DATA COMMISSION[465]

Organization and operation, ch 1: administrative hearings, ch 2: administrative rules, ch 3: declaratory rulings, ch 4

ARC 3954, also filed emergency ARC 3953 F.E. 8/3/83 161

According to Horner, the Commission was created effective July 1, 1983 and the Rules are organizational as required by chapter 17A. They were implemented on emergency basis, and the regular rulemaking process is also being followed. She presented a brief overview of the four chapters which will be the subject of a public hearing August 25. Horner informed Priebe that the Commissioners of Health, Human Services and Insurance made the decision to choose a chairman on an annual rotating basis. Chiodo expressed a preference for "understandable English" over the use of Latin terms in the rules, e.g., sua sponte and res judicata. Chiodo raised question with respect to hearing officer and said Health Department officer would serve since there is no funding. 3.1(2)--Chiodo favored thirty days as opposed to sixty for commission response to petition for rulemaking. Royce pointed out that sixty days was a statutory provision.

3.1(2)

2.7
2.11
ROYCE
RESEARCH

In re 2.7 and 2.11, Doyle asked if parties were required to pay costs and Horner believed they were the responsibility of each party. Doyle asked Royce how this was accomplished in other agencies. Royce knew of no rules on the subject, but would pursue the matter. What seemed to Doyle to be an inconsistency in 2.16(1) was defended by Horner as a cost-saving measure, permissible under chapter 17A and a practice of the Insurance Department. No further comments.

2.16(1)

INSURANCE
DEPARTMENT

The following rules were before the Committee:

INSURANCE DEPARTMENT[510]

Securities, registration and operation of broker-dealers, 50.2(8), 50.8(12), 50.33(3), 50.34(3), 50.35(3), 50.39(6), 50.40(4),

50.41(9), 50.44, filed emergency ARC 3952 F.E. 8/3/83

Nonprofit health service corporations, participating hospital contracts, 34.6, filed emergency after notice ARC 3956 1:FAH/20/83

Insurance Department representatives present in addition to Horner, were: Bruce Foudree, Commissioner, Fred Haskins, Assistant Attorney General, Craig Goettsch, Superintendent of Securities, R. Cheryl Friedman, Attorney.

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INSURANCE
DEPARTMENT
Continued

Also present: Brice Oakley, Blue Cross/Blue Shield and Norene Jacobs, Iowa Hospital Association.

Goettsch referenced amendments to chapter 50 which are in response to legislation which took effect July 1. [HF514] Certain of the Division's rules will not be applied to those companies selling securities if their principal place of business is in Iowa. The Securities Division will participate in a central registration depository, automated and computerized licensing system for securities agents.

34.6

Foudree said that 34.6 pertained to contracts between hospital service corporations and provider hospitals, specifically, Blue Cross and hospitals. Standards to govern Department's conduct are contained in the rule, as well. A concise statement setting forth reasons for promulgation of the rule was distributed by Foudree. He stressed that the Department had to remain within the confines of Code section 514.8. Schroeder could see an advantage for a provider to have a two-year contract. Foudree preferred not to dictate actual length of contracts--matters which are negotiable between parties. However, he could see Schroeder's point.

34.6(2)

Foudree noted that contracts between subscribers and Blue Cross were not covered in these rules. Horner advised Tieden that 34.6(2) dealt with informational filing requirements after the signing of the contract. Chiodo referred to the words "fair or reasonable in the public interest" in 34.6(1)c as being vague. He mentioned price shifting and possible impact. Chiodo cautioned the Department "that has pioneered some things" not to destroy everything they have set out to accomplish. Foudree admitted it was challenging to draft all-encompassing rules without being too vague. Foudree informed Doyle that the burden of proof would lie with the hospital service corporation--Blue Cross. General discussion.

It was pointed out that the Western Iowa contract was different from those under these rules. Schroeder reiterated his interest in annual consideration of the contracts. Foudree said there will be periodic or annual review of their budgets. It was noted that this was being done with the Insurance Department as the regulator and it applies to all contracts--Farm Bureau, Meredith, etc. if they used Blue Cross/Blue Shield.

Oakley remarked that this prospective payment system applies only to corporations under Code Chapter 514. Blue Cross pays hospitals directly and the criteria of that mechanism also is in these rules. That would have no effect on the state of Iowa contract. He continued that since the carrier was not changed, the state employees could realize cost containment benefits.

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INSURANCE
DEPARTMENT
Continued

Jacobs presented copies of her statement which she summarized for the ARRC and requested an objection to the rules as exceeding statutory authority. She continued that the rules dictate substance in terms of contracts between insurer and provider and was not pleased with the concise statement. Jacobs concluded "hospitals do not oppose a prospective payment system. If properly drafted, the system would be a new incentive to hold down costs." She expressed hospitals opposition to initiatives taken by the Commissioner in this matter. Oakley indicated that Blue Cross was comfortable with the Commissioner's broad authority which he has exercised. One common misunderstanding is the uniqueness of Chapter 514. He reviewed the history of Blue Cross and emphasized they are not an insurance company as such. He disagreed with critics who contend the Commissioner was trying to set some of the health policy. The rule addresses provisions of financial mechanism payment between Blue Cross and their member hospitals. Oakley basically supports the rules but disagreed with the Department in a couple of narrow areas, one being the vague term referenced by Chiodo. He reasoned that provisions unrelated to the prospective payment system should be withdrawn or vetoed. He doubted the need for rules relating to financial solvency of a hospital. In conclusion, Oakley addressed comments of Hospital Association representative.

