

MINUTES OF THE REGULAR MEETING
of the
ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of Meeting: Tuesday, June 10, 1980.

Place of Meeting: Senate Committee Room 24, Statehouse, Des Moines, Iowa.

Members Present: Representative Laverne W. Schroeder, Chairman;
Senator Edgar H. Holden; Representatives Betty J. Clark
and John E. Patchett.
Not present: Senators Berl E. Priebe, Vice Chairman,
and Dale E. Tieden, both on vacation.
Also present: Joseph Royce, Staff, and Brice Oakley,
Co-ordinator.

Chairman Schroeder called the meeting to order at 9:15 a.m.

CONSERVATION Chapter 36, motorboat noise, IAB 5/28/80, was temporarily
deferred.

Dr. Allen Farris, Director, Fish and Wildlife, was present
for review of proposed amendments to 105.3(3), migratory
game bird regulations, IAB 5/28/80.

Farris reviewed the rule with respect to steel shot for
hunting migratory game birds in certain areas, and said
the language which was in effect prior to the April 2,
1980 revision would be adopted.

It was the consensus of the Committee that the entire
controversy would have to be resolved by legislation.

HEALTH

Discussion moved to Health Department rules. Present
for review of the following were Peter Fox, Hearing Officer,
and Irene Howard, Director, Licensing and Certification,
Department of Health; Keith Rankin, Executive Secretary,
Barber Board; Blaine Donaldson, Chairman, Nursing Home
Board of Examiners; and J. E. Webb, representing Methodist
Manor:

HEALTH DEPARTMENT[470]

Mortuary science examiners, 146.1(1)-(8), (11); 146.2; 146.3(6), (7); 146.4(2)"a", "e", "g"; 146.4(3), (4);

146.5(1), (2), (5), (9), (12); 147.1-147.7 ARC 1054 . F..... 5/14/80
Barber examiners, school of barbering managers and instructors, 152.2(1) ARC 1068 . F..... 5/28/80

Fox commented amendments to chapter 146 were intended to
update the rules to comply with the statute which changed
"embalmers" to "funeral directors".

Schroeder said he had difficulty equating the college
courses required for the practice of mortuary science.
Fox replied it had been determined that applicants who
have completed the courses were more successful.

HEALTH

Cont'd

147.1(3)

Schroeder preferred broader language in 147.1(3). Howard reminded the Committee the language was determined by Board policy. Holden suggested insertion of "which may consist of, but shall not be limited to" in 147.1(3)d. Fox was amenable.

147.4(3)

Oakley wondered how the fee increase in 147.4(3) could be justified. Fox said that fee was for reciprocity endorsement and Howard added it was in keeping with fees in surrounding states. In answer to Oakley, Howard said the cost was for taking the exam and obtaining a license. She pointed out that reciprocity endorsement was complex. Holden suspected an attempt to discourage competition. Oakley requested additional information relative to costs. Howard noted there had been no increase for 15 or 20 years.

146.5(1)

Schroeder took the position requirements in 146.5(1)--transporting bodies to educational institutions--were prohibitive. Fox replied the rule was developed following requests from next of kin, but he was agreeable to reviewing the matter with the Board.

152.2(1)

Barber
examiners

There was general discussion of 152.2(1). Holden questioned the five-year requirement. Rankin said that, as a result of the age of many barber applicants, the requirement was changed.

Question was raised as to the justification to require 6 months experience as an assistant instructor prior to application. [This language was not officially before the Committee]

Schroeder requested that Fox and Rankin work with Royce and Oakley toward an acceptable solution to the problem.

CONSERVATION
COMMISSION

ch 36

Nancy Exline, Water Section, appeared for review of chapter 36, re motorboat noise. There was Committee concern that certain competition such as motorboat races and waterski expositions would not be able to comply. Exline called attention to the fact that this is covered by statute. The rule was acceptable as filed.

NURSING HOME
ADMINISTRATORS

Blaine Donaldson, Chairman, Nursing Home Administrators Board of Examiners, explained editorial changes were made since the initial draft of the following:

Licensure, 1.3(2), 2.2(2), 2.3(3), 2.4(1), 2.4(2), 2.6(2), 2.6(3), 2.6(4)"a", 2.6(8)"a", 2.7 ARC 1077.F..... 5/28/80

2.3(3)

Oakley pointed to the sentence "The applicant shall not be examined more than three times" and was of the opinion the same could be applied to the Barber Examiner rules. Rankin agreed to request Fox to relay the Committee's concern to the Board.

