### MINUTES OF THE SPECIAL MEETING OF THE ADMINISTRATIVE RULES REVIEW COMMITTEE

Tuesday and Wednesday, December 3 and 4, 1985--Time of Meeting: rescheduled from December 2 and 3 because of a

blizzard.

Senate Committee Room 24 and House Committee Place of Meeting:

Room 118, State Capitol, Des Moines, Iowa.

Senator Berl E. Priebe, Chairman; Representa-Members Present: tive James D. O'Kane, Vice Chairman; Senators

Donald V. Doyle and Dale L. Tieden; Representatives Edward G. Parker and Betty Jean Clark. Also present: Joseph Royce, Committee Counsel; Barbara Burnett, Governor's Administrative Rules

Coordinator; Phyllis Barry, Deputy Code Editor, and Vivian Haaq, Executive Administrator.

Convened Chairman Priebe convened the meeting at 10:00 AGRICULTURE a.m. and recognized Agriculture Department for DEPARTMENT the following: Food standards, weights and measures, 34.6 to 34.8, 55.54, 55.39 ARC 6145 ..... **VETERINARY** 

**VETERINARY MEDICINE. BOARD OF[842]** 

Bette Duncan, Counsel, M. H. Lang, State Veterinarian, and Jim O'Connor were in attendance.

O'Kane took the chair.

34.6 et al Discussion of amendments to 34.6 et al.

and O'Connor indicated that virtually all stations have converted to whole pricing. in noncompliance will be located during annual inspections. It was noted that rescission of rule 55.54(215) eliminated half-pricing of gas-

oline.

MEDICINE

Duncan informed the Committee that the controch 9

versial rules pertaining to "on-site containment of fertilizers" were being rewritten and

would be renoticed.

ch 17 Amendments to chapter 17 were briefly reviewed by Duncan. Lang advised Tieden there was good

communication among states as to the prevalence of scabies. No recommendations were offered.

Priebe resumed the chair.

ch 9, Vet. Med. In review of amendments to chapter 9, Lang noted

that ARRC recommendations had been adopted.

**ENERGY POLICY** Katherine D. Sibold appeared on behalf of Energy COUNCIL Policy Council for the following:

Class "A" energy auditors, ch 6 ARC 6083.

Energy conservation and grant programs for schools and hospitals and buildings owned by units of local government and public care institutions, 7.1 to 7.6, 7.7(2)"a, "7.8, 8.1(1)"b," 8.2 to 8.8 ARC 6084.

\*\*N. 11/6, 85

ENERGY
POLICY
COUNCIL
Continued

No questions re chapter 6 rescission. Sibold indicated that most changes in chapter 7 were the result of federal mandate. Priebe inquired as to definition of "technical assistance analyst" and 8.8(93) was cited as setting out qualifications. Sibold told Clark that all professional registered engineers in the state would be eligible to audit even though not all have energy audit experience. Some of the 20 to 25 who participate regularly perform audits on one or two institutions a year.

8.8

Clark raised question in 8.8 as to the few analysts (between 8 and 12) to serve all institutional grantees. Sibold responded that federal mandate required consideration of the technical assistance analysis quality when ranking the conservation applications. She explained the evaluation and selection process for the technical assistance list--if 20 meet the criteria, they would be placed on the list. Clark was of the opinion that clarification was needed.

Priebe asked if there were authority to limit the number, and Sibold said they had worked with consulting engineer's counsel. Royce reasoned that the Code would not address numbers. Sibold stressed that opportunity would be given every year for proposals to be submitted. Priebe pointed out that was not stated in the rule and Tieden suggested striking "(between 8 and 12)" in rule 8.8. Clark and Priebe preferred inclusion of guidelines to avoid "a closed corporation." Royce interjected that, except for extreme circumstances, licensing is open-ended. Sibold said that if federal funds are involved in the program, the Department wants assurance those institutions receive quality analysis.

Priebe indicated he would object to the rules when filed if modifications were not made.

- Tieden expressed reservations as to penalty points in 8.6(3)g and Sibold said that, in the past, a number of grants had been declined and funds returned to the federal government. The Department is attempting to encourage institutions to make a commitment at the time of application. Sibold continued that funds are no longer available for energy audit training programs. She added that the University of Wisconsin has a good one. There are around 17,000 registered engineers in in Iowa's pool. No formal action.
- 8.2(1)b Clark recommended rewriting 8.2(1)b(5) for clarity. It was noted that a date certain should be included.

COMMERCE Commerce Commission was represented by Ray Vawter, COMMISSION David Lynch, Allan Kniep, Dan Hanson and Cynthia Dilley.

COMMERCE COMMISSION Continued The following agenda was considered:

Lynch described the Notice for public input relative to restructuring of the interstate natural gas market. On October 5, 1985, the Federal Energy Regulatory Commission (FERC) adopted rules for open access to interstate natural gas pipelines. Hopefully, the Notice will assist the Commerce Commission in developing policies relevant to Iowa. Lynch advised Parker that there is a "philosophical bent toward deregulation." In addition, there is an abundance of inaccessible cheap gas on the "spot market" in Texas, Oklahoma, etc. Pipelines are committed, by contract, to take more expensive gas.

In response to Parker, Lynch took the position that the federal government was stepping into what Commerce considers to be Iowa territory by allowing direct sales to customers such as John Deere. In discussion of contracts, Lynch pointed out that those signed in 1978 were for 20 years.