Schroeder asked Foudree what provisions the contracts contained for safeguards on high influx cases in designated areas. Horner spoke of volume quotas--if a hospital falls below volume by 2 percent or more, or exceeds 4 percent, there will be an adjustment. This was an incentive to hold down utilization.

In response to Tieden, Foudree reiterated the Department was attempting to carry out legislative mandate to "look out for subscribers." He recalled that the Blue Cross consultant has acknowledged that the current system for paying hospitals is unfair--indefensible--the rule will provide a change. O'Kane commended the Department for their efforts. No formal action.

CIVIL
RIGHTS
Deferred

Civil Rights Commission scheduled for review on August 18 was deferred until the September meeting with request that the Commission withhold adoption of the rules until after that time.

Committee in recess at 12:20 p.m. for lunch.
Reconvened at 1:45 with Schroeder in the chair.

CONSERVATION
COMMISSION

Richard Bishop and Roy Downing appeared on behalf of Conservation. The following agenda was considered:

CONSERVATION COMMISSION[290]
Docks, electrical and fuel standards, 33.1(9), 33.1(10) ARC 3931 F 8/3/83
Docks management areas, electrical and fuel standards, inspection, 34.3 to 34.6 ARC 3932 F 8/3/83
Common snipe, Virginia rail, sora, woodcock, and ruffed grouse seasons, 109.1 to 109.4 ARC 3913 F 7/20/83
Zoning and watercraft use, horsepower-political subdivision waters, 30.3 ARC 3930 N 8/3/83

CONSERVATION Commission Downing reviewed 33.1(9) and 33.1(10). Schroeder thought the rule lent itself to possible problems--Downing assured Schroeder that the Commission did not envision difficulty.

ch 34 In re chapter 34, Downing informed Schroeder that the electrician would give Commission certification when safety standards had been met. No recommendations re chapters 109 and 30.3.

HUMAN SERVICES (formerly Social Services) Mary Louise Filk, V. Jane Jorgenson, Judy Welp, Jim Hennessey, Marvin Sammon, Bob Lipman and Morris Gater were present for the Human Services Department rules as follows:

HUMAN SERVICES DEPARTMENT[496]
 Abuse of children, 135.1(9) to 135.1(13), 135.4, 135.8, 135.13 ARC 3959N...8/3/83
 Co-ordinated manpower services program, 58.11(2), 58.17, filed emergency ARC 3890F.E.....7/20/83
 Unemployed parent workfare program, ch 59, filed emergency after notice ARC 3868 FEAN.....7/6/83
 Food stamp program, 65.1(S), 65.20 ARC 3894N...7/20/83

Also present: Paul Stanfield, Inter-church Government Concerns.

135.1(11) In re 135.1(11), Tieden raised question about child abuse prevention services. He was told that the client would request the information from the Department. Doyle referenced the law which was passed allowing removal from the home of a stepparent or parent who might be abusing a child. Hennessey recalled the provision pertained to removal of a sexual offender from the home of the child who is handled through the juvenile court. The Department had not anticipated preparing rules on that particular subject. Doyle was assured by Department officials that the investigation would apprise alleged offenders of their rights. General discussion.

ch 58 Welp explained that the amendments to chapter 58 would allow the coordinated manpower services program to continue.

ch 59 According to Welp, chapter 59, unemployed parent workfare program, would be revised and placed under Notice. She reviewed the history of these rules and said that changes reflect the intent of HF 641. Suggested changes by Senator Bruner were received by the Commissioner.

Stanfield contended that the Department, in the new version, failed to recognize legislative intent. The areas of concern were: Requirement that participants be given copies of the rules; work expenses; and failure to provide a clear appeal procedure. Department officials anticipated that revised rules would be ready by the end of September. Lipman cited logistical problems with the appeals process.

ch 65 No recommendations were offered for amendments to chapter 65.

COMMERCE Commission Bill Haas and Cheryl Manyon appeared on behalf of the Iowa Commerce Commission for review of:

COMMERCE COMMISSION[250]
 Rulemaking, 3.4(2), 3.6(1) ARC 3962N...8/3/83
 Practice and procedure, projected litigation expense, 7.7(11) ARC 3963N...8/3/83
 I-Save America's vital energy program, 27.1, 27.2(3), 27.13(2), 27.13(3)"a" ARC 3964N...8/3/83
 Energy conservation measures, financing, 27.9(1), 27.9(8), filed emergency ARC 3917 F.E.....7/20/83

COMMERCE
COMMISSION
Continued

8/17/83

Also present: Jack Clark, Iowa Utility Association, and
Todd Schulz, Iowa Telephone Association.

3.6 In re 3.6(1), Haas said the Commission believes the reduction from thirty to twenty days for filing requests for oral presentation will enable Commission to expedite proceedings. General discussion.

7.7 A new subrule, 7.7(11) was intended to implement 1983 Acts, H.F. 312. O'Kane interpreted the subrule as unreasonable. He referenced a requested rate hike by Iowa Public Service and asked about their filing. Vawter discussed the long list of requirements for rate filing. Tieden recalled that when the issue was discussed in the legislature, they wanted to "speed up" the process. Mention was made of the fact that the Commerce Commission hires court reporters for all of the proceedings.

Haas said that the I-SAVE program was proposed to encourage utilities to make an effort to promote their programs which offer energy assistance measures at reduced rates--participation rates were referenced. According to Haas, municipal utilities were exempt--he was unsure about REC's. Haas continued that the investigation has shown that increased promotion results in greater participation in the program.

