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

Time of meeting

The special meeting of the Administrative Rules Review Committee (ARRC) was held on Tuesday and Wednesday, January 5 and 6, 1993, in Senate Room 22, State Capitol, Des Moines. The meeting was held in lieu of the statutory date of January 12, 1993.

Members present

Senator Berl E. Priebe, Chairman; Representative Emil S. Pavich, Vice-chairman; Senators Donald V. Doyle, H. Kay Hedge, John P. Kibbie and Dale L. Tieden; Representatives Ruhl Maulsby, Janet Metcalf, David Schrader and Jane Teaford.

Also present: Joseph A. Royce, Legal Counsel; Paula Dierenfeld, Governor's Administrative Rules Coordinator; Phyllis Barry, Administrative Code Editor; Mary Ann Scott, Administrative Assistant; Caucus Staff; Representative Roger Halvorson; and other interested persons.

Convened

Chairman Priebe called the meeting to order at 10 a.m. and the following Human Services agenda was reviewed:

HUMAN SERVICES

### **HUMAN SERVICES DEPARTMENT[441]**

Children, youth and families — division transfer and commission organization, 1.9, rescind 425 — chs 2 and 7, Filed_ARC 3663A	12/23/92
SSI cost-of-living adjustment increases; community spouse maintenance needs; personal needs	,,
allowance for RCF residents, 51.4(1), 51.7, 52.1(1), 52.1(2), 52.1(3)"a"(2), 75.5(3)"d," 75.16(2)"d"(3),	
Notice ARC 3636A, also Filed Emergency ARC 3635A	2/23/92
Eligibility for Medicaid — cooperation, 75.14(1), 75.14(3), 75.14(4), 75.14(6), Notice ARC 3628A	12/9/92
AIDS/HIV health insurance premium payment pilot project, 75.22, Filed ARC 3594A	12/9/92
Prior authorization drug program, disproportionate share payment to University of Iowa hospital,	
78.1(2)"a"(3), 78.28(1)"d," 79.1(5)"e"(3), 79.8(1), 79.8(3), 79.8(9), Filed ARC 3595A	12/9/92
Qualifications for day treatment services in community mental health centers, 78.16(6)"c,"	
Filed Emergency ARC 3596A	12/9/92
Nursing facilities — definition of abuse, elimination of time-limited agreements, implementation	
of revised federal regulations, 81.1, 81.13(2), 81.13(5)"b"(2), 81.13(5)"c"(4)"2," 81.13(5)"g"(1),	
81.13(5)"o"(1) and (2), 81.13(6)"a"(6), 81.13(6)"d"(1)"2," 81.13(7)"c"(1), 81.13(8)"f"(2)"1,"	
81.13(9)"d"(1), 81.13(9)"e," 81.13(9)"f"(1), 81.13(10)"g"(2), 81.13(14)"a," 81.13(16)"d,"	
81.13(18)"d"(1)"5," 81.13(19)"o"(4), Notice ARC 3629A	12/9/92
Nurse aide training and nurse aide registry, 81.1, 81.13(19)"e," 81.15, 81.16, Filed ARC 3597A	
Early and periodic screening, diagnosis, and treatment, 84.3, 84.3(6)"c," 84.4(1), Notice ARC 3627A	12/9/92
	12/9/92
Juvenile detention reimbursement, ch 167 title, 167.1, 167.3, 167.3(2), 167.3(3), 167.5, 167.11 to 167.13,	
Filed ARC 3598A	12/9/92
Child day care services, ch 170 preamble, 170.1, 170.4(3), 170.4(4), 170.4(5), 170.4(7), 170.5,	
Filed ARC 3599A	12/9/92

Those present from the Department included Mary Ann Walker, Michael Murphy, Gary Gesaman, Sarah Stark, Jo Sheeley, Anita Smith, Marcia Starb and Patricia Winters.

Children, Youth, and Families

No recommendations on 441—1.9 or rescission of 425—Chapters 2 and 7.

HUMAN SERVICES (Cont.) 51.4(1) et al.

Amendments to 51.4(1) et al. were discussed with it being noted that applicability was limited to residential care. Discussion also focused on comparison with other states on percentage of property taxes allocated for mental health care. Kibbie inquired about the minimum amount before a spouse qualifies for SSI and Walker responded that it was \$434. She continued that under this rule, if a spouse enters a residential care facility and the couple has resources, these The needs of the spouse are set out in resources are divided in half. 75.16(2)"d"(3).

Murphy explained calculations relating to the cost-of-living increases mentioned in the third paragraph of the preamble.

No questions or comments on proposed amendments to 75.14, eligibility for 75.14 Medicaid.

Amendment to 75.22, relating to a two-year AIDS/HIV health insurance premium 75.22 payment pilot project was addressed. Walker advised that the legislature appropriated \$10,000 for administrative expenses and \$50,000 for the program. Six of the eighteen applications which were received as of November were denied because they were covered under Title XIX. She noted that the average premium was \$167 per month and as of November there was a balance of \$32,750 to According to Walker, the Department had anticipated more Smith added that most of the premiums were for persons on applications. long-term disability through plans offered by their employers. The Department was commended for negotiating a low-premium policy.

Pavich in the Chair.

78.1(2) et al.;

No questions or comments on amendments to chapters 78, 79, and 81 found in 78.16(6)c; 81.1 et al. ARCs 3595A, 3596A and 3629A.

81.1

Amendments to Chapter 81, regarding nurse aide training and nurse aide registry, were before the Committee. Kibbie inquired as to why the Department's rules exceeded federal requirements. Walker explained that federal regulations require the person supervising the instructor to be an RN and the Department requires both the instructor and the person supervising the instructor to be RNs because the Board of Nursing considers it beyond the scope of nurse practice for an LPN to teach.