- 1.8, 1.9 Amendments to 1.8 and 1.9 were reviewed by Hanson. Clark offered written suggestions for clarification of the rules which she described as "wordy and difficult to follow." Royce questioned exclusion of corporations from the definition of personally identifiable information--1.9(2). Hanson noted that corporations cannot take the fifth amendment. He was unaware of a "body of law" dealing with corporate privacy. Priebe suggested possible deletion of questionable language in the last paragraph of 1.9(2). Royce viewed language in 1.9(5)c(1) as broad.
- Ch 22 In reviewing new proposed provisions for notice and objection re intrastate access service tariffs--22.14-- Hanson reported little agreement among interested parties. Thus, the Commission has submitted a modified version for public comment. In response to Parker, Hanson said deviation of three cents access charge is allowed-- state tariff can deviate with good reason.

In re 22.14(5)<u>a</u>, Tieden asked if 14 days were average time for filing resistance. Hanson replied in the affirmative but noted some had recommended 20 days. No formal action.

Committee Business Barry sought Committee guidance with respect to publication of hearing dates in the IAB. She had conferred with Burnett and Royce on a problem which had developed. Recently, three different agencies submitted hearing dates which did not comply with the 20-day requirement set out in Code section 17A.4(1)b. Agency officials contended that since the statute does not require them to hold hearings, section 17A.4 would not be applicable.

Committee Business Continued

In the case of Commission on Aging, only one date out of five was in compliance. After discussion, it was agreed that the four hearings on Aging rules scheduled outside of Des Moines should be listed in the preamble only as informational meetings. Clark so moved. Motion carried. Doyle suggested publication in the Bulletin of a request to all agencies to comply with the 20-day requirement in section 17A.4. So ordered.

#### CORRECTIONS DEPARTMENT

Carrie Mineart represented the Corrections Department for the following:

20.12

Doyle questioned current language in 20.12(2)c as being sexist with respect to limitations as to "responsible persons." A social worker, minister, or an attorney might serve in that capacity. Mineart reasoned there would be some distinction by virtue of the person's official capacity. Doyle asked for clarification in the rule.

In re 20.12, paragraph 4, Doyle suggested expansion to provide sufficient time to notify the transporting or visiting party. In addition, new language in 20.12 stating that furloughs were a privilege, not a right, was cited by Doyle. He pointed out the possibility of the privilege of furlough becoming a property right under new interpretation of the Constitution. Royce advised that due process is required even for a privilege.

Discussion of furloughs with Doyle recommending that reasons for denial be expanded. He also emphasized the importance of time element and further recommended that the Department review due process of cancellation once a furlough has been granted. Doyle requested that Mineart explore the feasibility of utilizing a device to be worn by the inmate on furlough. This would enable officials to remain in contact. Mineart agreed to do so.

DWAWM

Discussion of Department of Water, Air and Waste Management rules was rescheduled for 3:30 p.m.

Recess

Reconvened at Committee in recess at 11:55 a.m. 12:45 p.m.

BEER & LIQUOR DEPT William Armstrong and Janet Bryan-Galloway, Hearing Officer, represented the Department for the following:

Representatives of distillers, rectifiers, manufacturers, brewers and vintners, 7.3(1)"c" and "f"(2) ARC 6087 ... F. 11.6.85 Complaint procedure, appeal, 10.14 ARC 6088 ... F. 11.6/85 Forms, 12.2/10), 12.2/11) ARC 6089 ... F. 11.6/85 Gender, wine co-ordinating amendments to cha 1, 3 to 5, 7 to 12, 15 and 16 ARC 6093, also filed emergency Gender, wine co-ordinating amendments to cns 1, 3 to 5, 7 to 12, 15 and 16 ARC 6093, also filed emergency ARC 6092

ARC 6092

Central offices, 1.6, notice ARC 5299 terminated ARC 6090

ARC 6090

ARC 6090

ARC 5299 terminated ARC 6090

A

Priebe questioned whether or not the Director would

BEER & LIQUOR Continued have discretion to determine that the Department would carry only 90 proof alcohol and above, thus eliminating some of the wholesalers. Armstrong was doubtful. The Department wants wholesalers to apprise them of any changes in price, name, or alcoholic content.

10.14

No questions re 10.14 which was amended at the request of the ARRC. Discussion of bond forms in 12.2 with Doyle questioning the need to publish them. cited benefit in this instance and Tieden concurred.

With respect to sale or brand information in 7.2(6), Priebe wondered if the Freedom of Information Act would be violated. Armstrong said an annual report is distributed. Priebe had callers contending that the Liquor Commission was attempting to further complicate wine sales. Royce took the position that the subrule was in conflict with the open records law. Committee consensus was the language should be clarified when the rules are adopted after Notice. Committee concurred that only those areas needing amendment would need to be resubmitted. No questions re 1.6 and amendments to chapters 4, 5 and 12.

chs 1 et al

14.8

Armstrong reported that 14.8 had been rescinded and another Notice submitted [12/4/85 IAB]. No formal action.