The Energy Audit program and its ramifications were reviewed. Tieden was concerned that the cost would be returned to the ratepayer, and wanted assurance that the utility would not profit from the program. Clark attributed low participation in Iowa to the fact that many people feel they have utilized all possible energy saving measures. Clark said utilities had concern that the 7½ percent participation requirement would create additional expense. Haas noted the national participation average is double that of Iowa's--states are federally mandated to have an I-SAVE program. O'Kane could see no value in the rules and suspected they could cause under-utilization of this program. General discussion. There were no comments re 27.9(1) and 27.9(8).

ENERGY
POLICY
COUNCIL

Jerry Bennett, Sue Downey and James E. Smith, Energy Assistance Division, appeared on behalf of the Energy Policy Council. The following items were before the Committee:

ENERGY POLICY COUNCIL[380]

Weatherization assistance program, ch 15 ARC 3919, also filed emergency ARC 3918F.F..... 7/20/83 III

Smith told Priebe chapter 15 was filed emergency to expand new appeal procedure for clients and provide specifics. Committee members discussed time frame for implementing the rules through the regular process. However, Royce advised the rules were noncontroversial. Priebe raised question re 15.3(93) and Smith indicated that there were two weatherization programs. EPC chose the Department of Energy program through

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ENERGY
POLICY
COUNCIL
Continued

community action agencies. A portion of LEAF assistance goes for weatherization and through local contractors. Priebe interpreted the law [1983 Acts, SF 548] to permit use of local people for the Energy Policy program. He asked that the two chairman of the appropriate legislative committees be contacted. Priebe requested deletion of 15.3. Smith thought they had compromised and, in many cases, were opening the programs to local people.

EMPLOYMENT
SECURITY

Joseph Bervid, legal counsel, and James A. Hunsaker, III, Administration, were present for review of:

EMPLOYMENT SECURITY[370]

Employer's contribution and charges, claims and benefits, 3.6(1)"d"(2), 3.21, 3.40(7), 3.44, 4.1(11), 4.1(12), 4.16(2), 4.22(1)"k", 4.22(3), 4.23(9), 4.24(4), 4.24(5), 4.25, 4.26(27), 4.31(2), 4.31(5), 4.31(6), filed emergency ARC 3887 F..... 7/20/83

Bervid explained that the amendments implement 1983 Acts, HF 637 and were filed emergency to cover claims filed from July 3. The regular rulemaking process is also being followed. Schroeder questioned whether all of the rules were necessary, e.g. deletion of "under the age of twenty-two years". Bervid reminded ARRC that the bill was lengthy and contained many "sticky" issues.

PUBLIC
SAFETY
DEPARTMENT

The following agenda was before the Committee:

PUBLIC SAFETY DEPARTMENT[650]

Devices and methods to test blood for alcohol or drug content, 7.6 ARC 3891 F..... 7/20/83

Department representatives present were: Connie White and Michael Rehberg, DCI Lab Administration.

7.6

Doyle thought use of "when available" in 7.6(1) was vague. Rehberg said it merely spoke to the issue that some peace officers do not have a breath stimulating device available. Doyle pointed out that the National Highway Traffic and Safety Administration did not have guidelines and he suggested deletion of next to last sentence of 7.6(1), first paragraph. Rehberg was amenable.

WATER, AIR
AND WASTE
MANAGEMENT

The Department was represented by: Wm. Anderson, Mark Landa, Patty Arlen, Morris Preston and Christine Spackman. The following agenda was considered:

WATER, AIR AND WASTE MANAGEMENT DEPARTMENT[900]

Water rights permits, flood plain development, water and wastewater operators, 50.4(2), 50.7(1), 51.8, 52.7, 52.8(2) N 7/20/83
70.5(2), 72.50(2), 73.30(2), 73.32, 81.2(9), 81.2(1), 81.10(1), 81.10(2) ARC 3908 N 7/20/83
Wastewater construction and operation permits, hazardous waste, 64.6(5)"h", 64.11, 141.1(1), 141.2 to 141.16 ARC 3910 N 7/20/83
Criteria for award of grants, 91.1 ARC 3909 N 7/20/83

51.8

Anderson said that miscellaneous amendments were proposed to the massive rules which the Commission adopted on an emergency basis--two of three hearings have been held. Schroeder questioned 51.8, [shown in IAB as 51.7] paragraph c. Anderson stated it would clarify the fact that the Department would require a registration whenever 25,000 gallons of water would be withdrawn in a period of twenty-four hours or less.

The statutory limit for permits was changed to 25,000 gallons per day. Anderson said the alternative would be to require registration any time a well is pumped, which he thought would be unacceptable.

WATER, AIR
AND WASTE
MANAGEMENT
Continued

Anderson explained to Tieden that education requirements for 81.8(1) varied with grade of plant being operated. The lowest grades require either high school education or equivalent experience.

Anderson was willing to supply information to Priebe re 73.32-- unsafe dams when the Department's expert on the subject returns from vacation.

O'Kane was informed by Anderson that the fee is collected from anyone who seeks a permit to withdraw water. Anderson reminded ARRC they had filed a petition with the Commission to reconsider those fees. In addition, the Commission wants to review all programs of the Department with respect to fees-- probably within a year.

Brief discussion with regard to fees and some inherent problems.

Chs 64 &
141

Landa said the hazardous waste management rules (Chapters 64 and 141) were being amended in a number of ways, including the adoption by reference of the latest federal regulations. Priebe commended Landa for that effort. Tieden also appreciated the explanatory language in the preamble.

64.6 Schroeder referred to 64.6(5)h and requested that the reference to 62.9(455B) be included in the rules. He also questioned 141.1(1). Spackman said the federal definition of underground drinking water source was being added with intent to protect ground water. Anderson reminded members that DWAWM could not be more restrictive than the federal government. Graf found 141.1(1) to be confusing as to the number of alternatives. Landa agreed to check the federal language.

