

MINUTES OF THE REGULAR MEETING
of the
ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of Meeting: Tuesday, Wednesday and Thursday, July 12, 13 and 14, 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.

August Meeting: It was agreed that a special meeting would be held Tuesday, August 2, 9:00 a.m. to consider rules published in the 7/6/83 IAB. The Committee would then recess until August 17 and 18 when rules in the 7/20/83 and 8/6/83 Bulletins would be considered.

COMMERCE
COMMISSION

The following rules of the Commerce Commission were presented by Bill Haas, General Counsel:

COMMERCE COMMISSION[250]
Organization and operation, records, reports, 1.5(3), 1.5(6), 18.3, 23.2(8), 23.2(9) ARC 3801 ..F.....6/8/83
Office of general counsel, office of consumer advocate, technical revisions, amendments to chs 1, 3, 6, 7, 16, 19 and 20, filed emergency ARC 3831F.F.....6/22/83
Practice and procedure, briefs, 7.7(13)"d" ARC 3802N.....6/8/83
Telephone utilities, accounting, inside station wiring, 16.5(5), 22.1(3), 22.11(1)"b" and "d", 22.11(2) ARC 3832N.....6/22/83
Gas and electric utilities, energy conservation standards for new structures, 19.2(4)"c", 19.9(5), 20.2(4), 20.12 ARC 3804 ..N.....6/8/83
Gas and electric utilities, pilot projects, 19.9(4), 20.10(9) ARC 3803 ..N.....6/8/83

Also present: Kent Jerome, Iowa Telephone Association.

In review of amendments to rules on reporting by utilities, Schroeder inquired as to whether the industry was receptive to the procedure. Haas admitted that some concern had been expressed. The method of handling confidential material was discussed and in the opinion of Schroeder and Priebe, it should be included in the rules. Haas indicated modifications were forthcoming in the area of income tax returns.

Haas said that emergency revisions to chapters 1, 3, 6, 7, 16, 19 and 20 were in response to legislation, but additional technical changes would be needed. Haas knew of no plan to place the amendments under Notice. After discussion, the ARRC requested that the Commerce Commission also submit the rules under the regular rule-making process to allow public input. In response to Tieden, Haas agreed to review the Act and modify 1.7, if necessary.

7.7(13)d

Schroeder questioned proposal in 7.7(13)d to place a 90-page limit on each party's initial brief. According

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COMMERCE
COMMISSION
Cont'd

to Haas, a majority of the utility companies agreed with the concept, but the Consumer Advocate was displeased. General discussion.

chs 19 & 20

Amendments to chapters 19 and 20 were before the Committee. Schroeder was interested in knowing the dollar impact but Haas said none had been determined. As drafted, rules would apply to municipal utilities. Tieden was astounded that every commercial structure, which would include hog houses, would be built according to Commerce recommendations. He was doubtful that enforcement would be possible. Haas admitted that was a concern. Tieden asked to be apprised of the comments received on that issue.

O'Kane inquired as to the reason minimum conservation standards were submitted as part of the tariff filing. Haas' response was that the Commission could reject the tariff if standards were not met. Schroeder called attention to the fact that municipal utilities do not file tariffs--Haas said that was a good point and the matter was being addressed. Chiodo wondered why the Commission didn't set uniform standards. Haas indicated that the Commission originally suspected a large variance in terms of energy conservation but comments reveal little difference around the state.

Responding to Chiodo, Haas explained that restrictions are not imposed on the utility--builders abide by city or area building codes. It has been suggested that Commission adopt the same standards.

Motion -
Economic
Impact
Statement

Schroeder moved that the Committee request an economic impact statement on the amendments. Chiodo called attention to the oral presentation pending July 25.

Withdrawn

Schroeder then withdrew his motion for the economic impact statement.

Chs 16 & 22

There was general discussion of amendments to chapters 16 and 22. The proposed amendments eliminate references to the "customer" in the case of landlord/tenant situations. The Commission wanted to avoid misinterpretation that they were designating the tenant to be responsible for inside wiring.

TRANSPORTATION DEPARTMENT The following rules were before the Committee:

TRANSPORTATION, DEPARTMENT OF[820]
General requirements for implementing the safer-off system roads program. [06.P] ch 5 ARC 3782...F.....6/8/83
Highway division, local systems. [06.Q] chs 1 to 6, 14, 15, 17 and 18 ARC 3783...F.....6/8/83
Procurement of equipment, materials, supplies and services. [01.E] 2.1 to 2.4, 2.8 ARC 3784...N.....6/8/83
Vehicle registration and certificate of title. [07.D] 11.1 to 11.4, 11.6, 11.7, 11.19, 11.22(2), 11.27, 11.28, 11.31, 11.32, 11.33, 11.41(2), 11.50, 11.51, 11.53, 11.58(2) ARC 3807...N.....6/22/83

Department representatives present were Elmer Clayton, Office of Local Systems; Julie Fitzgerald, Operational Analysis; Carol Coates, Vehicle Registration; Verg Raymond, Purchasing Division. Also present: Ted Yanacek, Iowa Farm Bureau; Joe Rasmussen, Senate Democratic Caucus.

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TRANSPORTATION
DEPARTMENT
Cont'd

Clayton presented a brief statement with respect to the office of local systems, which is a combination of cities or urban systems and county secondary roads. Proposed changes have been reviewed and approved by all affected agencies.

2.3[06,Q]

In response to Schroeder's question re 2.3[06,Q], Clayton said the reports often change each year because of accounting practices or legislation--but are quite standard otherwise. Priebe wondered about input from counties and Clayton indicated that DOT has good rapport with the county engineers. He continued that budgeting for secondary roads is by calendar year--chapter 309.

Schroeder favored identifying the forms by assigning them numbers so they could be modified under rulemaking. Fitzgerald commented that their general counsel had advised that the forms would come under the exemption from rulemaking in chapter 17A. However, counsel had cautioned DOT to evaluate the forms on a case-by-case basis. Royce interpreted the exemption as being applicable for intergovernmental memos, documents, etc. which do not "substantially affect the public." Fitzgerald emphasized there had been no problems.

Motion to
Object --
Secondary
Roads

After further discussion, Schroeder moved to object to the rules. The objection could be overcome by including numbers on all Forms. When changes are made, then the form number could be included in a rulemaking to allow counties and cities input. Time frame for normal rulemaking was reviewed. Clayton referred to chapter 309 as being quite descriptive on the subject. He stressed that the amendments before the Committee were basically "housekeeping."