HUMAN SERVICES DEPT

Mary Ann Walker, Marg Corkery, Will Miller, Mary Helen Cogley, Don Herman, Dan Gilbert, and Harold Poore appeared on behalf of Human Services Department. following agenda was considered:

Miller advised O'Kane that the sixty days' prior notice in 81.6(12) had not created problems. Tieden asked for insertion of date certain for the American Hospital Association Useful Life Guide next time 82.5(11) is amended. No questions re 160.1, 78.1(19), 110.5(1)1, chapters 78 and 157. Walker noted that a request had been made for public hearing re 150.3(11) -- prospective pilot project. After brief explanation of 176.10 by Walker, no comments were forthcoming.

Committee Business Minutes

Doyle moved approval of minutes of the November meeting. Motion carried. Priebe announced the next meeting would be held Tuesday and Wednesday, January 7 and 8, 1986, in lieu of the statutory date.

INSURANCE

Royce mentioned a letter that had been received from DPEARTMENT the Municipal Association dealing with new type of insurance authorized by the Insurance Department. At the request of O'Kane, special review was scheduled for tomorrow.

PUBLIC INSTRUCTION DEPARTMENT The following agenda was before ARRC:

8.6

Department representatives present were John Hartwig, Don Wederquest, and A. John Martin. In re 8.6, Hartwig said the GED testing fee was being raised from \$10 to \$20 as requested by Area Community Colleges, GED parent testing centers.

ch 59

Martin noted changes were made in chapter 59 to implement Code changes pertaining to supplementary payment for foreign languages. Specific languages were not enumerated in an attempt to leave it open to offerings other than the four set out in 59.2. It was agreed the last two agenda items would be rescheduled for January.

## PLANNING & PROGRAMMING

Lane Palmer, Suzanne Barr, and Alan Collet appeared on behalf of the Department to review:

lowa community development loan program, ch 25 ARC 6155 . F. 11/20/85

Community development block grant nonentitlement program, 23.6(1)"i." filed emergency ARC 6082 . F.E. 11/6/85

Collet said that ARRC recommendations had been incorporated. O'Kane referred to language re waiver of "procedural provisions" in 25.3(7A) and suggested clarification at some future time by cited examples. Collet indicated that waiver had not been utilized.

25.5(1)

O'Kane questioned use of "shall" in 25.5(1)--"Additional loans shall be periodically awarded by OPP." According to Collet, this would reserve their authority to make new loans with repaid funds if there were no appropriation. A schedule exists and cycles are established based on the appropriation. Collet was amenable to O'Kane's suggestion that an administrative officer should also sign the assurance in 25.5(4)d. O'Kane had experienced difficulty in obtaining information for his county, and he was informed of a Job Service program. O'Kane viewed 25.5(4)e as somewhat nebulous. Collet offered explanation and said there had been no abuse.

Department officials reported that the longest loan period was 20 years, but OPP encourages limiting them to 10 years or less. Collet agreed to clarify 25.6(5) pertaining to loan proceeds.

Tieden was skeptical of cost overruns and thought contracts should be adhered to. Collet said it had not been a problem in the 2½ years of the program. O'Kane observed that provisions in Code section 7A.44 relative to preference to high unemployment were not reflected in the rules. He favored the

PLANNING & PROGRAMMING Continued

rationale in the preamble of the rules. Collet discussed the rating system which he contended did follow legislative intent. He cited problems of low funding level and fierce competition—jobs as well as community needs are considered. Collet gave examples of prior costs—25.9(7A). He concluded that OPP wants assurance a project will proceed before work is started.

23.6(1)i

Palmer explained amendment to 23.6(1)<u>i</u>. When a community receives a development block grant, it is federal money passed through the state and can be drawn down only at the time it is expended locally. Authorization is granted and the community requests funds from OPP to spend on the project to pay salaries, etc. within 20 days. Palmer continued that funds remain with the federal government. No action.

Recess

Committee recessed. Moved to Room 118, State Capitol.

HEALTH DEPARTMENT Irene Howard, Bob Minkler, Mark Wheeler, and Harriett Miller represented Health Department for the following:

Public health nursing, ch 79 ARC 6129 F. 11/20/85
Chiropractic examiners, 141.11(1), 141.11(2), 141.11(3)"a." 141.13(6), 141.24(29), 141.63(3), 141.38(2) ARC 6134 F. 11/20/85
Hospitals and health care facilities, 51.4(3)"e." "F" and "k." 57.11(3), 58.10(3), 59.12(3), 63.9(3), 57.11(5), 58.10(5), 59.12(5), 63.9(5), 57.15, 63.15, 57.15(2), 63.15(2); 65.15(2)"c." 59.19(2)"c." 64.13(15), 64.13(16), also notice ARC 5324 terminated ARC 6105
ARC 6105
Physical and occupational therapy examiners, 137.4(3), 137.1(7) ARC 6095 A. 11/6/85
Speech pathology and audiology examiners, 166.2(2) ARC 6097 A. 11/6/85
NURSING HOME ADMINISTRATORS, BOARD OF EXAMINERS[600]
Continuing education, attendance record report, 3.7 ARC 6094 F. 11.6.85

ch 79 ch 141 ch 51 et al No questions re chapter 79. Miller indicated changes in chapter 141 were requested by ARRC. In presenting amendments to chapters 51 et al, Minkler said that, at the request of the industry, the Department has proposed to ease requirements for physical examinations for employees. Instead, health examinations will be required at the commencement of employment and every four years thereafter. For care facility residents, their tuberculosis status would be reevaluated every three years.