84.3 et al.; 150.3(3)

No questions or recommendations on amendments to 84.3, 84.4 or 150.3(3)r(1) in ARCs 3627A and 3630A.

Ch 167

In discussing amendments to Chapter 167 governing juvenile detention reimbursement, Walker explained that "shelter care" was covered under foster care. Sheeley advised Kibbie that detention facilities were not group homes and that these rules addressed reimbursement of counties for juveniles who have been in detention for 72 hours or longer.

Ch 170

No questions or comments on amendments to 170.1, 170,4 or 170.5 in ARC 3599A.

Priebe in the Chair.

**Health Insurance Program - Notice** in IAB

Barry presented a question raised by the Insurance Division regarding the Iowa Small Employer Health Reinsurance Program which was established in 1992 Acts, Chapter 1167, section 14. Subsection 4 of that Act requires the Board to provide Notice and hearing for a plan of operation after which time the

HEALTH INS. (Cont.)
Motion

Commissioner may approve the plan. The Insurance Division was unsure whether the Notice could be published in the Iowa Administrative Bulletin. Metcalf moved that, pursuant to authority of the ARRC in Iowa Code 17A.6(1)"d," the Insurance Division be authorized to publish the notice concerning the Plan of Operation for the Health Reinsurance Program in the IAB. Motion carried.

INDUSTRIAL SERVICES Copy fees

Byron Orton, Industrial Commissioner, Sharon McDonald, Assistant Commissioner, and Clair Cramer, Chief Deputy, Industrial Commissioner appeared for the Division at the request of Senator Richard Varn. Varn had raised question concerning costs for copies of workers' compensation information—\$40 to \$50.

In opening remarks, Orton indicated that the Division believed they were in compliance with Uniform Rules on Fair Information Practices, X.3(7)b. He noted that their fee schedule, in effect since 1986, was posted at the front desk of their offices and he distributed a copy of these fees to the ARRC members.

McDonald offered history on charges for requested information. She noted that the computer was very useful for quick access and she described the data on the computer printout. McDonald emphasized that charges reflected not only the production and printing costs but also the costs associated with the computer input of the claim data from four different forms by various job classifications within their Division and the Division of Labor Services.

Royce advised that under the Uniform Rules, agencies were not required to include actual copying costs in their rules—only to post the rates near the copy machine. McDonald interjected that in FY 92, they had received only 12 requests for particular computer runs.

Royce stated that the question was whether the fee was excessive. Orton took the position that it was not excessive but he was receptive to suggestions. He was unaware of any problem prior to this review.

General consensus was that the ARRC had no authority to challenge the validity of the fee schedule but that they could refer it to the General Assembly.

McDonald acknowledged that interested parties could access information on the computers and Division staff would assist them.

Maulsby opined that general referral of the matter was unwarranted.

**CORRECTIONS** 

Fred Scaletta gave a brief overview of the proposed new rule 201—20.18(246) relating to violator programs for probation, parole, and work release offenders, Noticed in IAB 12/23/92 as ARC 3662A.

20.18

Doyle favored allowing some canteen privileges to the offenders during the 60-day treatment program. Doyle suggested that Department officials seek advice from the Courts or Attorney General for revision of 20.18(4) regarding probation status. In addition, he recommended substitution of "may" for "would" in the second sentence of 20.18 since the judge has the option of sending the offender to the Violator Program or to jail for a certain length of time. No Committee action.

### EDUCATIONAL EXAMINERS

Orrin Nearhoof represented the Board for the following agenda:

EDUCATIONAL EXAMINERS BOARD[282] EDUCATION DEPARTMENT[281] "umbrella"

Nearhoof announced there would be two public hearings concerning the alternative preparation program—14.31. No questions.

Pavich in the Chair.

15.2(12) No questions or comments on amendments to 15.2(12).

## Committee Business

14.31

Pharmacists

Royce referred to a copy of a letter of support from the Pharmacy Association regarding the federal mandate for pharmacists to counsel Medicaid patients. He referred to the request by the ARRC for a letter to the Iowa Congressional delegation on this subject and asked for guidance on wording of the letter. Tieden commented that a small town pharmacist in his area was not as enthusiastic about these rules as the governing body of the pharmacists. After some discussion, there was Committee consensus that the letter should reflect Committee concerns about the additional burden imposed on pharmacists.

### **Minutes**

Doyle moved that the minutes of the December meeting be approved as submitted. Motion carried.

### Educ. Examiners 14.31

Jim Sutton, ISEA, arrived and asked permission to address the Committee regarding the Educational Examiners Board rule 282—14.31(260) relating to alternative certification for teachers. Orrin Nearhoof had presented the rule a few minutes earlier. Pavich recognized Sutton who voiced opposition to the statute which mandated the rule. He declared that a teacher without the necessary educational requirements was demeaning to the teaching profession. Sutton added that doctors, lawyers and other professions were not allowed alternatives. He saw no need for the law or rule since there was a surplus of qualified teachers. Sutton advised the Committee that there was no federal funding mandate and he urged repeal of the law.

Kibbie noted that public hearings were scheduled on the rule and the Committee would have opportunity to take action after these hearings.

Schrader disagreed that the statute mandated the rule and he noted that the Board had relied on its authority in Code subsection 260.2(13)—powers of the Board of Education Examiners.

Sutton thanked the Committee for their consideration.

Priebe in the Chair.

### **EDUCATION**

Kathy Collins, Legal Consultant, reviewed the following agenda:

#### **EDUCATION DEPARTMENT[281]**

102.4(2), 102.8(5), 102.9(1), 102.9(3) ω 102.9(5), 102.10, 102.11"2," 102.12, 102.14, 102.15,

EDUC. (Cont.) 31.7, 31.9

Collins advised that amendments to 31.7(4)b, and 31.9 were corrective in nature, the first being restoration of the controversial comma. Item 2 corrects a federal reference. Kibbie asked if the comma would have any effect on compromises made with the home schoolers last year when these rules were first before the Committee. Collins had heard from a few who felt this was an intentional act on the part of the Department to confuse them but the majority understood what was to be included in a portfolio.