Vote

Schroeder restated his motion to object and it carried unanimously. The following formal objection was drafted by Royce:

At its 12 July 1983 meeting the administrative rules review committee objected to ARC 3783 on the grounds that it is unreasonable to reference "a manual of instructional memorandums" and "a set of detailed instructions for the preparation of the county construction program [and road budget and engineers annual report]" without adopting that material as of a specific date. The use of a specific date has the effect of adopting these materials by reference into the administrative code, making them the functional equivalent of an administrative rule. It is the opinion of the committee that instructional material will have an impact upon the preparation of county construction programs and budgets, and will therefore have an impact upon the citizens of Iowa; for this reason the instructions should be formally adopted, by reference, as administrative rules using the rule-making procedures of chapter 17A, the Code.

Clayton insisted the objection would create a time problem since forms should be distributed in September. He was directed to work with Royce to resolve the matter.

01B, ch 2

Discussion moved to [01,B] chapter 2. Raymond advised Priebe that salvage and disposal were not addressed in these rules, but any sale of it is advertised extensively.

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TRANSPORTATION
DEPARTMENT
Continued

Schroeder questioned 2.3(3)c and d, in particular, the use of "personal services." Fitzgerald indicated that was excerpted from federal standards but agreed to delete "personal."

2.4(1)c(4)

Schroeder envisioned possible problems in 2.4(1)c(4) with respect to bidders lists. O'Kane inquired if there were reciprocity with out-of-state architects and Fitzgerald agreed to research the matter. She continued that standard specifications are adopted by reference. Tieden asked Fitzgerald how DOT encouraged minority groups to bid. She pointed out that DOT works with EEO and there are vendor lists.

[07,D]ch 11

Coates told the Committee that amendments to chapter 11 were intended to implement Code changes pertaining to staggered registration for motor vehicles, which will begin December 1, 1983. There was discussion of 11.4(1)a re certificate of title for a new vehicle. Mention was made that dealers will try to protect their own franchise. Consensus was that possible change in the law was needed for recreational vehicles. Priebe had knowledge of vans being registered in Indiana and brought to Iowa for sale. Coates said DOT requires full proof that the vehicle has been registered in another state, as opposed to being titled.

11.4

Members requested that the Transportation Department peruse the problem and seek legislation to close any loopholes which will result in loss of revenue to Iowa. Schroeder asked Coates to prepare a fact sheet on prior and existing requirements. Coates pointed out there is now a stricter definition of "motor home." She advised Graf that 11.4(1)b was not a change and it was based on an AG's opinion that a lien on the manufacturer's certificate of origin is a lien against seller. Although other states use a different approach, Iowa has no problem with this area.

HUMAN SERVICES
(formerly
Social Services)

The Department of Human Services was represented by Mary Louise Filk, Judy Welp, Don Kearney, Lorena Griffith, Jim Krogman, Bette Murray and Kathi Kellen. Also present: Dr. Ted Scurlettis, Health Department. The agenda was:

SOCIAL SERVICES DEPARTMENT[770]

Medical assistance, maternal health centers, 77.23, 78.25, 79.1(2)	ARC 3792	.....F.....	6/8/83
Medical and remedial services, 78.1(2)a(3), 78.4(1)g(2)	ARC 3793	.....F.....	6/8/83
Intermediate care facilities, payment at new rate, 81.6(4), 82.5(4)	ARC 3794	.....F.....	6/8/83
Juvenile community-based grants, ch 166	ARC 3795	.....F.....	6/8/83
ADC, application for aid and granting assistance, 40.1(14), 40.1(18), 40.1(19), 40.4(1), 40.4(3), 40.7(1), 40.7(4), 40.7(5), 41.7(1), 41.7(2), 41.7(7), 41.7(9)	ARC 3833	.....N.....	6/22/83
ADC granting assistance, 41.2(6)b(4), 41.2(7)a, 41.7(7)d to "q", 41.7(9)f	filed emergency ARC 3796	.....F.E.....	6/8/83
Food stamp program, 65.3, 65.21	filed emergency ARC 3798	.....F.E.....	6/8/83
Emergency food and shelter program, ch 72	filed emergency ARC 3799	.....F.E.....	6/8/83
Medical assistance, eyeglasses, amendments to chs 77, 78, 79, notices	ARC 3501 and ARC 3510 terminated	ARC 3780	6/8/83
Medical assistance, submission of claims, 80.4(1)	filed emergency ARC 3800	.....F.E.....	6/8/83

Filed amendments to chapters 77, 78, 81, 82 and 166 were before the Committee. No major changes had been made since the rules were under Notice.

O'Kane referred to new rules addressing maternal health centers and asked if the WIC program also included this

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HUMAN
SERVICES

type of assistance. Dr. Scurlettis responded that the two programs were integrated and the rules do not create conflict.

ch 166

Priebe questioned Welp as to how many would be eliminated from serving on the district review committee under 166.1(3). Krogman stated there was a shortage of knowledgeable people, but Department wants to avoid conflict of interest. Priebe preferred provision that "review committee members would be required to disqualify themselves on grant matters which they had requested."

O'Kane was advised by Welp that under 81.6(4) and 82.5(4) a higher rate will be paid to ICF and ICFMR facilities only if a home sends in a new cost report. No opposition has been expressed. The main change in this set of rules addressed the decreasing funding provision.

Welp explained that amendments to chapters 40 and 41 relate to monthly reporting and retrospective budgeting in the ADC program. Some areas are clarified to ensure equal treatment of clients.

41.2, 41.7

Amendments to 41.2 and 41.7 exempt as countable income child support received for a month of suspension or for the first month following termination whether paid during the month or at a later date.

There was discussion of instances when IRS refunds are "held" from those who are delinquent in child support payments. Currently, Iowa does not receive the funds from the IRS--setoff is requested only for the arrearage. Filk explained that the person in arrears will be notified. She recounted some of the problems with the system. Doyle had been contacted by a constituent who had his IRS refund held, but he was unsure that Human Services was involved.

ch 65

Amendments to 65.3 and 65.21 implement federal regulations. Welp told Tieden that the Department was still awaiting word from federal re their requested waiver of the regulation that required implementation of allotment reduction for households having an outstanding inadvertent error claim.

65.21

Schroeder raised question re 65.21 and Kearney indicated calculation of claims was a federal regulation.

ch 72

No recommendations were offered for chapter 72 or 80.4(1). Welp pointed out that the rules pertaining to medical assistance for eyeglasses will be resubmitted at a later date--several options were pending.