Royce posed a number of questions concerning economic impact, e.g., positive reactors to TB must go to the hospital by ambulance in some instances at a cost of \$200 plus. He reported concern by facilities re Title XIX residents. According to Minkler, there is generally a contract between the resident and facility and cost should not be passed on to private pay patients. Minkler agreed to provide fiscal information before the rules are adopted as to number of Title XIX patients, the average cost, and the impact on the state treasury. Information would also be provided re costs to employees. Minkler took the position that care facilities should not be expected to absorb more costs. No questions re chapters 137 and 156 or for Nursing Home Administrators

chs 137,156

WATER, AIR & WASTE MANAGEMENT The agenda for DWAWM follows:

# (thyraug), diversion and storage of water, procepted water sources 50 1, 50 2, 50,321 50 M21, 50 653 50 545, 50 7454, 51 2, 51 2, 52 2,

The Department was represented by Wayne A. Reed, Diane Hansen, Keith Uhl and Randy Clark. Also present: John B. Fischer, Supervisor, Pocahontas County; Terry Larson, Iowa State Association of Counties; Don Brazelton, Executive Secretary, Iowa Association of County Conservation Boards.

70.2 et al

Randy Clark explained changes from the Noticed amendments to rules pertaining to flood plain development which included deletion of the terms "drainage facility" and "improvement." Priebe declared that deletion of those terms was major modification and negated an agreement with DWAWM made during the legislative session. He continued that he could have had a large group of farmers in attendance at the meetings held on the issue. Because of the agreement, Priebe felt this was unnecessary.

Priebe suggested that additional public hearings be scheduled and that the Commissioners, rather than Staff, conduct them. He asked that explanation be made at that time as to the Department's reason for removing "improvement" and "drainage facilities." Priebe discussed the possibility of an ARRC objection to shift the burden of proof to DWAWM.

It was R. Clark's understanding that the Department agreed to Notice the amendments in a particular way, which they did. [ARC 5589, 6/19/85 IAB] The Commission reviewed the substantial number of public comments, resulting in the revision as published in the 11/20/85 IAB. Priebe contended that the Conservation Commission influenced the DWAWM decision.

In response to Tieden, R. Clark reiterated there had been a substantial number of public comments expressing concern over the meaning of "drainage facility" and "improvement." A subcommittee advised the full Commission of these concerns and an attempt was made to develop satisfactory definitions. When it became apparent that this was not possible, decision was made to delete the terms. Clark cited Iowa Code chapter 455 as containing authority for drainage districts and definition of "improvement." However, that definition exceeds intent of the proposed rules. He interprets it to allow increase in drainage area of streams and to enlarge ditches beyond their design.

Priebe recalled that the agreement precluded straightening of meandered streams and digging deeper ditches. He emphasized that he was not advocating massive drainage. He cited a situation where installation of tile would require a permit since it would be an "improvement."

WATER, AIR & WASTE MANAGE-MENT Cont'd

R. Clark pointed out that the rules do not regulate the installation of tile unless it involves construction of some other facility which would be a substantial flood plain obstruction. Parker mentioned placing 4" surface intakes in low spots in a drainage ditch. R. Clark advised that flood plain permits were not required for inlets. He was unaware of rules requiring flood permits for adding tile-possible exception would be if tile lacked adequate drainage into a stream and a lift station and pumping facility were needed.

In re 71.11(1), R. Clark explained that up to ten per cent of a ditch's cross-sectional area could be cleaned out--trees, sandbars and obstructions. The language was added as concession to the drainage districts. Clark continued that, in cases outside the district, language in the rules provides for the Department to review plans to determine if permit would be needed. Priebe suggested reinstating the word "improvement" with a \$20,000 maximum before a permit would be required.

Jack Fischer, Pocahontas County, spoke of his involvement with the compromise last year. It was his understanding that the points agreed to would be in rule form rather than Code revision. He contended that ISAC and others had agreed in good faith but that good faith was broken by Conservation authorities. In response to Tieden, Fischer said "improvement" was one area they considered important and that local control within established drainage district was also important. He added that "You improve to deepen or provide better outlet." Fischer saw no real threat for the Commission with "improvement." Discussion of permits.

Brazelton stated that he had attended all of the hearings where all were given ample opportunity to speak. He continued that the first directive by the Joint Committee was that the Conservation Commission, ISAC and DWAWM were to work out the compromise. A few minutes prior to the April meeting, the compromise was developed between DWAWM and ISAC--Conservation did not agree to that April decision-the definition of "improvement" was not discussed. Brazelton stressed that an increase in the stream capacity was of great concern to conservation interests. They have no problem with allowing districts to maintain their ditches and restore them to original design specifications which the rules now allow. Brazelton pointed out that the breadth of the rules would not affect field tile. reasoned that the revision was an adequate compromise if natural resources are to be protected.

WATER, AIR & WASTE MANAGE-MENT Cont'd

A permit system would be valid but still allow restoration and maintenance of those ditches back to original specifications.

Priebe read a letter from Etler Engineering Company, a copy of which is attached and by this reference made a part of these minutes. Larson spoke of the compromise and the fact that it was to be completed by February 1 and presented to the Committee. Several meetings were held and all three ISAC negotiators participated. DWAWM and Conservation had at least one meeting each. Larson continued that, at no point did Conservation agree to any of the possibilities brought forward nor did they make specific language recommendation at the Spring meeting. It was Larson's opinion that Conservation had not acted in good faith.