Ch 102

Amendments to chapter 102 relating to procedures for charging and investigating incidents of abuse of students by school employees was the next item for review. Collins noted these amendments implement Iowa Code §280.17 passed in 1985. Prior to that the Human Services Department had investigated allegations of abuse of students by school employees. The Education Department was directed to work with DHS to develop a procedure so that when a child claimed sexual or physical abuse by a school employee, each public or private school in Iowa would have the same response mechanism. Collins pointed out that the proposed revisions were the first since the rules were promulgated in 1989. Legislation passed two years ago and amended last year requires that children in kindergarten through sixth grade who are involved in sexual abuse allegations, either as the victim or as a witness, have parents notified and given the opportunity to be present for the interview of their child.

Maulsby was informed that sixth grade was a compromise with Senator Murphy who was largely concerned about young children being interviewed. Maulsby thought parents of all school children should be notified. Collins did not disagree but could foresee an administrative nightmare.

Collins explained to Doyle that a level-one investigator would be a school employee—a guidance counselor, principal, superintendent or school nurse. A level-two investigator cannot be a school employee. Collins and Doyle discussed the two levels of investigation and the definitions of sexual harassment, physical abuse and sexual abuse.

Collins advised Kibbie that a bus was school property and bus drivers would follow the same rules used by the school for handling disruptive behavior.

Priebe brought up the use of VCRs in school buses and Collins had read in the newspaper that one school district was using them. There was no prohibition but Collins cited cost factor.

Bill Unger, Attorney representing ISEA, recounted their concerns enumerated in a statement dated January 5, 1993. This statement is on file in the office of Administrative Code Editor. Of major concern was the "sexual harassment" definition added to the definition of sexual abuse in rule 102.2(280) and this was detailed in the first four pages of the statement. Unger also opposed the definition of "incident." He asked that "sexual harassment" be refined by excluding paragraph "3" which read, "The conduct has the purpose or effect of substantially interfering with a student's academic performance by creating an intimidating, hostile, or offensive education environment."

Schrader agreed that inclusion of "or behavior" in the definition of an "incident" was contrary to language in subrule 102.8(5). "The designated investigator's role is not to determine the guilt or innocence of the school employee . . . . " Schrader was also somewhat confused by Unger's comparison of sexual harassment to labor law. Unger responded that the agency's definition essentially substituted

EDUC. (Cont.)

education for employment—the source of that definition being the sex discrimination employment guidelines in the Federal Register.

Collins suspected that Unger was better versed in labor law than in the U. S. Department of Education's regulations which are identical to Iowa rules. The U. S. Department of Education also borrowed from Title VII which applies to all schools receiving federal funding. She stressed that no attempt was made by the Iowa Department of Education to warp Title VII language.

Unger's concern was that the definition of sexual harassment was so broad in this context that it could conceivably include conduct which was not a sex offense as defined by .§232.68 and the term should be narrowed.

Priebe pointed out Committee options with respect to filed rules which include delays or referral to the General Assembly.

Collins interjected that she had met with ISEA officials a month ago and believed they understood the Department's position. She contended that Unger was interpreting the statute as limiting the Department in adopting a process for protecting students to only those items that are included in the statute.

Doyle inquired about minority harassment and both Collins and Unger agreed that these particular rules should not address minority issues which were covered in other federal rules. Collins stressed that Chapter 102 was limited to incidents of physical or sexual abuse.

Pavich in the Chair.

## Motion to delay 70 days

Priebe moved that amendments to Chapter 102 in ARC 3614A be delayed for 70 days to allow time for further study. He suggested that the Department and Unger meet with Royce who could then report to the ARRC.

Kibbie thought Collins should have an opportunity to respond before Priebe's motion was voted on.

Priebe then took the Chair and recognized Collins who explained that the Department did not literally follow Code references in chapter 232 or 709. She added that one of the premier rules of law for governmental bodies was that they operate by Dillon's Rule. They have the authority that is specifically given to them by statute and anything else that can be inferred or extended from that specific authority. Unger had argued that adding anything other than procedures mentioned in Code section 280.17 would be beyond the Department's authority and Collins disagreed. Collins reiterated that the Department has said that sexual harassment included protected from rules—inappropriate, intentional, sexual behavior directed toward a student by a school employee. This was their definition prior to the Clarence Thomas and Anita Hill case before the conscious raising of sexual harassment—that it can, in fact, happen outside the workplace. The Department decided to use the federal definition, which the schools were already subject to by virtue of receiving federal funds and being subject to both Title IX in student contacts and Title VII in employment contacts. Collins advocated informing students that they are protected by this process or this process will at least be used to investigate any allegation of sexual harassment. Collins felt that the Department was more likely to get an appropriate response in an investigation by incorporating this rather than saying that it is another mechanism or system that the student must use. Collins

EDUC. (Cont.)

could appreciate Unger's concern that teachers could be unjustly accused but the Department's concern was for the broader picture.

Collins disagreed that the Department's rule failed to draw the fundamental distinction between a claim of abuse as defined in Code sections 280.17 and 232.68 and a claim of sexual harassment under Chapter 601A, the Civil Rights Act. She noted that 601A speaks to the exclusive remedy but the Department's rules do not mention remedy, only investigative process. Collins stated that the student can still go to the Iowa Civil Rights Commission.

In conclusion, Collins explained that substantial compliance means that these cases would not be thrown out on technicalities. The point of the investigative process was intended to get to the truth—not a criminal process, and not intended to supplant the Iowa Civil Rights Commission. It is intended to ensure complaints of sexual or physical abuse would be taken seriously by school officials. Collins was aware of the complexity of the issue.