Recess

Recessed for lunch at 12:05 p.m. Committee was reconvened at 1:50 p.m. with Vice Chairman Schroeder presiding.

SOIL
CONSERVATION

James Gulliford, Director; Ken Tow, Deputy; and Dan Chargo appeared for Soil Conservation Department to review:

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SOIL
CONSERVATION
Cont'd

SOIL CONSERVATION DEPARTMENT(780)

Iowa financial incentives program for soil erosion control, 5.20(17), 5.42, 5.55(2), 5.60(3) ARC 2836 .N..... 6/22/83
County land preservation and use commission funding, ch 7, filed emergency ARC 3838FE..... 6/22/83
Conservation practices revolving loan fund, ch 9 ARC 3837N..... 6/22/83
Oil, gas, and metallic minerals, 580—ch 12 (renumbered 780—ch 29), filed emergency ARC 3839 .FE..... 6/22/83

Gulliford stated that changes to the Iowa financial incentives program for soil erosion control would implement statutory changes by the last General Assembly. Tieden thought the "forty rods" restriction for wind erosion barriers in 5.55(2)d was meaningless. Schroeder questioned the long-term effect of minimum till. He referred to the incentive provisions in the fifth paragraph of the preamble and wondered why it was not included in the rules. Tow said the information was in 5.55(3) and no acre of land is eligible for more than one payment. In Tieden's opinion, the legislative intent was to involve more participants in the wind-erosion control program.

Discussion focused on a recent Des Moines Sunday Register article relative to allocation of funds for the program. It had been criticized because some Iowa farmers have been paid more than once from the fund. Also, larger payments have gone to county commissioners who administer the program. Gulliford reiterated their interpretation of the law was to allow a one-time payment per acre to the farmer. He agreed to develop rules to prevent more than one payment per farmer. Gulliford stressed that the Soil Conservation Department expects their Commissioners to participate in all of these programs -- they should be leaders in the Communities. He assumed responsibility, as director, for not having set a maximum on any one person's participation. Schroeder referenced the fact that many legislators believe that the program is not vital because of the million-dollar stockpile. Gulliford defended the buildup citing the reason was because of disagreement between former AG and legislators on legality of the program. O'Kane pointed out that the AG serves as attorney for the Soil Conservation Department which left them without counsel.

Tieden took the position that the present method has a tendency to benefit certain groups--he preferred a practical policy for distribution of funds. Gulliford said all districts were required to establish policy giving preference to family-operated farms. In his judgment, most districts utilized a good allocation formula. Schroeder interjected, "Have you considered having counties make lists for people who want to be cooperators?" He had received many calls on the subject and asked for change in the system. Gulliford said every applicant is notified as to whether or not they are accepted in the program.

Schroeder cited an incident in Mills County and Gulliford commented that county has one of the highest needs and participation in the program. Priebe favored a chronological listing to allow individuals to withdraw their own names from the list. Gulliford reasoned that Commissioners should be able to determine need for the program. He recalled that

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SOIL one year, fifty-two percent of the ACP funds were allotted
CONSERVATION to lands above acceptable soils. Those factors need to be
Cont'd considered in addition to the chronological factors.
No formal action taken.

ch 7 Schroeder was advised that provisions in 7.24 were statutory.
According to Gulliford, chapter 9 runs parallel to chapter 5
of their rules. No questions were posed.

ch 12 Gulliford said that chapter 12, pertaining to oil, gas and
metallic minerals, was reorganized as a result of the new
Water, Air and Waste Management Department and renumbered
ch 29 as chapter 29. The state geologist will continue to admin-
ister the rules. There was brief discussion.

COMPTROLLER James Dysart represented the Comptroller's Office for review
of deferred compensation program, amendments to chapter 4,
ARC 3789, Filed, IAB 6/8/83.

Dysart reminded ARRC that no changes had been made since the
Notice. No questions were offered.

Committee Royce had hoped to have a copy of the U.S. Supreme Court
Business decision which ruled that legislative veto is unconstitutional.
Legislative In Royce's opinion, the decision will have nationwide impact
Veto and he suspected that every state supreme court would ulti-
mately adopt that view. He continued that the State of Iowa
has the option to change its Constitution in that respect
at the general election next fall.

Royce added that it is important because "it calls into
question the inherent concept of legislative review of rules."
It is a debatable question whether any legislative review
other than purely advisory is constitutional. Chiodo suggested
that letters be sent to various groups urging support of the
constitutional amendment.

BOARD OF Ann Mowery, Executive Director, reviewed the following rules
NURSING of the Board of Nursing:

NURSING, BOARD OF[590]

Advanced registered nurse practitioners, fees, 7.1(8) ARC 3788F.....6/8/83

Advanced registered nurse practitioners, fees, 7.1(8)"b", filed emergency ARC 3808 ..F.E..... 6/22/83

Mowery apprised the Committee that 67.1(8), paragraph b, had
been deleted [IAB 6/22/83] at their request. It provided a
\$30 fee for certification of an advanced registered nurse's
license.

Royce was informed that name changes are made at the indivi-
dual's request when the license is renewed. The fee would be
imposed only for a separate request for change.

7.1(8)f Doyle viewed the \$20 charge for a returned check as being ex-
cessive. Mowery explained that the accounting system is such
that a check is deposited the same day it is received. They
have had no "bounced checks" since that change.

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MINUTES Moved by Chiodo and seconded by Doyle that minutes of the May and June meetings be approved as submitted. Motion carried.

Recess Committee was recessed at 3:00 p.m. Reconvened at 3:10 p.m. in the Legislative Dining Room.

HEALTH DEPARTMENT Health Department officials in attendance included Harriett Miller, Chiropractic Examiners; Mark Wheeler, Legal Counsel; James Krusor, Medical Examiner. Agenda was as follows:

HEALTH DEPARTMENT[470]
Chiropractic examiners. 141.11(1) to 141.11(3), 141.13(6) ARC 3781.....F..... 6/8/83
Intermediate care facility for mentally retarded. administrator. 64.9(1), notice ARC 3522 and notice amended
ARC 3615 terminated ARC 3824.....N..... 6/22/83
Supplemental food program for women, infants and children. 73.2, filed emergency ARC 3785.....F..... 6/3/83
Chronic renal disease program, eligibility for assistance. 111.7(6), filed emergency after notice ARC 3812.....FEAN..... 6/22/83
Medical examiners, licensing. 135.102(5), 135.102(8), 135.108(4) ARC 3787.....N..... 6/8/83

At the request of Schroeder, Miller agreed to the deletion of ",or exceeding" from 141.11(3)a, lines 2 and 3.