Tieden accepted the fact that there was change from the compromise but not a change from the bill.

Motion to Delay 71.11(1)

Priebe recognized O'Kane who voiced the opinion that further study of the issue was needed. O'Kane 70.2, 71.2(4), moved that amendment to 70.2, 71.2(4) and 71.11(1) be delayed 70 days. Priebe asked O'Kane to include in the motion a request for two or three additional hearings. O'Kane was amenable and the motion carried.

> Priebe recognized Uhl who discussed problems which occurred and possible resolution. He disagreed that there was any breach of the agreement or "bad faith" action by the Commission. Uhl recalled the decision to take particular language to the hearing. They recognized, at the time, a problem implicit in the agreement as to what the proposal would be and the need for definition of "improvement." Throughout the hearing, the pros and cons on defining "improvement" were heard but, apparently, no one wanted to "tackle" the definition. After the hearings, substantial comment came in which prompted the Chairman, Bob Schlutz, WAWM Commission, to appoint a subcommittee of three farmers: Charlotte Mohr, Eldridge farmer, Wayne Geiselman, Morning Sun farmer engineer, and Gary Priebe, Algona farmer. After numerous attempts, the subcommittee failed to define "improvement." Priebe was confident a compromise could be reached, and he urged cooperation. No further discussion.

64.9(2)b

In re 64.2(9)b, Hansen explained the changes made to additional design standards for construction of wastewater treatment facilities -- a new chapter 15 and changes to chapter 18C. Tieden was told that considerable knowledge has been gained on lagoon design since 1978. The public hearing will be held December 10. No other questions. Recessed at 4:15 p.m.

Reconvened

The Administrative Rules Review Committee was reconvened by Chairman Priebe, 8:35 a.m., Wednesday, December 4, 1985, in Committee Room 24. All members and staff were present. Senators Doyle and Tieden were excused for part of the morning to attend another meeting.

BLIND COMMISSION Special Review Catherine M. Ford, Librarian/Program Manager, and Elizabeth Sheets, Librarian, were present on behalf of the Commission for discussion of library services for the blind. Also present: Joe Van Lent, Legislative Chair, National Federation of the Blind of Iowa.

O'Kane had requested the special review after a constituent had complained that certain publications would not be transcribed because they were "trashy." Ford described the library function as one to provide reading materials to persons who cannot use print because of physical limitations--blindness, inability to hold a book or turn its pages, or reading disability. Materials provided are in braille, on tape, on recorded disks or in large type. They are not a specialized library in the sense of restricted A prospective user is given a brochure information. containing available services in terms of media and playback equipment. Ford continued that they ask for information such as name, address, media needed, and signature of a competent authority other than the prospective borrower.

All services are at the initiation of the user with exception of transcription and duplication. That service is built on a cadre of volunteers and the library cannot promise unlimited access or production. Catalogs contain 67,000 titles in five media—if material not in the collection is requested, the library searches national resources. Iowa maintains the largest library in the country for the physically handicapped. She pointed out that the request referenced by O'Kane was significant in that 133 titles were requested. Generally, lists are submitted for materials needed to support work or education pursuits which could include 15 to 20 books. For 25 years, they have tried to meet the vocational and educational needs of users.

O'Kane reasoned that the library policy should be spelled out by rules and censorship should be avoided. Ford agreed that a written policy would be considered in 1986. O'Kane emphasized the value of the service. Priebe concurred that priorities should be spelled out.

Clark observed that every libary, just by its nature, does a certain amount of censoring. She would not be supportive of detailed rules but thought eligibility and transcription matters should be spelled out. No action taken. - 3265 -

COMP-TROLLER Eldon Sperry and James Dysart appeared for review of: 

 Auditing claims, 1.1(5), 1.2(5), 1.3(1), 1.3(2), 1.4(1), 1.5(8), 1.5(4), 1.6(2), 1.7(6)
 ARC 6126
 N. 11/20/85

 Deferred compensation program, ch 4
 ARC 6180
 N. 11/20/85

Sperry said the main change in rules for auditing claims was to eliminate language regarding specific maximum reimbursements for meals and lodging for state employees. These items are addressed in collective bargaining contracts and since the public is not affected, the rules probably should not appear in the IAC. Royce was of the opinion that a strictly intragovernment matter such as this would not require rule making.

Discussion as to whether it was sufficient to reference the comptroller's procedure manual rather than set out details in the rules, e.g., 1.6(2). Clark favored reference to the detailed manual. Royce pointed out that the rules would be more accessible in the IAC. Priebe spoke in support of open government concept. The Committee requested Department officials to review the issue.

ch 4

In re chapter 4, Sperry reported that part-time employees with annual salaries would be eligible for deferred compensation under chapter 4 of their rules. No questions.

IOWA FINANCE AUTHOR-ITY

Larry Tuel appeared to review the following: 

The rules implement SF 449 relative to state celing on private activity bonds which include industrial development bonds and student loan bonds. The allocation system is on firstcome, first-served basis. Discussion of federal legislation and the complexity of issuing bonds. Intent is to issue a convertible or tender option bond for a short term at low rate of 5 to 6 per cent. Ultimately, permanent mortgages are made and the bonds converted to long term, fixed rate for 30 years.