141.7 Doyle asked about the penalty for dumping in the well, 141.7. Anderson cited that water quality rule prohibits disposition of pollutants into wells and penalties can be \$5,000 or \$10,000. Under hazardous waste authority, it would be also prohibited with penalties of \$5,000 to \$25,000. There was discussion of the disadvantage in the use of radio announcements to provide information about permits. Schroeder referenced requests to be on a hazardous waste mailing list [141.13(10)] and thought they should be limited.

Brief discussion of 91.1 It was reported that Des Moines will receive the bulk of the federal grants for the 5 years. A large number attended the public hearing yesterday where Ames residents voiced opposition.

Spackman reported the proposed rule would be before the Commission in September and decision would be made with respect to final acceptance of it. The staff will set up the priority system, and will revise the list throughout the year.

Chairman Pribe recessed the Committee at 4:15 p.m. to be reconvened Thursday, August 18, 1983.

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Reconvened The Committee was reconvened at 9:00 a.m. in the Legislative Dining Room. All members and staff were present.

HEALTH DEPARTMENT Health Department rules as follows were reviewed:

HEALTH DEPARTMENT[470]
Physical and occupational therapists, 137.2(7), 138.11, 138.201(5) ARC 3920 F.E. 7/20/83
Psychologists, 140.103(3) ARC 3921 F.E. 7/20/83
Medical examiners, rules for conducting examinations, fees, 135.102(5), 135.102(8), 135.108(4) ARC 3958 F.E. 8/3/83
Barber shop license, 160.6(9) ARC 3939 F.E. 8/3/83
Occupational therapy assistant, license, 138.206(5) ARC 3925 N. 7/20/83
Psychologists, limited permit to practice, 140.4(9) ARC 3926 N. 7/20/83
Cosmetology, instructors, 149.2(5) ARC 3927 N. 7/20/83
Cosmetology continuing education, 151.3(4) ARC 3928 N. 7/20/83
Vital records—out-of-wedlock birth records, 96.1(5), notice ARC 3685 ~~terminated~~ ARC 3922 N. 7/20/83
Vital records—definitions—out-of-wedlock birth records, 96.1, 96.6(4) ARC 3924 N. 7/20/83
Central laboratory newborn screening, ch 4 ARC 3965, also filed emergency ARC 3956 F.E. 8/3/83
Correction and amendment of vital records, 102.6 ARC 3955 N. 8/3/83
Medical examiners, reinstatement of lapsed license, discipline, 135.110, 135.204(10), 135.201(28) ARC 3957 N. 8/3/83
Chiropractic examiners, students, examinations, discipline, continuing education, 141.11(4), 141.13(1)d, 141.24(10), 141.64(5) ARC 3949 N. 8/3/83
Barber examiners, reinstatement of lapsed license, 152.110 ARC 3951 N. 8/3/83
NURSING HOME ADMINISTRATORS, BOARD OF EXAMINERS[600]
Licensure, 2.4(1), 2.6(3), 2.7 ARC 3923 N. 7/20/83

The Department was represented by Peter Fox, Mark Wheeler, Theodore D. Scurlettis, Irene Howard, Roger Chapman, John E. Goodrich; Nancy Welter, Grace M. West, Doris Rittenmeyer, Marlene Donovan, Helen D. Mefferd, Maxine Cochran, Cosmetology Division and Board Members; Harriett Miller, Secretary, Chiropractors Board; James Krusor, Board of Medical Examiners; Keith Rankin, Barber Board.

Cosmetology Cosmetology rules were reviewed out of order. There was brief discussion of 149.2(5) and 151.3(4). No substantive questions were raised.

chs 137, 138 In re physical and occupational therapists rules, Schroeder wondered how the Board could justify reinstatement by interstate endorsement. He opined there could be "willy nilly" decisions made. Howard contended the Board had had endorsement for several years. Schroeder questioned the statutory authority. Fox interjected the authority is for the Board to grant licenses to individuals. Priebe could envision problems for residents in border states. O'Kane was informed that "interstate endorsement" was a well known term in the profession, and Fox said it was defined elsewhere in the rules.

In a matter not officially before the Committee, Tieden inquired as to \$20 fee for inactive status for dentists. Howard noted that was permitted.

140.103(3) No questions were forthcoming re 140.103(3).

ch 135 Krusor gave a brief description of amendments to chapter 135, defining course of action in the event of subversion of the federation licensing exam which is the medical licensing examination. Schroeder raised question re "or similar accrediting agency" in paragraph b. Krusor requested the matter be deferred to allow time for research of the Code. So ordered. Priebe concurred with Schroeder that language in 135.102(5) was broad. Schroeder suggested a statement such as "AMA approved training facilities as of July 1, 1983." Krusor would refer the recommendation to the Board.

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HEALTH No action taken on 138.206(5), 140.4(9) or 169.6(9).
DEPARTMENT Wheeler gave a brief overview of amendments to chapter 96--
Continued vital records. The hearing was held August 15 and positive
ch 96 written comments were received from representatives of the
Genealogical Association. Rules grant access to the records.

Schroeder and Graf discussed the last paragraph in 96.6(4)--
in particular, the last sentence. Wheeler said the reason
was to facilitate access to the general public and still ensure
confidentiality of information re illegitimate births. The
Department will review the rule.

ch 4 Scurlettis reviewed the process and time frame for newborn
screening. The law would apply to all babies born in Iowa;
however, those born in border states would abide by that state's
laws.