In reference to the words, "or behavior," Collins explained that one of Unger's colleagues had suggested them.

## Motion to Delay 70 days carried

Priebe's motion for a 70-day delay on amendments to 281—Chapter 102 was carried. It was agreed that the rules would be added to the February ARRC agenda.

**EPC** 

The following agenda was considered:

### 

Darrell McAllister introduced Hillary Maurer, Chairman of the Iowa Well Contractors Council and Vice President of the Iowa Groundwater Association.

Ch 82

Priebe and McAllister discussed pump services and when well contractors must be certified. McAllister stated that the rules were in conformance with the statute.

Hedge favored more study to ensure that legislative intent had been followed.

Schrader remarked that he had served on the House subcommittee that debated the legislation. He recalled that it required minimum work experience, completion of an examination and continuing education, yet the rule requires a high school diploma or GED. Schrader also expressed opposition to the "grandfathering" language in 82.6(2) and he elaborated on other discrepancies between the intent of the law and the rules.

Royce pointed out an ambiguity in the statute, 455B.190A(2)b and he quoted "A certified well contractor shall be present at the well site and in direct charge of the services whenever well services are provided." It was his opinion that it is unclear as to whether do-it-yourself projects would be exempt.

According to McAllister, the Department had agreed that people who were servicing their own wells—plugging, repairing pumps, providing maintenance,

### EPC (Cont.)

etc. would be exempt from certification. The ARRC members reasoned that this should be clarified in the rules.

Schrader recounted his effort on the subcommittee to separate pump work and well services. He had wanted to exclude all pump work but was overridden by the argument that on the installations of many pumps, perforated well casings would require expertise of a well contractor. However, pulling of wells would be excluded.

### Motion Session Delay

Kibbie moved that 567—Chapter 82, Well contractor certification, be delayed until adjournment of the 1993 General Assembly.

In response to Doyle, McAllister said that certification was required for irrigation well maintenance.

Discussion of the Kibbie motion followed with it being noted that any Committee action could be lifted.

McAllister emphasized that educational requirements were debated thoroughly by the Well Contractor Council which, along with the Environmental Protection Commission, agreed on the high school education or GED requirement.

McAllister pointed out that 82.3(3), regarding provisional certified well contractor or provisional pump installer, followed Code language. Schrader interjected that the Code refers to instances of shortages of certified personnel but the words "shortage in a geographical area" were added to the subrule.

McAllister spoke of a special training seminar on January 15 sponsored by Water Well Association in Iowa.

### **Motion carried**

The Kibbie motion to delay Chapter 82 carried by voice vote.

### Ch 211

Tom Blewett, DNR, introduced Jeff Fiagle who was primarily responsible for drafting new Chapter 211. Fiagle highlighted responses from the public hearings that were held on the rules.

Metcalf suggested that the words "not more than" be inserted before \$100,000 in 211.8(2)g, relating to project match.

### EXECUTIVE COUNCIL

Paula Dierenfeld reviewed the following rules:

### **EXECUTIVE COUNCIL[361]**

After brief discussion there was unanimous consent to temporarily defer the rules.

### Recess

Chairman Priebe recessed the Committee at 12:45 p.m. for lunch and reconvened at 1:30 p.m., calling up the following:

### DOT

Representing the Transportation Department were Dennis Ehlert, Jan Hardy, Jody Johnson, Stan Westfall, Jeff Nash, Harry Olsen, George Sissor, Will Zitterich, Harry Miller, Peter Hallock, and Nancy Richardson for the following agenda:

DOT (CONT.)	TRANSPORTATION DEPARTMENT[761]
	Consent for the sale of goods and services, 26.1(2), 26.3, Notice ARC 3637A
	Notice       ARC 3606A       12/9/92         Salvage, 405.1 to 405.3, 405.6 to 405.10, 405.12, 405.15, ch 405 Appendix, Notice       ARC 3600A       12/9/92         Commercial air service marketing program, ch 715, Filed ARC 3612A       12/9/92         Coordination of public transit services, amendments to ch 910, Filed ARC 3618A       12/9/92         SPECIAL REVIEW — Political signs on highways       12/9/92
	" — Dark windows on automobiles, 450.7(3)
26.1, 26.3	Richardson reviewed proposed amendments to 26.1(2) and 26.3 and there were no recommendations.
125.1	Nash briefed the members on amendments to 125.1 relating to covenants for highway and bridge construction. No questions.
400.23, 400.55	Ehlert explained proposed amendments to 400.23(3) and 400.55 regarding vehicle registration and damage disclosure statement intended to implement 1992 Acts, chapter 1104, §3 and 4. The statement must be submitted with an application for certificate of title when damage exceeds \$3,000. Ehlert indicated that the Department held training sessions for County Treasurer's. No Committee recommendations.
Ch 405	Amendments to Chapter 405 regarding salvage were reviewed. Schrader voiced his opposition to the enabling legislation. Ehlert and Schrader discussed the assignment and reassignment portion of the rule as it related to a vehicle with over \$3000 damage and to whom it could be sold. Schrader viewed the rules as protection for industry, not the consumer.
Ch 715	There were no questions on amendments to Chapter 715 relating to commercial air service marketing program.
Ch 910	Hallock, Director of Office of Public Transportation, explained the adopted amendment to Chapter 910 regarding coordination of public transit services. No recommendations.
Political Signs	At the request of Priebe there was special review of requirements governing placement of political signs on highways. He related that his pickup truck was used for political advertising and was parked on private property in view of the Hancock County Fair entrance. A DOT employee had contended that the pickup was an "erected" sign on the highway and Priebe disagreed.
	Westfall explained DOT's procedure in such a situation where the candidate would be the last person they would contact. He added that the basis for determining whether or not the sign was subject to control as an advertising device was based on the deficition in Love Code charter 2060 which was personal