LOTTERY

R. D. Markham and Kenneth Paulsen represented Lottery for purchasing procedure, 5.1, 5.8, ARC 6120, IAB 11/6/85. Department officials reported they had proposed provisions for set-aside procurements for female and minority small businesses. The language was patterned after General Services purchasing procedure. Parker was advised the rules would apply to all purchases.

Royce pointed out that a number of agencies were "footdragging" on the set-aside matter. There was discussion as to whether the statute was applicable to the Board of Regents, and Royce was directed to confer with Representative Doderer concerning this issue.

LAW MENT ACADEMY

Ben K. Yarrington, Director, and William J. Callaghan, ENFORCE- Legal Instructor were present on behalf of the Law Enforcement Academy.

> Definitions, rule 1.1(80B), Filed Emergency as ARC 6142, IAB 11/20/85 was before the Committee.

LAW ENFORCE-MENT ACADEMY Continued Yarrington reviewed the history of legislation which requires psychological testing for applicants being considered in the final selection process for law enforcement positions. In the original legislation, the definition of "final selection process" as well as other aspects led to confusion in the law enforcement community and civil service commissions. Subsequent legislation repealed said definition.

In August of this year, the Academy, by rule, defined "final selection process" as applicants placed on Civil Service or Merit established on or after January 1, 1985. It was then argued by some that the rule was not applicable to law enforcement agencies not subject to civil service or merit. Yarrington concluded that the Academy has determined that the definition of "final selection process" by rule is no longer necessary and it has been rescinded. Priebe and O'Kane questioned authority for the rescission. Yarrington took the position that the statute [80B.11(5)] would prevail.

Referred to GA

Committee consensus was that the matter should be referred to the Legislature and O'Kane so moved. Motion carried unanimously. Royce requested a written statement from the Department outlining their position.

PUBLIC SAFETY Connie White, Executive Assistant; Carroll Bidler, Director, Administration Service; Tim McDonald, Assistant Director, Criminal Investigation; Captain Dewey Jontz and Sgt. Jon Wilson represented the Department of Public Safety for the following agenda:

Crime victim reparations, 17.3, 17.6, 17.8, 17.12(2), 17.13 ARC 6154	5. II	20/85
Department records and reports, 1.4(d), 1.4(7), 1.5 ARC 6151	V. 11	/20/85
Private investigation and private security businesses, 2.3(8), 2.4(5)"d" ARC 6152	V. 11	/20/85
Fire safety, school and college buildings, 5.651(1), notice ARC 5986 terminated ARC 6150	7711	/20.85
Criminal justice information system, identification—division of criminal investigation, 8.2. 8.101, 11.16 ARC 6153	Z. 11	/20/85

Also present: William Kidwell, Iowa City, and John P. Dolan, Jr., Des Moines, both private investigators.

ch 17

Discussion of chapter 17. O'Kane questioned paragraph "3." of the definition of "crime." According to Bidler, it was copied from Code section 321.281 and had nothing to do with conviction--only with reparation to an individual.

No questions re 1.4(6), (7), or 1.5.

2.3, 2.4

Bidler introduced Kidwell and Dolan, who expressed interest in amendments to chapter 2. Chairman Priebe recognized Kidwell who spoke of his 20 plus years of experience in law enforcement. Kidwell considered it reverse job discrimination to allow peace officers to become private investigators without being licensed or meeting any of the other requirements imposed on private investigators. He contended that not all

#### PUBLIC SAFETY Continued

peace officers are qualified to be investigators but they have access to confidential information. It seemed unfair to Kidwell that special rules would be implemented for peace officers. Kidwell continued that, under the new rules, he could not hire a police officer to do private work yet the officer could form his own company. He urged legislative change.

Bidler responded that the issue was not with the rule. Three Code sections address the area--peace officers are allowed to work as private investigators and private security officers without being licensed; section 80A.2 exempts peace officers provided they work with the knowledge and consent of their chief; section 80A.4 contains two relative subsections. The rules to interpret those sections were submitted at insistence of the state Ombudsman. According to Bidler, the Commissioner of Public Safety does not plan to submit legislative changes. Priebe thought Kidwell had made good points.

#### Motion

Clark moved that the matter be referred to the Speaker of the House and Lt. Governor for referral to the appropriate Committees along with copies of the two investigators' statements. Carried. By reference, the statements are a part of these minutes.

No recommendations for 5.651(1), 8.2, 8.101 or 11.16.

#### Recess

Chairman Priebe recessed the Committee for 15 minutes.

#### RACING COMMISSION

Mick Lura appeared on behalf of the Racing Commission for the following agenda:

Application for tax credit by horse race licensees, ch 10 ARC 6136, also filed emergency ARC 6135 .... XX. F.E... 11/20/85

Brief discussion of proposed legislation requested by dog breeders which did not include provision that breakage funds be given to dog owners.

#### 10.1

At the suggestion of Clark, Lura agreed to review 10.1(1) for possible clarification. No action taken.

## SECRETARY OF STATE

Susan Steinbach appeared for Secretary of State to review:

Election forms and instructions, political advertisements, 11.6 ARC 6131 F. 11:20/85
Election forms and instructions, local option taxes, 11.4, 11.5, notices ARC 5842 and ARC 5887 terminated ARC 6098. N 11/6/85

Steinbach called attention to the fact that yard signs and posters were deleted from the definition of "published material" as recommended by the ARRC. No questions.