No questions re 470--73.2 and 111.7(6).

ch 135

Krusor reported that amendments to chapter 135 were at the suggestion of the Federation of Licensing for National Boards. The rules contain definitive action to be taken by the Board in the event of subversion of the medical licensing exam. Also, senior medical students from the University of Iowa and University of Osteopathic Medicine would be permitted to take the federation licensing exam (FLEX).

Priebe questioned use of "neither approved or disapproved" in 135.102(5)a. Krusor said foreign medical schools are not approved by the AMA and Iowa follows AMA protocol with respect to program approval. Krusor would check the existing language but thought it was from the Code.

Committee members were reminded that rule 135.301 sets out disciplinary procedures. Tieden asked for statutory authority for use of "other appropriate sanctions" in subrule 135.102(8) and Krusor agreed to visit with the assistant AG. Committee consensus was that words in question should be stricken.

Doyle wondered about reciprocity among states. Krusor responded there is an endorsement whereby one state would accept the examination because there are only two exams given. However, it is not a direct reciprocity per se. It seemed only fair to Doyle that if an individual missed a small portion of the test that sometime later there should be a way to re-apply. Krusor pointed out that the individual probably would not be willing to wait three years and would go to another state for their examination. Many will not necessarily be licensed in the state where they sat for examination. The percentage increases each time the exam is taken--seventy-five percent is a passing score. Foreign students are required to pass both medical and English proficiency exams. In answer to Doyle, Krusor presumed students would have the right to appeal as a revoked, suspended or probated individual and could ask for the charges or probation to be amended within one year--135.301.

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RECESS

The Committee was recessed at 3:35 p.m. to be reconvened at 10:00 a.m. Wednesday, July 13, 1983.

Reconvened

Vice Chairman Schroeder reconvened the Committee in Room 22 at 10:10 a.m. with all members present.

SUBSTANCE
ABUSE
DEPARTMENT

Randy Ratliff and Jeanine Freeman appeared on behalf of the Department for review of:

SUBSTANCE ABUSE, DEPARTMENT OF[805]

Licensure standards for treatment programs, amendments to ch 3 ARC 3810 *F*..... 6/22/83
Treatment programs — outpatient facility, residential/intermediate care facility, 3.23(5)"d", 3.24(14) ARC 3811 *F*..... 6/22/83

Ratliff explained the changes made in chapter 3. Revisions to treatment program rules were recommended by ARRC when the matter was under Notice. There was brief discussion of window coverings. No substantive questions were posed.

FAMILY FARM
DEVELOPMENT
AUTHORITY

Soil conservation loan program, issuance of bond, 4.4, filed emergency after notice, ARC 3791, IAB 6/8/83 was before the Committee. William Greiner was present for the review. He explained the rule is in compliance with some of the new federal regulations.

Tieden inquired as to the policy with respect to publishing. According to Greiner, the larger newspapers are utilized so the notifications are timely. He spoke of time-frame problems when smaller publishers are utilized.

Chairman Priebe asked that the record show there was discussion of possible selective review of all rules of the Authority.

REVENUE -
Special
Review

Royce alluded to a request by former Committee member Senator Edgar Holden for selective review of rules of Revenue Department on computation of fuel tax. The problem revolves around a refund form. After general discussion, it was decided to wait before taking formal action.

Recess

Committee was in recess for twenty minutes. Reconvened at 10:50 a.m.

PLANNING &
PROGRAMMING

Jim Lynch, Mike Miller, Larry Tuel and Dave Patton appeared on behalf of Planning and Programming. The following agenda was reviewed:

PLANNING AND PROGRAMMING[630]

Iowa job training partnership Act program, 19.3, 19.7 to 19.9 ARC 3834 *F*..... 6/22/83

Iowa job training partnership Act program, 19.7(4) to 19.7(6) ARC 3840 *F*..... 6/22/83

Community development block grant nonentitlement program, emergency "jobs bill" funds, 23.10, filed emergency ARC 3835 *F*..... 6/22/83

Community development block grant technical assistance program, ch 24 ARC 3806, also filed emergency ARC 3805 *F*..... 6/8/83

Job Train-
ing rules
Deferred
23.10

Job training rules were deferred until after 11:00 a.m. to accommodate Mr. Patton.

In re 23.10, Tuel briefed ARRC on the impact of the federal jobs bill which made additional funds available to the state with respect to the Community Development Block Grant program and 20 to 30 other programs. One provision requires funds to be expended before October 1, 1983.

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PLANNING & These rules are identical to those adopted last October for
PROGRAMMING the much larger community development block grant funds.
DEPT. Priebe was advised that 20 counties had higher than average
Cont'd unemployment rates--10.1--but none exceeded that figure.
OPP is involved in administration to cities and counties under
50,000 population.

In answer to Chiodo, Tuel estimated that 35 percent of the
qualified cities have under 2500 population. He offered to
provide further information.

ch 24

Miller said funds from the federal Department of Housing and
Urban Development which are given to all states to help communi-
ties prepare for the program outlined in chapter 24 of their
rules. OPP was uncertain of availability of funds until late
April, thus the emergency implementation to ensure that funds
are utilized in advance of next year's program--\$57,000 for
grants to cities and counties. Priebe noted the preamble had
indicated \$80,000 would be available.

O'Kane was advised that the project review committee would not
consider an application with false information--24.6(3). Doyle
was informed that funds could not be used for grading, con-
struction or rehabilitation--only for planning how next year's
funds would be used. Point system follows federal regulations
and reflects federal priorities.

COLLEGE AID WILLIS A. WULFF, Executive Director, and Gary Nichols, Assis-
COMMISSION tant Director appeared on behalf of College Aid Commission to
review:

COLLEGE AID COMMISSION(245)

Iowa guaranteed student loan program. amendments to ch 10 ARC 3814.....N..... 6/22/83

ch 10

Nichols presented facts re the guaranteed student loan program.
Changes are directed to the number of loans to a student. It
will now be possible for students with justified reason to bor-
row a second time in a particular school year. In addition,
a student may borrow for the fifth year. Changes are in line
with federal regulations and those of other guarantee agencies.

Nichols explained the loan limitations in 245-10(261)B., 1., a)
were made in line with federal regulations.