Westfall explained DOT's procedure in such a situation where the candidate would be the last person they would contact. He added that the basis for determining whether or not the sign was subject to control as an advertising device was based on the definition in Iowa Code chapter 306C which was passed under federal mandate. The definitions of "structure" and "erected" were broad enough to encompass any way that a message would be advertising adjacent to a highway. At the federal level, the definition of an advertising device is ". . . a sign, display, or device hereinafter referred to as sign, means an outdoor advertising sign, light, display, device, figure, painting, drawing, message, placard, poster, billboard, or any other thing which is designed, intended, or used to advertise or inform any part of the advertising or informing the contents of which is visible from any place on the main traveled way of an interstate or primary highway, whether the same be permanent or portable installation in

### Political Signs (Cont.)

nature." Iowa Code defines a structure to clarify it was not limited to the traditional advertising device. With the broad definition of device, Congress was attempting to eliminate any way of presenting a message that would bypass control. Westfall stressed that once the vehicle was parked and placed, it could be controlled. Even though the same vehicle moving would still be subject to control under the law, Westfall admitted it would not be practical.

In conclusion, Westfall cautioned that if the Code were changed to define erect as something permanent, DOT would no longer be in compliance with the Congressional mandate and federal funds would be jeopardized.

### 450.7 Tinted Windows

The special review of rule 450.7(3), which provides medical exemption for dark windows on automobiles, had been requested by Priebe. He reported on a situation in his area where an individual with the exemption allowed someone else to drive the vehicle with dark windows and that person received a citation. Priebe felt that the narrow interpretation of the rule was being carried too far.

Hedge noted that if this were changed, there should be some specification as to the number of cars that person could use. He was reminded that this would not apply to commercial vehicles.

Ehlert cited issuance of handicapped parking devices as analogous. The device issued to a qualifying individual can be moved from vehicle to vehicle. In the case of handicapped registration plates, Doyle pointed out that more leeway existed with the plates than with dark windows.

There was discussion of various options for corrective measures. Schrader was advised there were about 1000 forms sent out but DOT was unsure as to the number documented by physicians.

Priebe maintained that the person in his area should have received a warning rather than a fine for the first offense.

### INSPECTIONS AND APPEALS

The Department was represented by Don Mendenhall, Gaming Manager, and Rebecca Walsh, DIA Administrative Rules Coordinator, who presented 481—Chapter 104, "Amusement Devices." The new chapter was filed emergency after Notice as ARC 3638A in 12/23/92 IAB. In response to Doyle, Mendenhall advised that the regulation of "knock-off" switches was being enforced by the DCI before these rules were in effect. He said that many beer and liquor licenses throughout the state have been suspended because of the knock-off switch. No Committee action.

### LABOR SERVICES

Walter H. Johnson, Deputy Labor Commissioner, reviewed the following agenda:

### LABOR SERVICES DIVISION[347]

EMPLOYMENT SERVICES DEPARTMENT[341]"umbrella"

General industry safety and health — exposure to cadmium, 10.20,

Public safety/emergency response right to know — transportation of hazardous materials,

There were no questions or recommendations on the agenda.

LABOR SERVICES (Cont.)

In a matter not before the Committee, Priebe asked Johnson if there were requirements by OSHA to keep track of hours worked. According to Johnson, when the Division goes into a workplace to check on their accident rate, they inquire as to the number of hours of employment so it can be used to calculate a rate. Johnson suspected that Priebe's question was a minimum wage issue, not an OSHA one. Johnson also said there were about 200 companies selected at random in the state to keep detailed injury and illness records which go to the DLS Survey in Washington.

### **PERSONNEL**

Clint Davis, Assistant Director, was present to answer questions relating to 581—11.1(3), early retirement incentive program—a special review requested by Metcalf.

Metcalf summarized the issue—retirees from state employment who were barred from accepting employment as an independent contractors from any political subdivision of the state. Metcalf favored a plan to allow these retirees to be employed by indifferent political subdivisions other than the ones where they had worked. For instance, a former state employee could be employed by a school system, a county or a municipality.

Priebe recalled that legislative intent was to eliminate so called "double-dippers." Royce interjected that there were instances where retirees returned to their same jobs and received the same salaries in addition to retirement income. He added that the statute precludes any kind of government employment after retirement but the rule (11.1(3)"h") takes it one step further by also precluding independent contractors.

Responding to Tieden, it was agreed that the rule did not exceed the statute. Royce emphasized that an independent contractor relationship could be used to subvert the requirement. By the same token, Royce said there were bona fide independent contractors who provide a service with no other characteristics of employment. He wondered about defining bona fide independent contractor.

Davis was interested in the underlying intent of this legislation. The Personnel Department had concluded that it was to reduce expenses.

Metcalf recommended wording change to prevent employment as an independent contractor within the same political subdivision in which the retiree was previously employed. Priebe questioned if a superintendent in West Des Moines, for instance, would retire and then work for the school system in Davenport, would this be the same political subdivision? Metcalf stated that under proposed definition it would be the same since the person would still be working for a school system. Royce maintained that Davenport would be a different political subdivision and Priebe could not support Metcalf's definition.

It was noted that the Committee referred subrule 11.1(3) to the General Assembly at their November meeting.

Kibbie pointed out that educators were not a good example since their early retirement plan differed from the state plan.

EPC - Ch 82

Schrader brought up the Kibbie motion voted this morning to delay 567—Ch 82 until adjournment of the General Assembly. He had spoken with DNR officials on the well certification program and they expressed a willingness to negotiate and, if needed, file an emergency rule specifying that individuals on their own

EPC-Ch 82 (Cont.)

property could do this work. Schrader pointed out the certification time frame in the law and the fact that tests would be developed. Schrader then moved to lift the delay on the entire 567—Chapter 82 and delay only the following: 82.1 in its entirety; 82.2(2), services provided by different categories of contractors; 82.3 in its entirety; 82.6(1); and 82.6(2).