#### REVENUE DEPARTMENT

Carl Castelda, Deputy, represented the Department of Revenue for the following:

 REVENUE DEPARTMENT Continued chs 63, 64 No questions were raised re 16.6 and 18.33. Castelda said the amendments to chapters 63 and 64 were basically nonsubstantive and include gender changes. Clark complimented the Department on their use of examples.

Castelda commented that the motor fuel tax accounts receivable noncollectibles have increased tremendously in the last four years--from \$50,000-\$60,000 to \$2 or \$3 million. Most losses have been in the area of special fuel. The Department believes a study as to how the industry is changing would be justified. They favor having the terminal be responsible for the tax. Castelda noted that Iowa fuel tax at 15 1/2 cents on gasoline and 16 cents on diesel is exceeded only by cigarette tax.

O'Kane expressed interest in seeing any procedure the Revenue Department would initiate. However, Castelda was doubtful anything would be ready for the next GA.

18.43

Castelda said the Farm Bureau would be submitting written comments on 18.43. Priebe indicated that he has proposed legislation re 18.43(2)b. Castelda agreed to keep Priebe informed. Castelda briefed the Committee on recent public hearings.

TRANSPOR-TATION DEPT Ian MacGillivray and Gretchen Tegler were present for the following:

[06,Q]ch4

Tegler summarized the RISE program under which revenue from a 2-cent per gallon tax on motor fuel and special fuel will be credited to a special fund for road and street projects. The Department anticipates \$20 million this year and \$28 million annually in subsequent years to promote economic development in the state. Tegler explained that the rules were emergency adopted to make the program operational but a public hearing was scheduled for January 7.

Priebe inquired as to whether or not the Act were specific with respect to the allocation for counties and incorporated cities. He received an affirmative response. It was Tegler's understanding that road use tax funds must be expended by jurisdictions that have control over streets, highways, and roads. To that extent, counties, incorporated cities, and the state would be the three controlling bodies. She was unsure the law was specific re unincorporated areas. Tegler said DOT would ask that the county submit the project for county conservation park roads. Priebe contended the state parks were excluded under the rule and could not receive RISE funds.

MacGillivray arrived and interjected that state parks were not eligible to obtain RISE funds, but state,

TRANSPOR-TATION DEPARTMENT county, or city access roads to a state park would qualify. Also, institutions would not be eligible to apply.

MacGillivray provided RISE material to the ARRC, which copies were sent to approximately 750 for input. Discussion of makeup and function of the local government advisory committee. Parker suspected that large metropolitan areas would benefit greatly. Commission officials emphasized they were ultrasensitive on this issue--opportunities are widely disbursed.

4.7(1)g

O'Kane suggested specifics as to funding commitment in 4.7(1)g. He could foresee counties and cities getting into the bond market irrespective of availability of RISE funds. MacGillivray saw no problem. General discussion. Discussion of differing scale for local and regional projects. No action taken.

#### GENERAL SERVICES

Robert Soldat, Purchasing and Material Management Director was present for the following agenda:

1.2(3) et al Soldat gave brief overview of 1.2(3) et al. In re 2.2, Priebe raised question as to how it would be determined to be in the best interest of the state to exempt a purchase from the competitive bidding procedure. Soldat cited a broken water pipe as an emergency situation where competitive bidding could be bypassed. Priebe was concerned about manipulation of the bidding process. A contractor with inside information could submit a low bid for the first project with possibility of being awarded subsequent projects without a bid. Priebe favored a rule to prohibit this practice. Senator Tieden returned.

6.4(3)

6.8(3)

Clark and Priebe discussed 6.4(3) which addressed rejection of bids by the Director. Priebe suggested substituting "will not be served" for "will be served." Soldat agreed to consider the question raised. Clark preferred "women" as opposed to "female" in 6.8(3)c. O'Kane asked that a transcript of the hearing on rule 6.8(18) be sent to Royce. Soldat advised Tieden that "labor surplus area" was defined by federal definition as set out in 6.8(3)g. No formal action.

INSURANCE DEPARTMENT

Special Review At the request of O'Kane,, Denise Horner and Jules Hoerster were present to explain the Insurance Department's position re their approval of new Commercial General Liability (CGL) forms filed by the Insurance Services Office. Also present: Mike Sullivan, Assistant City Attorney, Des Moines, and Roger Nowadsky, both representing the League of Iowa Municipalities.

INSURANCE DEPARTMENT Muncipalities had called attention to specific problems created by the forms in regard to certificate of insurance. According to Horner, every property casualty form, endorsement, or rider is subject to approval before use in the state. The Department has rules in place describing procedure to seek approval—about 20,000 forms are received every year. New CGL Claims Made Form was approved in 1984. Horner denied that use of the form was mandated. She added that Claims Made Policies have been in existence since the 1970's. The Department contacted various insurers and learned that many will wait a year before using the form.

Nowadsky interpreted Code chapter 17A to require approval of the forms by administrative rules. Royce saw the question as one of whether there is general applicability. With the Department's approval, the form becomes lawful in the state. He continued that specific government actions are not subject to the rule-making process—they are subject to contested case procedures, but specific actions of agencies are not statements of general applicability. He saw this approval process as analogous to issuing a license. He concluded there are basic rules in place for the underlying system.