102.6 Doyle referred to 102.6 and asked if there were court cases
on the paternity affidavit issue. He mentioned situation of
a single mother. Fox knew of no cases. Discussion of death
certificate and availability of death records and possible
need of law change.

No recommendations were offered for amendments to chapters 141
and 152.

Nursing Irene Howard and Peter Fox represented the Board of Examiners
Home for Nursing Home Adminsitrators for review of licensure amend-
Admin- ments, 2.4(1), 2.6(3) and 2.7, ARC 3923, IAB 7/20/83. Priebe
istrators mentioned his continuing dissatisfaction with administrative
policies of the office. He questioned the reduction of time
a home may employ a provisional administrator.

Howard pointed out many homes wait six months before attempting
to hire a licensed administrator. The Department was hopeful
that reducing the time to three months would help. Tieden
2.7(1) thought 2.7(1) was demanding. Howard said that is the associa-
tion degree program. Doyle recommended adding a date in
2.4(1) 2.4(1)c--further, that paragraph "d" should allow waiver for
a medical disability.

Recess Committee was recessed at 10:00 a.m. to move to Committee Room
22. Reconvened at 10:10 a.m. with Chairman Priebe presiding.

ENGINEER- Harriet Ruis and Cheryl Richardson appeared on behalf of the
ING EXAM. Board of Engineering Examiners for review of professional de-
velopment and education, amendments to chapter 3, ARC 3942,
Notice, IAB 8/3/83.

Richardson explained changes were made to conform with biennial
registration requirements, to clarify existing rules, and to
remove informal activities from those qualifying for continuing
education.

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ENGINEERING
EXAMINERS
BOARD
Continued

Committee members opined that professors who teach a course should not be allowed to count that as part of their continuing education. Response was that that would be over and above regular employment hours. Committee members preferred specifics in 3.1(114) and suggested that the deleted language in the first paragraph be reinstated. Richardson referenced Code Chapter 114.

Schroeder in the chair. Graf recommended language relating to the profession, e.g., "education in engineering related course" or "for professional development." Tieden was informed there are two separate licenses--land surveyor and engineer and dual registration is permitted.

3.4

Schroeder could foresee a dangerous precedent with 3.4. Doyle opined credit should not be given for presenting one's views. There was discussion of whether research hours could be used for CE credit. General consensus was that would not be appropriate. Board officials emphasized that they adhere to strict documentation of CE. It was pointed out that not many states require CE for engineering examiners. No further comments.

CAMPAIGN
FINANCE
DISCLOSURE
COMMISSION

Kay Williams, Executive Director, Janet D. Lyon and Emmanuel Bikakis, Commission members, appeared for review of:

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 3938 N...8/3/83

In opening remarks, Williams emphasized the Commission had attempted to clarify and simplify their rules--major impetus being 1983 Acts, SF 457.

4.7

Questions were raised as to what would constitute a "timely manner" in 4.7. Williams recognized the ambiguity of the expression but spoke of the difficulty faced by treasurers of Committees. Hopefully, the amendment would afford some protection to them.

Priebe inquired about people who "leaned on" the PAC's after elections, seeking funds--he wondered if that problem could be addressed in the rules. Williams doubted there was statutory authority.

4.17

Chiodo raised question as to depositing checks and use of "outside" information in 4.17. Williams responded that the Disclosure Commission is allowed to verify filed reports from outside sources. She was willing to rewrite the provision. She mentioned problems involved when candidates hold checks for lengthy periods of time. Schroeder did not believe timely filing was the issue.

Committee members suspected that candidates would have problems with the new language in 4.7. General discussion.

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CAMPAIGN FINANCE DISCLOSURE COMMISSION
Priebe brought up the matter of meetings being held by electronic means. He was informed that press releases are issued at least 48 hours prior to a meeting.

Continued
5.1 Priebe challenged the provision in 5.1 which provided only "three members constitute a quorum" of the Commission. Royce cited 17A as two-thirds requirement for quorum. There was discussion of the fact that private postage meter marks would not be valid as a cancellation -- 6.1.
6.1

The ARRC requested Commission to drop the phrase "timely filing." Schroeder referred to the penalty schedule in 6.2 in particular, the \$200 fine for a delinquent supplemental report. He recalled the supplemental report had support from legislators and the governor's office. Williams indicated the \$200 fine was intended as a deterrent for late filing. Schroeder noted that a civil penalty would normally be no more than \$100 and he favored that amount over \$200. O'Kane called attention to the problems of the last two weeks before an election and favored a smaller penalty. Williams pointed out the \$200 fine would be applicable only to legislative and statewide candidates. She continued that if some people file reports to avoid disclosure, the penalty needs to be a little more serious. The concept of the Commission was that the first time violator fine should be lower than for repeat or habitual violators.

Williams admitted there are a lot of problems. Bikakis reiterated the purpose of the rule was to discourage intentional withholding until past the reporting deadline. He stressed that the Commission would not prosecute someone who inadvertently failed to report.

O'Kane commended the Commission for a wonderful job on the whole disclosure issue. Williams quoted from the statute regarding the 15-day limitation for turning in checks to a committee. In conclusion, Williams referred to Code section 56.10 as their authority for unlimited civil penalties. No formal action taken.

PLANNING & PROGRAMMING - Dave Patton, Joe Ellis, Jim Lynch, Larry Tuel and Margaret E. Benoit appeared on behalf of Planning and Programming. The following agenda was before the Committee:

PLANNING AND PROGRAMMING[630]

Iowa job training partnership program, complaint procedure, conflict of interest, 19.21, 19.11 ARC 3914 M... 7/20/83
Iowa community development loan program, ch 25, filed emergency ARC 3903 F.E..... 7/20/83

Also in attendance were approximately 25 senior citizens from Linn County who were made welcome by Chairman Priebe.