Motion

Motion withdrawn Kibbie asked for unanimous consent to withdraw his motion to delay 567—Chapter 82. There was no opposition.

**Motion passed** 

The Schrader motion passed.

EXECUTIVE COUNCIL Ch 8, 9, 10 Rules of the Executive Council which were temporarily deferred this morning were before the Committee. Priebe expressed concern with 361—Chapter 9, personal and financial disclosure.

There was consensus that the legislation needed revision.

Kibbie asked that the minutes reflect any inaction by the ARRC was not an endorsement of the rules. The Staff was directed to prepare appropriate language.

Recess

Chairman Priebe recessed the meeting at 3:10 p.m. until 9 a.m. on Wednesday, January 6.

1-6-93

Reconvened

Chairman Priebe convened the meeting after which Pavich took the chair, Wednesday, January 6, 1993, at 9 a.m. All members and staff were present.

**Executive Council** 

There was brief discussion of the rules on ethics, being 361—Chapters 8, 9 and 10 which had been considered on Tuesday. At the Committee's request, Royce had drafted a statement for the record and the following was agreed to: "The Committee took no action on the rules, stating these rules simply implemented the requirements of the statute. The members did express serious concern over the reporting and disclosure requirements embodied in the Act and the rules:" Priebe so moved and the motion carried.

Motion

UTILITIES

In attendance were Allan Kniep, Vicki Place and Gary Stump, Assistants General Counsel; and Don Stursma, Supervisor, Engineering Safety. The following agenda was reviewed:

**UTILITIES DIVISION[199]** 

COMMERCE DEPARTMENT[181]"umbrella"

Electric transmission lines, 11.1(5), 11.2, 11.3, 11.3(1), 11.3(2), 11.3(3)"c," 11.3(6), 11.3(7), 11.4, 11.4(5), 11.4(6), 11.5(2), 11.5(2)"c" and "d," 11.5(3) to 11.5(6), 11.5(8) to 11.5(10), 11.6(2), 11.7,

Accounting, bill form, and cost studies for AOS companies and other interexchange utilities, 16.5(2)"d,"

Local exchange utility certificates, 22.20(2)"b," 22.20(3)"a"(1), 22.20(4), 22.20(5), Filed ARC 3653A

No questions or comments on amendments to 11.1(5) et al., electric transmission lines, found in ARC 3607A or 16.5(2)"d," et al. found in Arc 3642A.

Ch 11

### UTILITIES (Cont.) Ch 22

Amendments to Chapter 22, customer billing practices, was reviewed. Kniep informed Pavich that the Division had no statistics on the volume generated by 900 numbers in Iowa. These calls were outside the jurisdiction of the Board.

22.20

There were no recommendations for amendments to rule 22.20 in ARC 3653A.

### **LOTTERY**

Present were Nicki Schissel, Assistant Director, and Steven King, CFO, Lottery Division, to review 571—1.18(99E), assignment of prizes, Noticed in IAB 12/9/92 as ARC 3625A.

Metcalf inquired if a lottery transfer to a trust should be notarized and Schissel agreed to reexamine this possibility before final adoption of the rule.

There was discussion of the last paragraph which read: "The lottery is not responsible for determining the tax consequences of such transfers. Prior to requesting such a transfer the prize winner should consult with tax advisors and legal counsel . . . ." Schissel explained that this paragraph was needed as a disclaimer but it was suggested by Priebe and Metcalf that the last sentence be eliminated.

Schissel clarified that any prize money due a deceased winner would continue to be paid to the estate.

Regarding Doyle's inquiry, Schissel explained that restrictions on assignment of lottery prizes were for protection of the winner. No formal action.

### NAT. RESOURCE COMMISSION

Nancy Exline, Assistant Bureau Chief, and Daryl Howell, Bureau Chief, reviewed the following agenda:

#### NATURAL RESOURCE COMMISSION[571]

NATURAL RESOURCES DEPARTMENT[561]"umbrella"

Pavich in the chair.

61.3

No questions or comments on amendments to 61.3(2)"m," cabin rental fees.

Ch 78

Howell explained that the revision of Chapter 78, ginseng harvesting and sale, was intended to clarify and update information.

106.11

Regarding the emergency amendment to 571—106.11, Barry reported she had received a call from Al Ferris of DNR who indicated that the rule would not be implemented. Barry noted that the rule was in effect from 12/4/92 through 1/11/93 and she had suggested a formal rescission for historical purposes.

**Motion** 

Tieden moved that the Committee request DNR to make a formal rescission of rule 106.11. Motion carried.

Priebe in the Chair.

### **PROFESSIONAL LICENSURE**

The Division was represented by Harriett L. Miller, Marilyn Ubaldo, Barbara Charls, and Kathy Williams, Board Administrator; Barbara Nervig, Interim Manager, James O'Neal, Cosmetology Board Chairman; and Roger Chapman, Board Vice-chairman. The following agenda was discussed:

PROFESSIONAL LICENSURE DIVISION[645] PUBLIC HEALTH DEPARTMENT[641]"umbrella"

Podiatry — time limit for keeping incomplete applications, application fees, renewal and reinstatement procedures, application procedures for podiatric radiography, passing score for podiatric radiography 

Podiatry — fee for U.C.C.R. committee, yearly report of activities, 220.5(3)"a" and "c," 

Ch 20

With respect to amendments to 20.1 and 20.105 found in ARCs 3601A and ARC 3617A, Nervig indicated that barber schools were in agreement. No Committee action.

Ch 60-80

Nervig explained amendments to Chapters 60 to 68 regarding cosmetology found in ARC 3661A and O'Neal responded to brief comments made by Tieden on number of instructors required. Schools will still be required to have two instructors when two classes are conducted simultaneously. No Committee action.