O'Kane inquired about funding for law school. Wulff suspected
he had reference to the "assured access to law school" which was
nothing more or less than a guaranteed loan program for law
school students. Any law school student in this state can get
a loan to the maximum amount to which he or she is eligible under
the program--\$5,000 per year--no difference from past policy.

Schroeder expressed his dissatisfaction with several areas in
the rules. It had been his understanding that the Commission
was to provide the Committee with names of students and reasons
their grants had been terminated. Wulff pointed out she was
not aware of the request but she agreed to submit a list which
includes approximately 18 names for last year. It was noted
that Iowa residents attending out-of-state colleges would be
eligible for loans. The reverse would be true for nonresident
students attending an Iowa institution.

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PLANNING &
PROGRAMMING
Resumed

Discussion returned to Office of Planning and Programming Department. Patton briefly reviewed amendments to chapter 19. O'Kane was told that the governor had certified 14 of the 16 Private Industry Councils--rule 19.7. O'Kane referred to rule 19.9 and asked for history of the liability insurance; in particular, the authority. According to Patton, federal regulation promulgated under the Job Training Partnership Act states that insurance which protects against debts established by the federal government are not allowed JTPA costs. As for Department's authority to have insurance, Patton replied that they were considering that as an administrative entity to protect the federal funds and prevent the Department of Labor intervention.

No formal action.

INDUSTRIAL
COMMISSIONER

Robert C. Landess and Mary M. Weibel represented the Industrial Commission for review of payroll tax tables, 8.8, filed emergency, ARC 3825, IAB 6/22/83. Landess commented that Iowa's Worker Compensation law is based upon 80 percent spendable earnings -- determined by deducting payroll taxes from gross weekly earnings. This changes each year and results in benefits which change each year also. Landess continued that two years ago, a law change allowed payroll taxes to be determined by tables adopted by the Industrial Commissioner. The rule on payroll tax tables must be updated each year on July 1.

Schroeder preferred normal rulemaking for the process but Landess pointed out necessary information was unavailable until after adjournment of the Legislature. O'Kane and Royce expressed opinions that the Department had a legitimate reason to file emergency. Landess was willing to follow regular rulemaking when information was known early enough.

NCSL CONF

Chiodo proposed that a member of the ARRC be authorized to attend the National Conference of State Legislatures in San Antonio, Texas, the week of August 8. Schroeder moved that Representative Chiodo be authorized to attend the NCSL meeting with expenses to be paid from Iowa Code section 17A.8(3). Chiodo called attention to the fact there would be a discussion of the legislative veto, court challenge and recent U. S. Supreme Court Case. Short form voting was requested. Motion carried unanimously.

BUREAU OF
LABOR

Walter Johnson, Deputy Commissioner, and Jacqueline E. Roth, Labor student intern, were present to review the occupational safety and health rules for general industry, 10.20, ARC 3790, Filed, IAB 6/8/83. Federal standards relative to respirator fit testing for lead exposure (correction) and occupational noise exposure (hearing conservation amendment) were adopted.

Boilers

In a matter not officially before the Committee, Schroeder questioned Johnson concerning the "R rating" requirement for boiler welders. Johnson explained the importance of

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BUREAU OF
LABOR
Cont'd

expertise in this area. Schroeder contended that welders for gas lines would be qualified to repair boilers and asked Johnson to pursue a "middle of the road" approach-- Johnson did not disagree.

Blaine Donaldson, Care Facility Administrator, Storm Lake, spoke of the inconvenience and expense for him since the closest "R rated" welders were in Des Moines--Capital Welders. He contended boiler inspection rules, generally, create problems in rural Iowa.

Tieden wondered about general availability of welders with an R stamp. Johnson answered they were mainly located in the major metropolitan areas. O'Kane was advised of the three levels of certification--nuclear, repair and construction. Schroeder said the problem would probably occur again and asked Johnson to work toward equitable resolution. Johnson was amenable.

No formal action taken.

Recess

Schroeder recessed the Committee at 11:50 a.m. Reconvened at 1:40 p.m.

CONSERVATION
COMMISSION

The following agenda was before the Committee:

CONSERVATION COMMISSION[290]		
State game refuges, restrictions. 3.1	ARC 3819	6/22/83
Relocation assistance. 65.1(1), 65.2(4)e to "g", 65.3(2)b	ARC 3820	6/22/83
Rabbit and squirrel hunting. 102.1 to 102.3	ARC 3821	6/22/83
Furbearers, taking of. 104.1 to 104.4, 104.6	ARC 3822	6/22/83
Deer hunting regulations. 106.1, 106.2, 106.4	ARC 3823	6/22/83
Hunter safety and ethics. ch 75	ARC 3818	6/22/83
Public-owned lakes program eligibility lists, ch 76	ARC 3816, also filed emergency	6/22/83
Commercial fishing, catfish length limits, 110.7, filed emergency	ARC 3817	6/22/83

Conservation Commission officials present were Richard Bishop, Charles Olafson, Bob Fagerlan, Stanley Kuhn, John Beamer, Gregory Jones, and Ross Harrison.

3.1

Bishop reported that Snyder Lake was added to the list of state game refuges. Tieden was informed that criteria depend upon management objectives -- most of the areas are designed for waterfowl.

O'Kane learned that Lake Snyder was being included in anticipation of more ducks and geese on the open water.

ch 65

Kuhn called attention to minor adjustments in relocation assistance rules. Priebe inquired as to the procedure if there were only one bid submitted--65.2(4)e. Kuhn admitted that if there were only one bid, Conservation would have to pay. O'Kane suggested that two estimates be required. All members concurred that revision was needed in this area.

ch 102

Rabbit and squirrel hunting, chapter 102, was before the Committee. Bishop noted that changes in the jackrabbit season were more "cosmetic than anything" since the population is down due to lack of grasslands. In response to Tieden as to why the squirrel season was lengthened, Bishop said requests had been made for it and the squirrel population is large.

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CONSERVATION
COMMISSION
Cont'd

chs 104 &
106

Tieden opined the change would encourage hunting from the road.

Amendments to chapter 104 will change the dates for hunting furbearers. No recommendations. Priebe opined that amendments to the deer hunting rules would increase numbers of hunters. Bishop said the Commission was attempting to divide hunters in zones where there are problems. Discussion of "any sex" deer licenses. Priebe thought too many hunters were being allowed in the second half of the season. He stressed that the first season should be completely open. Zones were reviewed briefly. No formal action.

ch 75

Schroeder questioned score of 95 percent in 75.2(3) and wanted to see a sample test. Harrison emphasized that they want to ensure knowledgeable hunters. Hunters concur that it should not be easy to pass out of this course. Olafson said that individuals have an opportunity to take the test twice but if a score of 95 is not achieved, they must take the 8-hour safety course. Committee members questioned whether that was legislative intent.