Oakley discussed the matter of reciprocity and complimented

NURSING HOME. Donaldson on his work on the subject.

ADMINISTRATORS

Cont'd

Schroeder was critical of the management criteria for nursing homes. Donaldson thought progress was being made in the area and that continuing education would also help to improve management.

2.6 (8)

Clark was concerned as to possible conflict of interest between persons who operate both nursing homes and funeral homes. Donaldson opined if all conflicts of interest were covered, rules would be unworkable. Clark requested removal of "to them" in 2.6 (8).

Donaldson, on a point of personal privilege, told the Committee he was retiring and he thanked them for their past cooperation.

COMMISSION FOR
THE BLIND

John Taylor, Director, and Anthony Cobb, Counsel, represented the Commission for the Blind for review of chapter 4, vending facilities, Notice of Intended Action, IAB 5/28/80.

According to Taylor, chapter 4 was rescinded and rewritten in more detail to implement changes in federal regulations. Portions of the rules have no applicability in Iowa at the present time, but were included because Iowa operates under the federal regulatory program as well as chapter 601C, The Code

Holden concurred with Schroeder that dates certain should be included in the rules in all areas where necessary. Taylor was amenable.

4.15(C) 7

Holden suggested, re 4.15(C) 7, additional language "I hereby agree to the foregoing...". Taylor was amenable.

In answer to Holden, Taylor outlined the vending machine operations in the capitol and the federal building.

4.11

In answer to Patchett re 4.11, Taylor said federal law requires that all members shall be vendors, or elected by vendors. Patchett was interested in the appeals process being clarified.

Oakley called attention to the public hearing to be held June 26, 1980. He commended the Commission for the Blind and suggested allowing written comments until the public hearing date.

Oakley questioned the status of the funds--retirement and pension--in 4.7(6). Taylor emphasized the Commission receives a monthly profit and loss statement from the vendors--and any of the books and records are available to them for review, but they are not public. Oakley doubted there was sufficient statutory authority to keep those records confidential. Taylor said their records are covered by the federal privacy Act and violation constitutes a criminal misdemeanor, punishable by a fine up to \$5000.

COMMISSION
FOR THE
BLIND

Cont'd

Taylor advised the Committee that the ratio of funding to the Commission is 80 percent federal and 20 percent state.

Schroeder recalled that he had been critical of the Commission in the past and he commended the Commission for the progress they had made. He favored inclusion in the rules of provision for audit.

Schroeder was concerned as to lack of human contact when the Commission converted to vending machines. He mentioned his children had never forgotten their experience when a blind person made change for them at the statehouse cafeteria.

Patchett also praised the Commission for their continued co-operation.

Recess

Schroeder recessed the Committee for five minutes at 10:55 a.m.

Reconvened

The Committee reconvened at 11:10 a.m.

SOCIAL
SERVICES

Judith Welp, Hearing, Policy and Analysis, and Bob Lipman, Bureau of Financial Assistance, represented Social Services for review of the following:

Notice of intent to terminate, reduce or suspend assistance, 7.7(1), 7.7(2)"f" ARC 1070 .F.....	5/28/80
Work and training programs, 55.2, 55.2(11), (16)-(19), 55.4(1), 55.4(3), 55.7, 55.8(4), 55.9(4) ARC 1071 .F.....	5/28/80
Food stamp program, utility allowance, 65.8 ARC 1073 ...E.....	5/28/80
Resources, eligibility, 130.3(1)"c"(2) ARC 1072F.....	5/28/80
Children in need of assistance or children found to have committed a delinquent act, 141.5(4) ARC 1074...F.....	5/28/80
ADC, unearned income, 41.7(1) ARC 1056N.....	5/14/80
ADC, earned income, 41.7(2) ARC 1057 .N.....	5/14/80
ADC, work expenses, 41.7(9)"f"(5) filed emergency ARC 1075FE.....	5/28/80
Medical assistance, eligibility, 75.5(1), 75.5(2), filed emergency ARC 1076 .FE.....	5/28/80
Medical assistance, dentists, 78.4(1)"b" ARC 1055N.....	5/14/80
Social Security Act--Title XX implemented, 131.1(2) ARC 1098 .N.....	5/28/80
Legal services, 159.1(2), 159.5 ARC 0699 terminated ARC 1052NT.....	5/14/80

Also present were Bob Bray, Legal Services Corporation and Jeri Schaben, Senate Democratic Caucus.