Chs 220, 221

Podiatry rules, Chapters 220 and 221, appearing in ARCs 3621A and 3620A, were reviewed with no questions.

240.10, 240.109

In review of increased examination fees for psychology examiners in 240.10(2), there was discussion of professional license fees generally. representatives assured the ARRC that fees were not excessive. Nervig recalled that approximately one half of the fees collected by the 17 Boards under their Bureau would be appropriated back to the Division for administration. No formal, action.

PUBLIC HEALTH Carolyn Adams, Rules Coordinator, and Don Flater, Chief BEH, were present for the following agenda:

#### **PUBLIC HEALTH DEPARTMENT[641]**

No Committee recommendations.

### **PUBLIC SAFETY**

Michael Coveyou, Rules coordinator, Carroll Bidler, Director of Administrative Services, Steven Boggess, Plans Examiner, and Jen Worthington, Acting Supervisor, reviewed the following agenda:

#### PUBLIC SAFETY DEPARTMENT[661]

Private investigation and private security businesses, 2.2, 2.3(8), 2.3(9), 2.5(2), 2.5(6), 2.5(9),

Fire marshal, 5.3(2), 5.50(11)"b," 5.250, 5.275, 5.300, 5.301(1), 5.301(6), 5.301(7), 5.302, 5.304,

5.304(1) to 5.304(5), 5.305, 5.502(1)"c," 5.552(1)"f," 5.600(12), 5.601(1)"b" and "c," 5.603, 5.807(6),

In reviewing filed amendments to Chapter 2 relating to private investigation and private security businesses, Doyle referred to the definition of "moral turpitude"

5359



# PUBLIC SAFETY (Cont.) 2.2

in rule 2.2 and he spoke of the difficulty of writing appropriate language. He further noted that harassment and stalking were included in the nonexclusive examples of moral turpitude and he wondered how they would be defined. Coveyou pointed out that "moral turpitude" had been defined as a result of advice from the Department's attorney.

Regarding definition of "harassment or stalking" in 22.2(2), Bidler thought that the statutory definition would be followed.

Doyle and Bidler discussed the types of uniforms worn by "door shakers." Bidler said the Department would approve almost any kind of uniforms as long as they did not resemble those of the " state patrol, county sheriff, or state police department.

2.11(1)

In response to Tieden regarding issuance of temporary ID cards, Bidler explained that the sheriff no longer has that responsibility—2.11(1).

2.5(6)"d"

Priebe and Bidler briefly discussed 2.5(6)"d" relating to checks written on accounts with insufficient funds.

Ch 5

Amendments to Chapter 5 relating to fire marshal were reviewed with no recommendations by the ARRC

### **REAL ESTATE**

Marie Thayer, Administrator, Professional Licensing and Regulation Division, and Roger Hansen, Executive Secretary, represented the Commission for the following agenda:

#### **REAL ESTATE COMMISSION[193E]**

Professional Licensing and Regulation Division[193] COMMERCE DEPARTMENT[181]"umbrella"

1.8 et al.

Hansen summarized the amendments which were essentially for clarification and to address property management funds.

1.32(6)

In 1.32(6), Priebe asked about a time frame for removal of real estate by a suspended or revoked broker. Hansen and Thayer were receptive to inclusion of 30 days.

1.30(3)

Metcalf noted that the word "may" in the second line of 1.30(3) was changed from "shall" in the Notice. Hansen credited oral and written input from licensees at the public hearing for this change.

2.13

In reference to 2.13(1)"c"(5), second paragraph, Kibbie asked when the reinstatement fee would amount to \$1000 and Hansen clarified that this subparagraph was in reference to a suspended license.

Michael Hayes, General Counsel for Hubbell Realty and First Realty Limited/Better Homes and Gardens, addressed the Committee by saying that, in general, these rules and the hearing process have been very good. He noted the following minor technical changes that should be addressed:

- 1.27(7), numbered paragraph 2, the word "courts" should replace "course."

- 1.27(7)"d," the words "lessee" or "lessor' should be used with the words buyer or seller to be consistent with language in "c," for example.

## REAL ESTATE (Cont.)

- 1.30(6)"b," Mobile Home Parks Residential Landlord and Tenant Act should also be cited.

Priebe interrupted by advising Hansen and Thayer that these changes should be adopted under emergency provisions if they were in agreement with Hayes.

Hayes also addressed two substantive matters:

- New rule 1.38(117) dealing with audits of trust accounts. After opposition was raised on this rule at the public hearing, Hayes consulted with Jerry Schmidt, an audit partner at Peat Marrwick and Chairman of the Audit Standards Committee of the Iowa Society of CPAs. After studying the rule, Schmidt was of the opinion it would be difficult to get a CPA firm to give the opinion required by these audits. Schmidt and Hayes suggested that rule 1.38 be withdrawn to allow time for the Real Estate Commission and the Iowa Society of CPAs to work out a standard format. It was noted that rule 1.38 was not to be effective until July 1, 1993, and Hayes suggested possibly extending the date even further.

- Hayes referred to 1.24(2) which requires that corrective measures regarding errors in real estate advertising be taken by the next business day. Hansen recalled that the Commission had addressed this last concern at their November 13 meeting and agreed to "promptly take corrective measures." However, the change was not reflected in the final draft. These was consensus that "within the next 10 days" would be a realistic time period.

In defense of rule 1.38, Hansen stated it was the result of legislation effective July 1, 1992, and their attorney had advised them to proceed with the rule-making process. A later effective date was needed to allow time to educate the licensees on this change and to allow the Commission time to set up administrative procedures.