Horner stated the Department's position has been to initiate some type of contested case proceeding before withdrawing approval of any particular form. Horner offered a detailed description of the Department's current approval process. There are variations depending upon type of rule involved--property or casualty form.

Sullivan reiterated that the form was not widely used. He saw this as the most significant change in insurance in 25 years. Sullivan noted that Commissioners of Tennessee and New York had held hearings on the matter. The form was disapproved in New York where the Commissioner thought it should not be widely used. The form is not restricted to "long tail or malpractice" insurance. Sullivan stressed that public input on the issue would be appropriate because of the general application throughout the state of Iowa.

Horner agreed that the form was extremely significant. She pointed out that anumber of changes had been made to the initial form filing. The Iowa Insurance Commissioner had attended numerous meetings with Commissioners from other states and had met with a number of different constituencies. ISO has responded and made changes and that will continue as long as problems exist with the form. O'Kane interjected that this was happening outside the public view and would have tremendous impact.

INSURANCE DEPARTMENT Concluded General discussion by the Committee as to whether the form should be submitted as a rule. Horner emphasized that the Insurance Department's procedure--not the approval process-- was by administrative rule, and amendments to their procedures are in process.

Priebe reiterated his preference for open government. O'Kane saw the "form" as misleading; he viewed it as more of a policy. Department officials will continue to monitor the issue.

LABOR Asbestos Priebe recalled that the Committee had referred the problem of liability for asbestos removal to the Legislative Council for study. [Minutes, page 3176]. However, the Legislative Council chose not to conduct a study. Because of the magnitude of the problem, it was Committee consensus to notify the Speaker of the House and the Lt. Governor of ARRC concerns. So moved by O'Kane. Carried.

Adjourned Next Meeting Chairman Priebe adjourned the meeting at 1:05 p.m. Next meeting scheduled for Tuesday and Wednesday, January 7 and 8, 1986.

Respectfully submitted,

Phyllis Barry

Assisted by Vivian Haag

APPROVED:

**CHAIRMAN** 

# Comments by John P. Dolan, Jr. December 4, 1985 Administrative Rules Review Committee

I want to thank you ladies and gentlemen for the opportunity to express my concerns about the Department of Public Safety's proposed rules change ARC 6152 published in the Iowa Administrative Bulletin on November 20, 1985.

It's my feeling that this change will compound a current LOPHOL with the legislation we now operate under. There are two main areas of concern. The first has to do with establishing and further the double standard of the quality of work produced by private investigators in the state and the second deals with the inherent conflicts that occur when peace officers wear two hats, one of a police officer and the other of a private investigator.

On the first issue I want to remind you that in the last two years there have been some significant revisions in the code pertaining to the licensing of private investigators. resulted in increased regulation to those of us in the profession and a sizeable decline in the number of licensed agencies. regulatory standards we must comply with are time consuming expensive, but the end result is that the public can have some confidence that the licensed individual he or she hires has some degree of character and financial stability. This rule will exempt one class of citizens from meeting those requirements that the public has a right to expect. As a former policeman who has attended both the Iowa Law Enforcewmnt Academy at Camp Dodge for two months and the Des Moines Police Academy for six months I know that there is little training at those institutions to qualify me as a private investigator to assist attorneys and their clients in preparing their cases. Very few if any police

Dec 19.85

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officers know the elements of proof in a product liability case, or a dram shop case. While police officers are well equiped to handle security matters, there is a big hurdle to get over in equating security matters to investigative matters. This rule change tells us that in spite of the background and training we have to provide ourselves through our trade organizations and education, and the growing regulatory burdens self and significant expenses, then is a class of peolple that is above the law just because of the job the hold in government. They can compete with those of us that comply with the state's requirements with no start up costs, and without even notifying anyone other than the chief of their department. That brings me to the next problem, the inherent conflicts of peace officer wearing two hats.

As a licensed investigator we have many duties to comply with but do not receive any special priveless that are afforded to our competition with a badge. Des Moines Police Chief Bill Moulder tells me that his men are not paying sales tax on their earnings because an assistant attorney general found a loophole that excludes them. If I want to obtain a driving record or license information on an individual I have to either make a written request that will take at least a week to get a response or personally visit the DOT office in the Lucas building and pay \$6 for a certified copy. If I were a town marshall in a one man department I could provide that service to my private clients in minutes at no cost to me or my client. If I wanted other information obtained in confidential police reports or

inteligence files I could contact other departments officers that I met in the line of duty, and without misrepresenting myself, say this is so and so from whatever the town was and probably obtain whatever I was asking for if the officer I was making the request from didn't ask me which hat I was wearing. Since peace officers could engage in this business without having to even register anywhere. It would then be up to every officer to ask everywhe supplied information to to ask if it is for official or private use. Another problem is loyalty. If an off duty officer was working for a lawyer on a child custody case and learned as a result of a priveleged communication from that lawyer that the opposing party was a drug user, does he owe his client the right to privacy as afforded by the law or does his oath of office as a officer require him to take police action on information he obtained. These are just simple examples of can of worms that have to be contended with. If the Department of Public Safety were to revoke an individuals license he could hired by a friend in law enforcement and continue business usual without any regulatory compliance. I'd ask you to consider these concepts when you decide on final wording of this proposed change. Thank you.