O'Kane called attention to the fact the language does not read "required" but "advised." Olafson agreed the provision should read: "The applicant shall take the 8-hour course," if they fail the test the second time. The AG was consulted and he saw no conflict between the rules and the law. Chiodo asked Olafson which person would be better qualified to hunt--those taking the test or the course. Response was it would likely be the person taking the course. Fagerlan wanted it clear that the course would qualify individuals to hunt in other states, but the test would not. Schroeder expressed dissatisfaction with that concept. Chiodo was of the opinion the test might be "under-sufficient" and he was informed that it is part of the law. It was estimated that some 30,000 students will go through the 8-hour training course.

ch 76

Kuhn gave a brief background of the rules pertaining to public-owned lakes. O'Kane referred to 76.3(3) and suggested that staff criteria for ratio of watershed area be included. Kuhn said the point was well taken. Royce suggested including the list of lakes in the rule. Kuhn said there had been a fair amount of discussion along this line. Royce reminded that DWAWM does this for sewage treatment rules.

Suggestion to include the list of lakes in the rules would be considered by the Department. However, Kuhn pointed out that Soil Conservation Department needs to know the list earlier than July 1. There was brief discussion of 110.7.

WATER, AIR &
WASTE MANAGE-
MENT DEPT.

Mark Landa, attorney, Mark Johnson, staff, Mike Murphy, attorney, and Mike Smith, staff, represented the Department for review of:

WATER, AIR AND WASTE MANAGEMENT DEPARTMENT[990]
Consolidation of three agencies' rules under new department, chs 1 to 141 ARC 3827, also filed emergency ARC 3826 *ff* 6/22/83
Emission standards for contaminants, 400-4.3(3)"a" (renumbered 900-23.3(3)"a") ARC 3813 *ff* 6/22/83

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WATER, AIR & WASTE MANAGEMENT DEPT. Murphy explained the revisions were necessary to implement provisions of 1982 Acts, chapter 1199 which consolidated certain functions of DEQ, Natural Resources, Health and created the Department of Water, Air and Waste Management. Notice process will be utilized for any substantive changes. Smith informed Tieden that a management decision was made to submit procedural rules separate from rules of substance.

Priebe referenced the various titles and wondered if there would be subsequent growth. Smith did not foresee creation of new subcommittees or additional staff. Murphy indicated that dividing the rules into divisions was intended to simplify dealing with the public.

ch 49 Schroeder wondered if chapter 49 had been changed with respect to frost pits. He felt the old rule was workable and wanted assurance that major changes were not made. Murphy agreed to pursue the matter.

50.3(1) Schroeder thought more information should be included in 50.3(1). Murphy referred him to 50.1(455B), second paragraph. Priebe referenced a water distribution system in Montana and wondered if it could be used in Iowa. Discussion of possible legislation.

Schroeder brought up the matter of his dissatisfaction with sewer rules and wondered if there were plans to modify any of chapter 69. Murphy noted they had adopted it without change at this time.

Schroeder questioned the last sentence of 1.2(2) which provided that the Department set minimum standards for private drinking water supplies. Murphy cited SF 368, [1983 Acts, ch 137] where local boards are responsible for implementation and can be more stringent.

Schroeder asked for diagrams to be included in the IAC reports over augered wells, secrete systems vs orange borrow.

Murphy agreed to apprise Keith Bridson and Roy Hagge of DWAWM of Schroeder's concern. No further questions.

23.3(3) formerly 4.3(3) Discussion of sulfur dioxide standards for solid fuel to conform to federal requirements. Landa advised Priebe that Iowa would not be more restrictive than federal. A February memo was referenced. Former DEQ officials undertook an extensive modeling study and developed modifications to EPA standards. Four options were reviewed. It was noted that EPA has withheld enforcement of their standards in Iowa since 1972. The state standard has been more lenient with ambient air standards.

Chiodo was informed that EPA enforcement would include fines and closing down sources in violation of emission standards. Current EPA rules would affect 4 sources which use Iowa coal. Iowa Electric Power in Boone, Marshalltown, Mt. Pleasant and Pella Municipal Utilities. Mt. Pleasant, at the present time, is burning Missouri Coal.

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WATER, AIR &
WASTER MANAGE-
MENT DEPT.
Concluded

Johnson lacked information as to the impact on the Iowa Coal Industry. He had spoken with Ray Fisher, Iowa State Mining and Mineral Research Institute in Ames, who advised that reserach is being conducted on the effectiveness of coal washing. He projected that 60 percent of Iowa's coal, after washing, would meet these proposed standards.

Tieden brought up the subject of acid rain in Northeastern United States. Johnson said additional studies continue and the President's Council on Enviornmental Quality is involved. Congress is developing legislation re acid rain.

Chiodo reasoned that minimal improvement of air quality should be measured against loss of industry. O'Kane wondered if blending concept could ultimately increase sale of Iowa coal.

Johnson stated that information received from EPA indicates concern over the acid rain issue and it would be difficult to relax sulfur dioxide emission standards--particularly east and north of Iowa. He concluded that EPA would be concerned with Iowa's position on the issue.

O'Kane was intereseted in knowing that 10-year fuel costs at the Mt. Pleasant facility and Johnson agreed to provide information. Chiodo was informed that several options were presented at the public hearing. Further information would be forwarded to Royce for distribution to the ARRC members. No further comments.

NO AGENCY
REPRESENTATIVES

No agency representatives were requested to appear for the following and the Committee perused the list.

ACCOUNTANCY, BOARD OF[10]

Permits to practice, experience, 9.8(3), notice ARC 3702 terminated ARC 3809 ..*N*..... 6/22/83

RAILWAY FINANCE AUTHORITY[695]

Project analyses, recommendation, 4.3(3)"a" ARC 3766 — effective date of 6/29/83 delayed 70 days ...*F*..... 5/25/83

Recess

Committee was recessed at 3:30 p.m. to be reconvened at 9:00 a.m. July 14, 1983.