Patton indicated OPP had received comments with respect to the conflict of interest portion of the rules, which will be revised through the Notice process. Ellis said no comments had been received re the complaint procedure rules.

O'Kane and Chiodo interpreted the phrase "on its own motion" to mean "at its own discretion" -- 19.21(1)c. Patton declared that was not the intent.

PLANNING &
PROGRAMMING
Continued

Priebe suggested "through its findings" as a substitute. Patton was amenable. Tieden asked for an example of application of 19.21(10) on settlement. Patton's response was the subrule was copied from 17A, Iowa Code.

In re 19.21(12)a(5)(c), Tieden was told that the party would pay for the attorney. Often, Legal Aid Service is utilized. Ellis said that OPP primarily utilized Merit certified hearing officers. In re 19.21(14), Schroeder raised question with respect to hearings held by telephone. Ellis responded if there is opposition, a face-to-face hearing would be scheduled. Royce interjected that fact should be included in the rule.

In response to Doyle re deposition provisions, Patton cited 19.21(14)e.

ch 25

The Iowa Community Development loan program, as explained by Tuel, would be implemented with chapter 25--Iowa Acts, SF 548. Five million dollars interest free loan money has been earmarked. Copies of the rules had been sent to a variety of groups prior to the July 1 effective date. Schroeder was informed that there were 48 applications for a total of \$7.8 million -- application packages were mailed to every city in the state and none were received late.

Schroeder recalled an August 15 "shutoff date" and Tuel indicated an administrative decision was made to omit that date since the rules were drafted to be ongoing. For example, loan repayment will be received from time to time. Schroeder was informed that the waiver provision in 25.3 was necessary because of fluctuating federal requirements. The Department wanted to avoid disqualification of a city. The rating system was reviewed. Applications are color coded and are anonymous--all references to the community are eradicated to prohibit favoritism. O'Kane preferred that the rules reference that practice.

Lynch distributed brochures and lists of cities participating in the program. Tuel emphasized they want to avoid "pirating" (taking an industry away from one community for the sake of another). No formal action taken.

TRANSPORTA-
TION DEPT.

Lowell Richardson, Gordon A. Sweitzer, Julie Fitzgerald and Les Holland appeared for review of:

TRANSPORTATION, DEPARTMENT OF[820]

Designated highway system, (07.A) 1.6	ARC 3895	.....	N	7/20/83
Safety requirements for implements of husbandry, (07.E) 1.6 notice	ARC 3152 terminated	ARC 3915	.....	7/20/83
Safety requirements for the movement of implements of husbandry by retail sellers and manufacturers, (07.E) 1.6	ARC 3916	.....	N	7/20/83
Liquid transport carriers, (07.F) 13.4(6)	ARC 3948	.....	F	8/3/83
Highway-railroad grade crossing surface repair fund, (10.B) 5.2(3), 5.2(4), 5.2(7), 5.2(11), 5.2(12), filed emergency	ARC 3929	.....	FE	8/3/83

Sweitzer reviewed history of 1.6[07,E] re implements of husbandry. Schroeder questioned 1.6(2), braking standards. He would have preferred provision for "brakes to control" without a specific stopping distance pattern. Sweitzer declared

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DEPARTMENT OF
TRANSPORTATION

that item had been discussed at great length and manufacturers accepted it. In re paragraph 1.6(2)e, tires, Schroeder thought the words "unsafe for highway use at speeds greater than 20 mph" should be added. Legal counsel had been consulted and DOT was advised that this language was necessary--tires that would be stamped "not safe for highway use" should not be on the vehicles. No formal action.

1.6(2)b

Doyle thought left and right mirrors should have been required in 1.6(2)b with the same application for tail-lights. Sweitzer pointed out the Code requires only one. General discussion. Mention was made that the law should be changed.

[07,A]1.6

In brief discussion of designated highway systems, Sweitzer noted that ARRC request for additional roads was in process.

[06,Q]chs 1,2

The objection placed on DOT rules [06,Q] chapters 1 and 2 on July 13, 1983 by the ARRC was brought up for discussion. The Department asked for clarification.

Richardson reminded the Committee that chapter 1 dealt with instruction memorandum to county engineers and the objection requested dates to be added to the instructions. It would be feasible for chapter 2, but unworkable for chapter 1.

Schroeder declared the objection was intended to formally adopt the instruction packet. After general discussion, Graf offered to work with the Department on the matter.

Motion to
rescind
Objection

O'Kane moved to rescind the Committee's objection to 820-- IAC[06,Q] chapters 1 and 2. Seconded by Schroeder. Motion carried unanimously.

It was noted that the review of liquid transport carrier rules would be later, if there was opposition expressed. Brief discussion.

[05,B]5 etc

According to Holland, the law passed by the last General Assembly generated the proposed rule -- [05,B] highway-railroad grade crossing surface repair fund. The allocation program was changed and the affected railroad would provide 20 percent; the fund, 60 percent.

RAILWAY
FINANCE
AUTHORITY

Les Holland, Stephen W. Roberts and Dan Franklin were present. Projects, 4.3(3)a, ARC 3893, also filed emergency, ARC 3892, IAB 7/20/83 was before the Committee. Also present, Dick Barr, Iowa Railroad Association. Holland gave a brief overview of the history of chapter 4 of the Authority's rules. At the suggestion of ARRC, 4.3(3)a was rewritten to include examples of nonquantifiable benefits and the paragraph had been delayed 70 days.