7.7(1) (2)

General discussion of the impact of the Title XX program on state agencies in the rulemaking process, with Oakley commenting the state may have to utilize the emergency filing to meet federal requirements.

ch 55

Welp commented the rules include changes in the individual education and training program, amendments to chapter 55.

55.9(4) f

Schroeder questioned the requirement of "C" average and asked what the Department was trying to achieve. According to Welp, a "D" student wouldn't be eligible for that type of training.

Subrules 65.8(234), 130.3(1) and 141.5(4) were acceptable as filed. No recommendations were offered for 41.7(1) and 41.7(9) e.

SOCIAL
SERVICES
Cont'd

41.7(2)e

Welp explained amendment to 41.7(2)e was a result of petition from Legal Services Corporation to allow inclusion of private employment agency fees as a work expense. Welp discussed the history of the rule. Clark made the point that some private employment fees are quite high and Schroeder preferred a limitation. Welp indicated this was considered. Bray spoke in support of the provision.

75.5(1)(2) Welp said 75.5(1)(2) was amended as a result of a court decision (Herweg v. Ray).

Oakley recommended inclusion of the court decision cite at the end of the rule and Barry agreed to include same in the IAC.

78.4(1)b was acceptable.

159.5

Patchett expressed opposition to termination of notice to amendment 159.5. He contended the Department cannot determine what is the best interests of a client in a client-attorney relationship. Welp responded that federal regs require the caseworker to be responsible for determining eligibility needs for service, thus the conflict. General discussion. Oakley opined the Department has responsibility for the fiscal aspect and there should be an arbitration mechanism. Patchett preferred the language for determining eligibility.

Welp recommended removing the whole set of rules. General agreement to defer discussion until a subsequent meeting.

131.1(2)

Subrule 131.1(2) amendment would limit the travel costs for the state Advisory Committee commensurate with those of other state employees.

Welp distributed copies of the Department's response to the May letter from the Hearing Aid Dealers counsel (Marcia Hellum). No further action.

Committee
Business

Patchett asked for a special review re assistance to the Linn County Juvenile Home at a subsequent meeting.

COMMERCE

Mike May, attorney, Ray Vawter, Jr., Administrator, Utilities Division, Commerce, were present for review of the following:

Service supplied by electric utilities. 20.1(3); 20.1(4); 20.2(1); 20.2(3)"a", "b"(1), (2), (3); 20.2(3)"c"(1); 20.2(3)"d";
20.2(4)"c", "p", "v", "x"(7), "z", "aa"; 20.2(5)"c", "i"; 20.3(1); 20.3(5); 20.3(6); 20.4(2)-20.4(8); 20.4(9)"a", "f", "i", "j";
20.4(10)-20.4(21); 20.6(1)-20.6(3); 20.6(5); 20.6(7)"a", "d", "e", "f"; 20.6(10)-20.6(12); 20.6(15); 20.6(16); 20.6(18)"a";
20.6(19)"c", "d"; 20.7(2)-20.7(4); 20.7(5)"f"; 20.7(7)"c"; 20.7(8); 20.7(9); 20.8(4) ARC 1047 ... N..... 5/14/80

May commented the Commission intends to promulgate revised rules for service provided by electric utilities with substantive matters dealing with metering. According to May, there were no significant changes. Basically, the existing rules have been revised to incorporate experience the Commission has gained in litigating and processing complaints.

May called attention to subrule 20.4, interest rates on customer

deposits and noted the Commission plans to gather economic information and make a determination.

In answer to Schroeder, May said these rules did not address the problem of demand meters and Vawter advised that would be handled in another amendment.

Schroeder questioned the budget billing procedure relative to late payments.

May reminded interested people should file written comments with the Commerce Commission by July 1.

Holden called attention to the fact that Commerce was requiring written comments to be submitted previous to the public hearing date. May said they were following the procedure used in court briefings. Vawter added this affords the staff opportunity to be better prepared to respond to questions raised by the utility companies at the hearing.

Holden preferred clarification of 20.1(3)b, by adding "by a utility" following "action". May agreed to consider a modification.