July 14, 1983

RECONVENED

Chairman Priebe reconvened the Committee Thursday, July 14, 9:00 a.m., Committee Room 22. The following agenda was before the Committee:

REVENUE
DEPARTMENT

REVENUE DEPARTMENT[730]

Special Review

Sales Tax on Rebates

Determination of net income, corporations and franchises — safe harbor leases, 53.7, 59.7, filed emergency ARC 3828 *F.E.* 6/22/83

Determination of tax for freight-line and equipment car companies, ch 75 ARC 3757 — effective date of 6/15/83 delayed 70 days.....*F*..... 5/11/83

Determination of value of railroad companies, ch 76 ARC 3829*F*..... 6/22/83

Determination of value of utility companies, ch 77 ARC 3830*F*..... 6/22/83

Revenue Department was represented by Gene Eich, Mel Hickman, Don Cooper and Charles Haack.

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REVENUE
DEPARTMENT
Continued

Also present: Jack Etzkorn, Tax Manager and Richard Malm, Attorney, Trailer Train Company; Rick Phillips, Iowa Tax-payers Assn; Larry Duncan, Iowa Southern Utility; John M. Lewis, Iowa Utility Assn.; Don Williams, Northwestern Bell Telephone; Patrick J. Nugent, MCI Communications Corp.; Homer Mitcehl, InterNorth, Inc.; Steve H. Finch, Michigan Wisconsin Pipeline Co.; Don Gonnerman, Williams Pipeline Co.; Mark Truesdell, Bering, Swanson & Forrest, P.C.; Jim Steele, Iowa Railroad Association Tax Committee and Chicago Northwestern Transportation Co.

Special
Review

There was discussion of a "gimmick" used by a number of implement dealers with respect to rebates where the farmer, instead of taking a rebate, would turn it over to the dealer. The dealer would reduce the price of the farm implement by the amount of the rebate and no sales tax was collected on the rebate. Subsequent audits revealed that sales tax should have been collected on the rebate.

Hickman was unsure of the dollar amount involved. Schroeder wanted the situation resolved. Hickman said tax always has been collected on rebates. The matter surfaced several years ago when manufacturers offered rebates on new cars. When a car was registered, use tax was collected on the full selling price. He referenced a situation of 1970's on manufacturer's excise tax and an AG opinion of 1972. Primarily, the problem has surfaced through John Deere dealerships. Revenue has talked with John Deere and supervisory personnel concur a change in bookkeeping is needed.

53.7, 59.7 Discussion moved to safe harbor leases -- amendments to rules 53.7 and 59.7. Cooper explained that simply selling a product outside the state doesn't provide tax exemption. If incorporated in Iowa, the law requires a corporation to file an Iowa return. Mention was made that corporations might be circumventing Iowa taxes that way. Cooper admitted there was some misconception. No formal action.

ch 75

Eich presented a brief overview of chapter 75 which basically defines "loaded mile". Also, it deals with definition of when a car is loaded and when a mile is the actual mile traveled rather than a shortline mile. He said that a flatcar carrying highway trailer matters not if the trailer is loaded or empty.

Malm reiterated their opposition to the rules which they view as an attempt to expand the tax. He referred to a summary wherein he highlighted three issues: The Department's rules are inconsistent with Iowa Code Chapter 435 and are unfair and unreasonable as they attempt to define "loaded" to include empty cars. General discussion as to what constitutes loaded and unloaded cars.

Schroeder inquired as to what the impact of the rule would be and Malm estimated 39 percent of the mileage would relate to empty cars. He argued that the tax is "discriminatory and unfair" and in excess of any other state. Malm admitted that Trailer Train operates 18 percent of the cars but pays a disproportionate tax.

REVENUE
DEPARTMENT
Cont'd

Malm was unprepared to respond to Schroeder's question as to how Trailer Train was unfairly taxed. He said that taxes paid in Iowa amounted to \$5.8 million. Eich told the Committee that depositions would be taken next week. He was doubtful the issue would be resolved within the next year. Eich summarized the Department's contention that a railroad car is not empty when it is carrying an empty trailer. The purpose was to tax loaded cars. He concluded that Trailer Train travels more in Iowa and they are not taxed at a higher rate--they pay 1½ cents per mile the same as other companies. O'Kane voiced support for the Department.

Recess

Chairman Priebe called for a recess at 9:50 a.m. and reconvened at 10:10 a.m.

Ch 77

Eich reviewed the history of the implementation of chapter 77. Three areas have had changes; remainder of rules are identical to those in effect since 1979. Determination of equity in stock and debt approach; treatment of deferred income taxes in the income approach and calculating of operating and nonoperating in stock and debt. He reiterated the fact that most comments from companies dealt with rules in general and not these particular changes.

Eich informed Schroeder that most of the same people who appeared before the ARRC in May were present and commented at the public hearing.

Eich reviewed changes; the Department added deferred income taxes to the income and then capitalized that figure and that gave the value for the income approach, which is handled two ways: (1) For the rate regulated companies, the Department capitalizes the operating income and then adds to that the accumulated deferred income tax account. (2) For nonrate regulated companies, take care of deferred taxes in determining the capitalization rate. The amount of accumulated deferred income taxes is given a zero cost capital in determining the capitalization rate. In addition, in the stock and debt approach, when a company was a subsidiary of a parent company, the Department allocated part of the parent company to the subsidiary in determining their equity position. The proposal is to take the income available to common stockholders and capitalize it at a rate and that determines the equity position of the company--the Haugen method. "Comparable sales" was defined -- allocation, weighting have not changed.

Chiodo understood that the hearing officer had tentatively reversed the weighting scheme in the present rules and Eich admitted that to be so. Eich emphasized the rules were a refinement of their present process. The State Board of TAX Review will rule sometime. Eich hesitated to say the corrections to the rules were minor--he would classify them as being improvements to current procedures. Any time there is a valuation change, it is not "minor." If the overall shift up or down is considered, it could be considered minor. There were changes within the industry, but the overall value was minor.

REVENUE
DEPARTMENT
Cont'd

Priebe wondered if the rules were delayed, what impact it would have on local property taxes. Eich thought it would be negligible. He pointed out the rules must be in effect by August 15 for 1983 valuations.

Phillips stated that the industry believes there are enough changes in the rules to create serious problems for them and they favor a delay. He reasoned the rules were untimely in view of pending litigation.

Finch read a statement from his company wherein they expressed opposition to the rules and urged a 70-day delay and a formal objection. Finch contended that when the Department submitted a new chapter 77 under Notice this served to completely repeal the 1979 rules. From a legal perspective, Finch viewed the Department's action as adopting a completely new set of rules--not just amendments. He told O'Kane that, under these rules, his company estimated their valuation would increase for 1983.