Martin Gee, Executive Vice President, Iowa Association of Realtors, echoed Hayes remarks. The Association believes that implementation of rule 1.38 would be very counterproductive to the good of the state. Brokers would seek ways to avoid large amounts of money in trust accounts. Currently, interest on trust accounts is paid to the State Treasurer for the Title Guarantee Division to be used by the Iowa Finance Authority for housing. Hayes estimated that \$800,000 per year was generated from those trust accounts. Gee expressed the opinion that the legislation was passed in haste without considering its impact.

### **Motion to Refer**

Schrader moved that rule 193E—1.38(117) be referred to the Speaker of the House and President of the Senate for review by the appropriate committee. Hayes agreed to prepare a written statement for Royce. Motion carried.

### REVENUE AND FINANCE

Carl Castelda, Deputy Director, reviewed the following agenda:

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10.2(12) No comments or recommendations on 10.2(12), interest rates for unpaid taxes due January 1, 1993.

38.13 et al.

Amendments to 38.13 et al., regarding individual income tax and withholding, were reviewed. General discussion focused on reciprocity with surrounding states, the taxes paid by the transportation industry and taxes paid on IPERS if living in another state. Castelda stated that the source of the income was where the taxes should be paid. He briefly outlined the operation of the Department and noted that all the new taxes invoked by the legislature in recent years have been

REVENUE (Cont.)

implemented with no additional Departmental staff. No Committee recommendations.

### **SECRETARY OF** STATE

Sandy Steinbach, Director of Elections, was in attendance for the following agenda:

#### SECRETARY OF STATE[721]

Rejection of absentee ballot, 21.13, Filed ARC 3610A	12/9/92
Emergency election procedures, 21.14, Filed ARC 3611A	12/9/92
Application for status as a political party, 21.15, Notice ARC 3609A	12/9/92

21.13

Adopted rule 21.13(53) was before the Committee. Doyle pointed out that 21.13(1) states that an absentee ballot shall be rejected without opening for certain reasons but in 21.13(5) it would be rejected if it contained more than one ballot. He contended it would have to be opened to determine content. Steinbach agreed that this should have been a separate category.

21.14

In review of new rule 21.14(47), Metcalf requested that changes from Noticed versions be outlined in more detail in the preamble in the future. The problem of accessible polling places for the handicapped was discussed with Steinbach pointing out that a building supported by taxes could not be denied use as a polling place.

21.15

Brief review of proposed rule 21.15(43).

Pavich was advised that if a political party has no candidate for president or governor in a general election or does not receive the required percent of the votes, it would cease to be a political party.

### SOIL

Ken Tow represented the Division for the following agenda and there were no **CONSERVATION** questions or recommendations.

### SOIL CONSERVATION DIVISION[27]

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]"umbrella"

Financial incentive funds to individual soil and water conservation districts, 10.20, 10.51(1)"a" to "e,"

### CAMPAIGN **FINANCE** DISCLOSURE

Kay Williams, Executive Director, and Lynette Donner, Assistant Attorney General. were present for the Filed rule 121—4.6(56) entitled "Legitimate campaign expenses" which was published in 12/9/92 IAB as ARC 3602A. Changes from the Noticed version were made in 4.6(6), 4.6(7), 4.6(16) and clarification was made in 4.6(18) regarding subscriptions to newspapers or periodicals to enhance candidacy.

Kibbie was advised that Iowa Code chapter 306C requires removal of political signs within 7 days after an election. This would come under the jurisdiction of the county resident engineer.

Having been involved in a recount, Priebe thought that the people involved in a recount should be paid by the candidate who loses, if it is more than one percent and he favored legislation to accomplish this. Discussion followed.

Schrader pointed out that the statute outlines a candidate's legitimate expenses in the negative but the rules list these items in the positive. Williams responded that the legislation mandates that rules be promulgated to list permitted expenditures.

Campaign Finance (Cont.)

Schrader suggested that if any changes in the rules were being considered, a list of expenditures that are not allowed could also be included.

Committee Business Chairman Priebe extended best wishes to the five departing members. commented that he had worked with Tieden and Doyle in the legislature for the past 25 years and he thanked everyone for their nonpartisan approach to duties on the ARRC.

Reorganization

Pavich moved that the motion approved July 12, 1991, regarding rotation of the chairmanship of this Committee—two years by the Senate and two years by the House—be rescinded.

Discussion followed with suggestions that cochairs would be appropriate; that chairmanship would alternate between the two houses; that any decision should be made by the ARRC after the five new members had been appointed.

Priebe offered history on chairmanship since the Committee's inception in 1963.

The Pavich motion carried by voice vote, 6 to 3. Members concurred that reorganization would occur on February 8.

NO REPS

No agency representative was requested to appear for the following:

#### **BANKING DIVISION[187]**

COMMERCE DEPARTMENT[181]"umbrella"

#### **DISASTER SERVICES DIVISION[607]**

PUBLIC DEFENSE DEPARTMENT[601]"umbrella"

Amend and transfer [607] chs 100 to 104 to Emergency Management Division [605] chs 100 to 104,

#### **INSURANCE DIVISION[191]**

COMMERCE DEPARTMENT[181]"umbrella"

HMOs — capital account and deposit requirements, 40.12(8), Notice ARC 3533A Terminated

### LAW ENFORCEMENT ACADEMY[501]

Salvage vehicle theft examinations and examiners, 1.1, ch 11 title, 11.1 to 11.4, Notice ARC 3603A	12/9/92
Physical agility test, 2.1(6), Filed Emergency ARC 3634A	. 12/23/92
Elimination of short course, 3.3, 3.4, 3.6, Notice ARC 3098A Terminated ARC 3604A	12/9/92
Curriculum for long course, 3.5, Notice ARC 3605A	12/9/92

Adjournment

Chairman Priebe adjourned the meeting at 12:15 p.m. The next meeting was scheduled for Monday, February 8, 1993 at 7 a.m.

Respectfully submitted,

Assisted by Mary Ann Scot