Lunch

Schroeder recessed the Committee at 12:00 noon.

Reconvened

The Committee reconvened, by Chairman Schroeder, at 1:40 p.m. with 4 members present.

ENVIRONMENTAL
QUALITY

Odell McGhee, Hearing Officer, and James Woll, Air Planning Section, DEQ were present for review of the following rules:

Excess emission reporting and maintenance of pollution control equipment, 1.2(23), 1.2(35), 1.2(55), 1.2(62), ch 5
ARC 1094N..... 5/28/80
Controlling pollution, "bubble concept," 3.7, 4.6, 7.1(12) ARC 1095N..... 5/28/80

According to Woll, complete revision of chapter 5 was made to conform with the United States Environmental Protection Agency requirements. In answer to Schroeder, Woll said the proposals were more restrictive than existing rules and a hearing would be held in August.

In the matter of malfunction of equipment and the duration of time for shutdown, Schroeder thought that presented a problem. Clark questioned lack of definition of "expeditious manner" in 5.1(4), line 14, and Woll responded they have solicited comments concerning the subrule.

Woll explained the amendments relative to controlling pollution to address EPA's recently developed "bubble concept", 4.6.

Schroeder stated a preference for dates certain to be added in the appropriate areas of the rules. In 3.7(2)e, last paragraph, Schroeder thought too much authority would be granted to the executive director.

ENVIRONMENTAL
QUALITYCont'd
3.7(2)a

In 3.7(2)a, Clark thought the language was too broad. Woll said there would be general application of a very broad policy. No formal action taken by the Committee.

GENERAL
SERVICES

Jack Pitzer, Purchasing Division, and Stanley McCausland, Director, General Services, were present for review of the rules as follows:

GENERAL SERVICES DEPARTMENT[450]

Centralized purchasing. 1.1; 1.2; 1.3(1), (4), (6), (7), (9), (11)-(14), (17), (19); 1.4(3); 1.6(6); 1.7(2), (4); 2.1-2.21

ARC 1088 ...N..... 5/26/80

Pitzer listed the objectives of General Services in changing the rules. The rules were first adopted in the early 1970's and had been revised once--in 1977. Terminology has been corrected, and new procedures which will be beneficial to the state are proposed.

ch 1

In chapter 1, the request for proposal (RFP)[1.1(2)] would be formally defined. A blanket purchase agreement would be established as a way of approving charge accounts. Agencies would be delegated authority to purchase items. General Services has clarified the vendor approval, suspension and removal procedures and the bid and performance security requirements.

ch 2

In answer to Schroeder, Pitzer said remedies, in 1.3(19), had been followed informally. Redundancies were eliminated in ch 2.

The Purchasing Division's role in relation to professional services in excess of \$25,000 was clarified. Rules for scheduling of requisitions and telephone bid form, in order to cut down on paper work, were amended.

Pitzer commented, to date, they had received written comments from the Board of Regents, Job Services and the Legislative Program Evaluation Division.

2.16(2)

Re correction of error procedure in 2.16(2), Schroeder could foresee problems. Pitzer said the comptroller was concerned about changes in quantities, unit prices and total amounts that are made with correction tapes and not indicated. He continued that under the rule, the individual would line through and initial a change.

In answer to Oakley, Pitzer replied the proposed changes had been informally circulated among agencies. Field purchase requirements must be approved at institutions. Oakley wanted to avoid creating excess paper work. Pitzer said agencies who had been contacted viewed the rule as workable.

1.1

Responding to Clark, re 1.1(1), "approved vendors", Pitzer stated a vendor or any firm legally conducting business in the state

GENERAL
SERVICES
Cont'd

of Iowa may request to be placed on the listing.

Discussion of vendor eligibility in 1.2(1). Pitzer called attention to an omission in 1.3(19)--the word "notice" should be inserted following "after" in the fifth line.

No Committee action.

PHARMACY
EXAMINERS

Present for discussion of filed emergency rules of Pharmacy Examiners were Susan Lutz, Board Chairperson, and Norman Johnson, Executive Secretary.

PHARMACY EXAMINERS[620]

Unethical conduct, 6.5(3), 6.5(4), filed emergency ARC 1049 ...FE..... 5/14/80

6.5

Lutz said they were delaying both 6.5(3) and (4) for one year in order to work out some difficulties with the rules.