Eich said that under new rules, the Michigan Wisconsin pipeline would be valued at \$51 million, but added, "What does that compare to?" He asked if the company calculated a value under the old rules for 1983. Finch admitted they had not. Eich contended the old rule might give a valuation of \$55 million. Committee members were interested in pursuing the point and Finch was amenable to submitting an estimate.

Mitchell commented that InterNorth had formally objected to the rules in a June 30 letter. He asked that a 70-day delay be imposed.

Priebe could foresee Iowa rules setting a precedent for other states. Duncan took the position that the rules merit further review. He read a statement citing main points of concern and encouraged the Committee to delay implementation.

Eich called attention to 77.1(3), definition of operating property pertaining to pollution control, which is nontaxable by law -- in response to O'Kane's question as to whether the rules reflect exclusion for pollution control.

In response to Royce, Duncan said that depreciated cost is very objective, not subject to a lot of debate but stock and debt seems to be subject to many interpretations and leaves many unanswered questions. Duncan said the company does not understand why the actual market activity reflected for common stock would be ignored. According to Eich, it would not be ignored -- it will be looked at -- main purpose is to get away from the allocation from the parent to the subsidiary utility.

Nugent referenced his statement given at the May 19 ARRC meetings demonstrating that MCI and similarly situation companies differ from conventional public utilities--a radical departure from the conditions of regulatory assurance, revenue protection, economics and business operations. Nugent declared the definition of utility company in 77.1(1) had been broadened by

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REVENUE
DEPARTMENT
Cont'd

inclusion of "telecommunication companies." He saw this as an attempt to legislate by rulemaking and he requested the Committee to delay the rules into the next General Assembly or place an objection on them.

Chiodo was advised that MCI does not compete with local telephone companies. General discussion as to whether MCI was a utility. Nugent noted they pay the tariff rate to local telephone companies. They are not under rate-based regulation. In response to O'Kane, Eich was unsure as to reason Revenue added "telecommunication companies" in the definition. However, Eich recalled that several years back, MCI claimed they were not a telephone company but telecommunications. The Department looked at MCI's stockholders report where they are listed as a telephone company.

Tieden was told that the January 1982 valuation for MCI is in litigation.

77.1(11)

Gonnerman, representing Williams Pipeline -- a party to the litigation -- referenced 77.1(11) "original cost" which was added after rules were originally promulgated. Williams saw the rules as an attempt to make the utility fit the rules rather than the reverse. He labeled the rules as "anti-Williams" since they could apply to no other utility.

Gonnerman reviewed the history of Williams Pipeline Company.

There was discussion as to what extent rules could be changed after notice before renoticing would be required. Schroeder commented that a 70-day delay would have the effect of delaying for one year for further study. He suspected the State Tax Board of Review would have made their decision by then.

Motion to
Delay Ch 77

Schroeder moved that a 70-day delay be placed on chapter 77 of Revenue rules. Royce spoke of the significant impact of a delay because it will automatically postpone the assessment period beyond August 15 which will void these rules until next year's assessment date. Current rules -- chapter 77 -- will remain in effect.

Vote
Motion
carried

Priebe saw a delay as shifting \$41 or \$42 million of utility valuations. Priebe and Schroeder had an exchange with respect to impact. Roll call vote on the motion to delay chapter 77 showed 5 ayes by Schroeder, Tieden, Chiodo, Doyle and Priebe. O'Kane voted "no." Motion carried.

Recess

Chairman Priebe recessed the Committee at noon and reconvened it at 1:30 p.m. Review of Revenue rules was resumed. Chairman Priebe recognized Steele who stated that the general position of the railroad industry was that chapter 76 should be postponed 70-days until further review could be undertaken. He stressed the important distinction between railroads and utilities and suggested separate rules. He reasoned that for railroads to continue to operate, income is the most important factor and that should be used to value. He summarized his 3-page paper. Steele urged postponement of the rules until

REVENUE
DEPARTMENT
Discussion
Resumed

ch 76

7/14/83

REVENUE
DEPARTMENT
Concluded
76.4(4)
76.5(1)

the Committee has opportunity to review the evidence. In response to Priebe as to what Steel considered to be substantial changes, he cited 76.4(4) and 76.5(1) regarding market value of common equity of railroads. Steele said that railroad income was cyclical and they advocated a 5-year analysis of income, as opposed to 1 year used by the Department.

Eich pointed out the extreme difficulty in determining income to capitalize. Schroeder asked what effect a 70-day delay would have on assessment and Eich stated it would have the same impact as the delay placed on chapter 77. Steele thought they could work with Revenue to develop a satisfactory resolution. Eich was willing to listen to a proposal whether or not he agreed with it. He emphasized that the Department wanted to provide railroads with latitude for alternatives in the valuation approach.

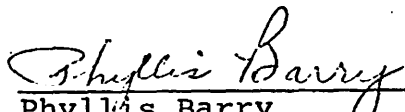
O'Kane wondered if examples could be listed. Eich explained the complexity of such an endeavor. He told Chiodo that the 3 valuation principles hold true whether it be railroads or telephone companies--application can differ. Railroads are not weighted as high on stock and debt as electric companies. The allocation to the state is entirely different in the case of railroads than in pipelines.

Chiodo observed that the value of the property and not the company was being discussed. It seemed a departure from traditional property tax. Eich said, "The company is the property and the property is the company." He reminded ARRC that railroad tracks had little value without a market on each end with a train running over the tracks. The same would apply to power or pipeline companies. It is called the "unit approach." Tieden made the point that Iowa's weighting seemed high -- most other states have not changed since 1975. Eich said that data was 3 years old and he guaranteed if Iowa wins the pipeline case in the Iowa Supreme Court, it will change again.

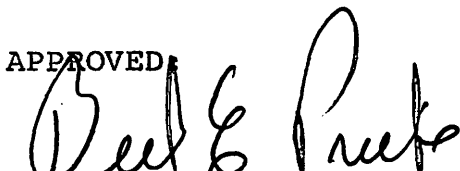
Motion to Delay ch 76 After further discussion, Schroeder moved that a 70-day delay be placed on chapter 76 of Revenue Department rules. Short form voting requested. Motion to delay for 70-days was carried unanimously.

Adjourned Chairman Priebe adjourned the Committee at 2:07 p.m. Next meeting will be Tuesday, August 2, 1983

Respectfully submitted,


Phyllis Barry
Assisted by Vivian Haag

APPROVED


CHAIRMAN