Public comment was solicited but none was received. However, informal discussion ensued with Dick Barr, Iowa

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RAILWAY
FINANCE
AUTHORITY
Continued

Railroad Association, who expressed the concern that the rule could be abused and legislative intent could be overridden. He suggested the matter should be referred to the Iowa Railroad Advisory Committee.

O'Kane reasoned that the agency had complied with Committee request and the 70-day delay could be lifted. Royce pointed out that the delayed rule had been rescinded by this substitution. Holland thought the language should be implemented without further delay. However, he agreed that the rail advisory committee was set up by them for the purpose of considering all legislative matters. It was noted that DOT and the Railway Finance Authority do not include a time for their hearings in the published schedule in the IAB.

Recess
Reconvened

Chairman Priebe recessed the Committee for lunch at 12:10 p.m. Committee was reconvened at 1:35 p.m. with Vice Chairman Schroeder in the chair.

PUBLIC
INSTRUC-
TION

Orrin Nearhoof and Charles Moench represented the Department of Public Instruction for the following:

PUBLIC INSTRUCTION DEPARTMENT[670]

Area vocational schools and community colleges, 5.3(1) ARC 3885N... 7/20/83

5.3(1)

Moench explained that certification requirements for merged area schools were revised in 5.3(1). Additional language will be added at the end: "as required by 670--chapter 15 of the Iowa Administrative Code." Doyle challenged use of "support staff/services" and Department officials were amenable to using "or".

BOARD OF
PHARMACY

Continuing education requirements as a condition for license renewal, 6.8(7)b, ARC 3950, Notice, IAB 8/3/83 were before the ARRC. Norman Johnson explained that proposed 6.8(7)b will give inactive pharmacists who wish to become active the choice of obtaining one and one-half times the number of CE credits required under 6.8(2) for each renewal period they were inactive.

Tieden inquired about payment of fees. According to Johnson, if the individual does not wish to pay, they are considered delinquent. It is the regular fee, not an inactive fee. All back fees must be paid before active status is resumed.

Doyle took the position that the CE hours were "awfully high." General discussion. No other comments.

Priebe resumed the chair.

REVENUE
DEPARTMENT

Carl Castelda, Gene Eich, Mel Hickman and Don Cooper represented the Department of Revenue for review of:

REVENUE DEPARTMENT[730]

Sales and use tax; refunds, permits and fees, increase, trade-ins, contractors for state or political subdivisions, 12.9, 13.1, 13.2, 13.6, 13.7, 13.9, 13.10, 13.11, 13.13, 15.4(3), 15.12(4), 15.19(3), 18.4, 18.13, 19.12, 30.11, 34.3, 34.5(8) ARC 3933N... 8/3/83
Motor fuel, 64.3, 64.4(3), 64.4(4), 61.5, 61.15 ARC 3934N... 8/2/83
Cigarettes and tobacco - administration, cigarette tax, unfair cigarette sales, 81.1, 82.4(1)b, 82.5(2), 82.7, 81.2(1), 81.2(2) ARC 3935N... 8/3/83
Games of skill, chance, bingo and raffles-administration, qualified organization, 91.4, 91.6(1), 94.1, 94.2(1), 94.3, 94.5. ARC 3936N... 8/3/83

Determination of taxable income, deduction for expenses for the care of certain disabled relatives, 41.5(4) ARC 3905N... 7/20/83
Real estate transfer tax and declarations of value, 79.1, 79.5(5) ARC 3906N... 7/20/83
Property tax credits and exemptions, 80.1(1)g, 80.7(4) to 80.7(6) ARC 3907N... 7/20/83

REVENUE The Committee delay of Revenue Department rules, chapter 77,
 DEPARTMENT was brought up. Schroeder moved to lift the 70-day delay im-
 Continued posed on chapter 77 of Revenue rules at the July 14 ARRC meet-
 Motion ing. The State Board of Tax Review has upheld the validity
 ch 77 of the rules making further delay unnecessary. O'Kane seconded
 the motion which carried unanimously.

13.1 Castelda briefly reviewed sales and use tax amendments intended
 to implement five 1983 Iowa Acts. In re 13.1(422), Doyle com-
 mented it was the policy of many revenue agents that if a person
 was engaged in a very small business where they work a county
 fair for a few days, no permit was obtained and they would
 pay their tax at the Department. In response to Doyle, Castelda
 said there is a provision which addresses itinerant vendors. In
 those cases, the Department does not issue a permit but registers
 them and collects the tax due.

15.4(3) Re 15.4(3), a photographer constituent of Doyle's did not re-
 port income during the quarter for merchandise billed in Janu-
 ary -- payment was not received until March 15. Castelda ex-
 plained that the law provides that sales tax is imposed at the
 time of transaction. There was brief discussion of 15.19(3)
 re tax on trade-ins.

18.13 Priebe asked impact of 18.13 on county fairs. According to
 Castelda, not all fair associations meet statutory exemptions.
 Assuming that the fair was operated by a nonprofit educational
 institution, exemption would be allowed.

There was discussion of cars which are sold and, later, the
 seller refunds the purchase price. Hickman said the Depart-
 ment's position was the refund has to be the total purchase
 price. Conditions of the original sale enter into any refund.
 Schroeder could envision problems and the Department was willing
 to review the matter.

ch 64 Amendments to chapter 64 implement SF 14, 1983 Acts, and would
 allow political subdivisions to purchase motor fuel tax free
 when placed in bulk storage. Amendments also reflect the recent
 increase in tax on gasohol from 8¢ to 10¢ a gallon. Priebe
 observed that most states were removing that tax.

chs 81, Chapters 81, 82 and 84 amendments pertaining to cigarettes and
 82, 84 tobacco were before the Committee. Doyle was informed that
 the Department determines computation for pricing generic cig-
 arettes and that tax would be refunded on stolen merchandise.