Committee
Business

Royce distributed some pertinent information re rules and a letter from Legal Services Corporation. General discussion of the special review pending later in the day regarding the Iowa Housing Finance Authority, with Holden asking Royce what kind of action the Committee should take to forewarn agencies that they are expected to have rules.

Royce responded the Committee has directive authority, but no penal authority. It is a political body and therefore, is "newsworthy". He concluded, "It would be very difficult to uncover hidden rules."

2:30 p.m.
Recess

Chairman Schroeder called for a 15 minute recess at 2:30 p.m.

PUBLIC
INSTRUCTION

John Martin, Larry Bartlett, and Dan Chavez represented the Department of Public Instruction for review of the following:

Extracurricular interscholastic competition, 9.19, filed emergency ARC 1059 ...FE..... 5/14/80
Non-English speaking student programs, ch 57 ARC 1078 ...M..... 5/28/80

Bartlett briefed the Committee re 9.19, eligibility in situations of district organization change. As DPI checked into the rules, they learned that more schools would be faced with the problem of students becoming ineligible for summer programs due to school closings and subsequent mergers.

In answer to Schroeder, Bartlett replied, at this point, the rule would not benefit the nonpublic schools in recruiting individuals for sports.

Amendments to
ch 57

Martin addressed the rule implementing legislation passed requiring each school district in Iowa with non-English speaking students to provide instruction for those students in the English language or a transitional bilingual program. He commented there would be insufficient funds to implement the Act.

PUBLIC
INSTRUC-
TION

Cont'd
57.3(2)

57.3(2) sets out program options. A district with less than 20 students could have either program, but those with 20 students having the same primary language within a 3-grade level span would be required to have a transitional bilingual program. This would require an instructor who speaks both languages. Schroeder was concerned as to how districts could meet that requirement.

Martin said the rule could affect 6 or 7 districts. He explained the law did not specify 20 students--this was a DPI judgment based on economic feasibility.

General discussion of funding of the program, with Martin commentin at this point, the authorization was \$400 per pupil, but he esti- mated less than \$100 was available per pupil and the Department can not rely on other funds. Clark recommended revision of 57.3(4) for clarity.

REVENUE

Carl Castelda, Deputy, presented their rules as follows:

Examination of records by other state officials, 6.3	ARC 109 O.....F.....	5/28/80
Hotel and motel tax, application of payments, 104.7	ARC 1091.....F.....	5/28/80
Assessors, continuing education, 124.6	ARC 1092.....F.....	5/28/80

Discussion of 6.3 with respect to examination of records by other state officials. Oakley emphasized the importance of the Depart- ment maintaining a "trail that substantiates every request" and includes the reason. Of particular concern to him was the matter of child support recovery unit securing a taxpayer's name and address.

Castelda explained the procedures the Department follows to guard security of the records. He pointed out the rule was intended to implement the statutory requirement on the subject.

Castelda agreed to confer further with Oakley.

TRANSPORTA- Candace Bakke appeared to present filed rules dealing with inter-
TION DEPT. state motor vehicle fuel permits for transport carrier registration, being [07,F] Chapter 7, ARC 1048, published 5/14/80 IAB. The rules were acceptable as published.

BEER AND
LIQUOR
CONTROL

Representing the Beer and Liquor Control Department were Rolland Gallagher, Director, and William Armstrong, Hearing Officer. The following amendments were before the Committee:

Liquor licenses and beer permits, 4.13, 4.18, 4.25-4.30	ARC 1080.....N.....	5/28/80
Licenses and permits, when new license, new dramshop and new bond required, 5.7, 5.8(1)	ARC 1081.....N.....	5/28/80
Advertising, 6.1(1)"b", "c", "f"; 6.1(5)"c"; 6.1(7)"f"; 6.1(7)"h"(2); 6.1(8)"b"	ARC 1082.....N.....	5/28/80
Representatives of distillers, rectifiers, manufacturers, brewers and vintners, 7.2(1), 7.2(2), 7.3(1)"c", "d", "f", 7.3(1)"f"(2)	ARC 1083.....N.....	5/28/80
Transportation and warehouse procedures, 8.1(3), 8.2(1), 8.2(2), 8.2(3), 8.2(5), 8.2(7)"b", 8.2(8), 8.2(9), 8.2(12), 8.2(13)	ARC 1084.....N.....	5/28/80
Complaint procedure, 10.1, 10.2, 10.14	ARC 1085.....N.....	5/28/80
License or permit--pending appeal, 11.1	ARC 1086.....N.....	5/28/80
Forms, bonds, 12.1, 12.2(7)	ARC 1087.....N.....	5/28/80

Discussion of 4.13 which would amend outdoor service provisions. Outdoor beer parties could be held if a fence were placed around the area.

Schroeder thought this requirement would be a handicap for county fair officials. Gallagher explained the intent was to provide specific limits of the premises to aid enforcement agents, patrons, etc. The Department was hopeful of averting a problem before it existed.

BEER AND
LIQUOR
CONTROL
Cont'd

General discussion of the feasibility of such an approach with Schroeder voicing opposition. Holden favored retaining the original language.

Schroeder requested statistics concerning dramshop insurance as to how people have benefitted and number of claims filed. He suggested the Department require this information when licenses are renewed.

Charles Wasker, Attorney, commented that the information could probably be obtained from the insurance companies involved.

5.7 Armstrong commented that the rule sets out in more detail requirements for new license.

6.1(4) Gallagher said Iowa's Code prohibits the number or price of products to be run in a newspaper or on a billboard, but that is being requested. Gallagher added, for the first time in 46 years, the Department had reduced prices on surplus stock in preparation of the warehouse relocation.

In answer to Holden, Gallagher assured the Committee a central location was the best way to dispose of excess stock.

Schroeder thought licensees in the Polk County area had a decided advantage over the remainder of the state. However, Gallagher pointed out all 214 stores had reduced prices prior to the warehouse sale.

6.1(4)e In answer to Holden re language stricken in 6.1(4)e, Armstrong said it had no application in Iowa.

Armstrong and Gallagher explained that 6.1(8) dealt with a general prohibition against advertising on retail licensed premises.

ch 7 Amendments to chapter 7, according to Gallagher, deal with procedures representatives of distillers, rectifiers, manufacturers, brewers and vintners must follow. It is confined to wine samples, which are checked into the state warehouse for distribution to the Wine Advisory Board.

Clark pointed out several places requiring gender revision in compliance with the practice of rulemaking. In 7.2(1), Clark suggested removal of "thereof" in line 5. Armstrong was amenable. Clark also recommended removal of "that" in line 8 and "so" in line 11. She requested removal of the use of the word "our" in referring to the warehouse. Armstrong was amenable.

7.2(1) Holden questioned the reason for removal of language in 7.2(1). Armstrong replied when samples are given, they must be directed through the warehouse. Holden suggested retaining all of the

BEER AND
LIQUOR
CONTROL
Cont'd

proposed strike through language with the exception of "~~except-for testing-or-sampling-purposes-only~~." The Authority could be added to another section. Gallagher said in the Department, they are prohibited from receiving something from a licensee or a vendor in the business.

- 7.2(2) Gallagher said "or store" would be removed from 7.2(2).
- 8.2(5) There was discussion of Holden's question concerning the deletion of the address in the rules.
- 8.1(3) Clark questioned the grammar and suggested removal of "had and". Armstrong was amenable.
- 8.2(3) Clark asked the word "expressed" be changed to "express". Department officials were amenable.
- 8.2(12) In answer to Clark, Gallagher said they were working toward a standard invoice and she requested rewrite for clarification. Gallagher was agreeable.
- 10.1 Schroeder raised question as to the one year statute of limitation in 10.1. No action was taken.

IOWA HOUSING
FINANCE
AUTHORITY

At the request of the Committee, William McNarney, Director of the Iowa Housing Finance Authority, was present to answer questions that had arisen pertaining to allocation of funds for urban revitalization. There was Committee concern that the agency lacked adequate guidelines and rules.

McNarney responded that, in this particular case, the Authority made its allocation pursuant to rules promulgated in 1977. [IAC 495 -- chapters 1 to 3 implementing Iowa Code Ch 220] The Authority takes the position the urban revitalization law is well structured and contains very substantial elements which specify procedures for a community to follow -- general procedural requirements, provisions for public notice, planning criteria, etc. The law does not exclude new construction. In the area of particular requirements for funding of a revitalization district, the Authority felt the Code provided sufficient direction.

Communities would be considered in the order of receipt of their submittals and on the basis they would be able to create a designated revitalization district.