Castelda reviewed legislative changes made pertaining to gambling.
 There was discussion of bingo permits and the definition of
 gambling. Citizens who were present posed several questions
 with respect to the subject. Castelda stated that gambling
 winnings are subject to income tax. He referenced a booklet
 of gambling information available from the Department.

Subrule 41.5(4) reflects changes made by SF 2305, 1982 Acts,
 which initiated an income tax itemized deduction for caring
 for disabled relatives. Federal statutes were perused and
 other state agencies were contacted by Revenue.

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REVENUE
DEPARTMENT
Continued

Doyle recalled the legislative intent was to cut down on the number having to be kept at state institutions or intermediate care facilities. Castelda thought the \$5,000 limitation was imposed because of the economic impact.

Schroeder opined that additional legislation might be needed with respect to annual income requirement.

Castelda expressed willingness of the Department to answer questions from anyone affected by the rule. Priebe and Eich discussed property transfers from private family to corporations and county recorders' involvement.

79.5(5)

Doyle referred to 79.5(5) and raised question as to which social security number would be used on executor's deeds. Eich indicated that if the deceased's number was unknown, signed affidavit could be filed stating that fact. Doyle cited possible situation where it would be necessary to get 7 or 8 quit claim deeds to clear title to property. Eich stated if there were any type of consideration involved, there would be tax due. Eich thought quit claim deeds would be exempt from stamps but would check.

80.1, 80.7 No questions re 80.1 and 80.7.

PUBLIC
BROADCASTING
DEPT.

David Bolender appeared on behalf of the Public Broadcasting Department for review of organizational rules for the newly created Department, being chapter 1, filed emergency IAB 7/20/83.

There was brief discussion with Schroeder recommending addition of the word "departmental" or "division" before "Directors" in the last sentence of the rules.

BOARD OF
REGENTS

The Board of Regents was represented by Donald Volm who presented the following proposed merit rule changes:

REGENTS, BOARD OF(720)

Personnel administration. 3.14(10), 3.39(2), 3.26, 3.39(16), 3.55, 3.69(1), 3.82, 3.83, 3.129, 3.127, 3.39(4) ARC 3940N.....8/3/83

Volm recalled that no adverse comments were forthcoming as a result of the public hearing held for employees. The proposals were patterned from rules of the Merit Employment Department.

Brief discussion of 3.14(10) which redefined "probationary period." Volm explained there could be involuntary demotion or disciplinary demotion out of the classification or to a different classification series.

According to Volm, layoffs would be by class and position -- the person with least seniority would be first.

3.55

Doyle called attention to incorrect use of "indictable misdemeanor" and the vagueness of "unsuitable for employment" in 3.55, paragraph 7. Royce suggested that the profession would need to be referenced. In paragraph 2, Doyle wondered who would make the determination that disabled could not perform their jobs.

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BOARD OF REGENTS
Continued

Volm responded "Generally, institutions have gone as far as possible the other way." He pointed out that there were appeal rights.

Discussion of 3.26(19A) on the classification plan which parallels that of the Merit Employment Department. Volm emphasized that changes in pay grade would not be affected. Tieden was told that "red-circling" was keeping a salary at the same level for one year.

In conclusion, Doyle asked that the Board be informed of the legislative provision pertaining to uniform invoices, which includes the General Assembly, the Courts, as well as all state departments. [SF 471, 1983 Iowa Acts] No formal action.

BUREAU OF LABOR

Walter Johnson, Deputy Director of the Bureau of Labor and Gregory Leopold, Attorney, submitted the following:

LABOR, BUREAU OF[530]
Occupational safety and health standards, 10.20, filed emergency after notice ARC 3896 *FEAN*..... 7/20/83
Inspections under the occupational safety and health Act, amendments to ch 3 ARC 3897 *F*..... 7/20/83
Recording and reporting occupational injuries and illnesses, 4.1E(8), 4.19 ARC 3898 *F*..... 7/20/83
Wage collection payment, ch 35 ARC 3899 *F*..... 7/20/83

Johnson gave brief explanation with respect to the rules on which no comments had been received. Tieden was advised that SIC meant Standard Industrial Classification Code and that every type of industry has a code. Royce inquired as to what would be happening with the R-type welding standards. Johnson displayed a map indicating areas where R-stamp welders are located. He reported that Code shops can do repair work if they can install the vessel. He was still working on the problem of different welding classifications.

COMMITTEE BUSINESS Minutes

Chairman Priebe called for disposition of the July minutes of the ARRC and they were approved as submitted. Representative Chiodo reported on his trip to the NCSL conference in San Antonio, and legislative veto was discussed.

DOT

Soil Cons.

Senator Holden's request for special review of Transportation rule [07,F]7.4(4),(5) will be on the September agenda. Soil Conservation IAB 8/3/83, amendments to chapter 5, Iowa financial incentives program for soil erosion control, was deferred to the September meeting.

Next Meeting

September and October meetings were scheduled for statutory dates of September 13 and 14 and October 11 and 12.

Adjourned

Chairman Priebe adjourned the meeting at 3:45 p.m.

Respectfully submitted,

Phyllis Barry
Phyllis Barry
Assisted by Vivian Haag

APPROVED:

Carl E. Priebe

CHAIRMAN