The Housing Authority maintains they do have a rule in effect which concerns this area. McNarney thought the problem might be arising as a result of discretions allowed in §220.9(4), The Code. He continued that there was no doubt that it was intended the Housing Authority was to become self-supporting as soon as possible and they accomplished this. He added the law, in the event the Authority can't meet its coupon payments or its bond payments,

HOUSING
FINANCE
AUTHORITY
Cont'd

^{moral} provides the state has an obligation to stand behind the Authority. His final point was that Administrative Rules serve an excellent purpose, but the Authority needs substantial discretion in the area of being able to accelerate disbursement of its funds in order to adjust to interest rates in the economy.

In response to Holden, McNarney advised the Committee that Sioux City had passed its final ordinance, Des Moines had given a commitment it would pass its final resolution on June 16, and Davenport's mayor responded they hoped to be able to pass their final ordinance sometime in the month of July.

He continued the allocation to Des Moines is conditioned on the city meeting the criteria set out in 68GA, chapter 84. He said there are more applicants and they had all been reviewed, but none qualified in terms of setting a date certain.

McNarney stated an introductory meeting re the program was conducted in May 1979 by the League of Iowa Municipalities and most of the major communities sent representatives. The only community expressing interest at that time was Des Moines.

In answer to Holden, McNarney said standards had been distributed. He said the Authority was aware of doubts re the program and the matter will be discussed at their June 19, 1980, meeting in Davenport. The Authority is willing to reconsider any actions it has taken.

Holden advised the Authority would be on safer ground to offer more detailed administrative rules.

McNarney discussed the history of the funding of the \$7 million program and said that expenditures of the funds and the purposes therefor are based on chapter 220, The Code.

Royce communicated Sioux City's dissatisfaction with the fact the meeting was scheduled in Davenport as opposed to a central location. Royce noted a criticism was lack of criteria on process to eliminate contenders for funds.

Oakley made the point that chapter 84, §11 does not refer to any section to which that intent proviso could be attached and he was unsure of the legal status of that paragraph.

Barry indicated the section would not be included in the statutes but it was tentatively cited in an editorial note under ch 220, The Code.

As to the status of the allocation, McNarney advised Oakley he would recommend that nothing be done re supporting loans to Davenport or Sioux City until review by the Board.

BEER AND
LIQUOR
CONTROL
Cont'd

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AUTHORITY

At the request of the Committee, William McNarney, Director of the Iowa Housing Finance Authority, was present to answer questions that had arisen pertaining to allocation of funds for urban revitalization. There was Committee concern that the agency lacked adequate guidelines and rules.

McNarney responded that, in this particular case, the Authority made its allocation pursuant to rules promulgated in 1977. [IAC 495 -- chapters 1 to 3 implementing Iowa Code Ch 220] The Authority takes the position the urban revitalization law is well structured and contains very substantial elements which specify procedures for a community to follow -- general procedural requirements, provisions for public notice, planning criteria, etc. The law does not exclude new construction. In the area of particular requirements for funding of a revitalization district, the Authority felt the Code provided sufficient direction.

Communities would be considered in the order of receipt of their submittals and on the basis they would be able to create a designated revitalization district.

The Housing Authority maintains they do have a rule in effect which concerns this area. McNarney thought the problem might be arising as a result of discretions allowed in §220.9(4), The Code. He continued that there was no doubt that it was intended the Housing Authority was to become self-supporting as soon as possible and they accomplished this. He added the law, in the event the Authority can't meet its coupon payments or its bond payments,

HOUSING provides the state has a moral obligation to stand behind the
FINANCE Authority. His final point was that Administrative Rules serve an
AUTHORITY excellent purpose, but the Authority needs substantial discretion
Cont'd in the areas of being able to accelerate disbursement of its funds
in order to adjust to interest rates in the economy. Holden took
exception to use of moral obligation.

In response to Holden, McNarney advised the Committee that Sioux City had passed its final ordinance, Des Moines had given a commitment it would pass its final resolution on June 16, and Davenport's mayor responded they hoped to be able to pass their final ordinance sometime in the month of July.

He continued the allocation to Des Moines is conditioned on the city meeting the criteria set out in 68GA, chapter 84. He said there are more applicants and they had all been reviewed, but none qualified in terms of setting a date certain.

McNarney stated an introductory meeting re the program was conducted in May 1979 by the League of Iowa Municipalities and most of the major communities sent representatives. The only community expressing interest at that time was Des Moines.

In answer to Holden, McNarney said standards had been distributed. He said the Authority was aware of doubts re the program and the matter will be discussed at their June 19, 1980, meeting in Davenport. The Authority is willing to reconsider any actions it has taken.

Holden advised the Authority would be on safer ground to offer more detailed administrative rules.

McNarney discussed the history of the funding of the \$7 million program and said that expenditures of the funds and the purposes therefor are based on chapter 220, The Code.

Royce communicated Sioux City's dissatisfaction with the fact the meeting was scheduled in Davenport as opposed to a central location. Royce noted a criticism was lack of criteria on process to eliminate contenders for funds.

Oakley made the point that chapter 84, §11 does not refer to any section to which that intent proviso could be attached and he was unsure of the legal status of that paragraph.

Barry indicated the section would not be included in the statutes but it was tentatively cited in an editorial note under ch 220, The Code.

As to the status of the allocation, McNarney advised Oakley he would recommend that nothing be done re supporting loans to Davenport or Sioux City until review by the Board.

HOUSING
FINANCE

There was general agreement of the Committee to await results of the June meeting of the Housing Finance Authority before taking any action.

Minutes

Approval of minutes of the May meeting of this Committee was deferred until the July meeting when it was anticipated all members would be in attendance.

No
Review

The following agencies with rules were not requested to appear at today's meeting:

AGRICULTURE DEPARTMENT[30]
Pesticide applicators, renewal of license, 10.22(4) ARC 1051 ..F..... 5/14/80

CAMPAIGN FINANCE DISCLOSURE COMMISSION[190]
Amended statement of organization, 4.11 ARC 1066.....N..... 5/28/80

CIVIL RIGHTS COMMISSION[240]
Public accommodations, 6.2(6)"a"(2) and 6.2(6)"b" rescinded, filed emergency ARC 1053 ..FE..... 5/14/80

EMPLOYMENT SECURITY[370]
Forms, 10.2-10.6, 10.7(2)-10.7(5), 10.7(8)-10.7(11), 10.7(14), 10.8, 10.9 ARC 1089 ..N..... 5/28/80

INDUSTRIAL COMMISSIONER[500]
Contested cases, 4.2, 4.8, 4.17, 4.18, 4.23, 4.30 ARC 1079F..... 5/28/80

INSURANCE DEPARTMENT[510]
Administrative hearings of contested cases, ch 3, Automobile cancellations, ch 22 (rescinded) ARC 1067 ..F..... 5/28/80

INSURANCE DEPARTMENT[510]
Life insurance policies, backdating, 30.6 ARC 1058 ..N..... 5/14/80

LANDSCAPE ARCHITECTURAL EXAMINERS[540]
Examination of applicants, 2.4, filed emergency ARC 1063FE..... 5/28/80

MERIT EMPLOYMENT DEPARTMENT[570]
Pay increase eligibility, 4.5(2) ARC 1064F..... 5/28/80

NATURAL RESOURCES COUNCIL[580]
Protected streams, 5.93(2) ARC 0598 terminated ARC 1069 ..NT..... 5/28/80

NURSING BOARD[590]
Licensure by examination, registered nurse, 3.1(5) ARC 1061N..... 5/14/80
Licensure by examination, practical nurse, 4.1(5) ARC 1062N..... 5/14/80

PLANNING AND PROGRAMMING[630]
Iowa census data center, ch 22 ARC 1050N..... 5/14/80

PROFESSIONAL AND OCCUPATIONAL REGULATION COMMISSION[637]
Professions and occupations, evaluate those which are to be regulated, 5.2, filed emergency ARC 1065 ..FE..... 5/28/80

Rules Guide Schroeder informed the Committee that he had authorized payment of printing costs of \$1848.60 for the Iowa Administrative Rules Guide. No objection.

Governor
Appoint-
ments

The Committee gave approval for insertion in the IAB a listing of Governor appointments and filling of vacancies.

Oakley reported on the success of the Administrative Rules Seminar of which he conducted.

ADJOURN

Chairman Schroeder adjourned the meeting at 5:15 p.m. to be reconvened July 15, 1980, 9:00 a.m.

Respectfully submitted,

Phyllis Barry
Phyllis Barry, Secretary

APPROVED

Lewne Schroeder
Chairman